

GREENWAYS FOR NASHVILLE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greenways for Nashville
Nashville, Tennessee

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Greenways for Nashville ("Greenways") which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenways for Nashville as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Kraft CPAs PLLC

Nashville, Tennessee

March 8, 2021

GREENWAYS FOR NASHVILLE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 735,032	\$ 756,084
Prepaid expenses and other	11,937	750
Funds held for Stone Hall	<u>58,312</u>	<u>56,300</u>
TOTAL ASSETS	<u>\$ 805,281</u>	<u>\$ 813,134</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 5,665	\$ 14,875
Paycheck Protection Program loan	30,050	-
Deferred revenue	39,350	19,401
Funds held for Stone Hall	<u>58,312</u>	<u>56,300</u>
TOTAL LIABILITIES	<u>133,377</u>	<u>90,576</u>
<u>NET ASSETS</u>		
Without donor restrictions:		
Board designated	11,966	8,117
Undesignated	<u>400,050</u>	<u>381,278</u>
Total without donor restrictions	412,016	389,395
With donor restrictions	<u>259,888</u>	<u>333,163</u>
TOTAL NET ASSETS	<u>671,904</u>	<u>722,558</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 805,281</u>	<u>\$ 813,134</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and public support	\$ 150,372	\$ 18,785	\$ 169,157
Dinner on the Bridge	235,178	-	235,178
Richland Creek Run	37,826	-	37,826
Interest income	4,829	-	4,829
Net assets released resulting from satisfaction of donor restrictions	92,060	(92,060)	-
TOTAL REVENUES AND SUPPORT	520,265	(73,275)	446,990
EXPENSES			
Program services	315,555	-	315,555
Supporting services:			
Management and general	52,608	-	52,608
Fundraising	129,481	-	129,481
TOTAL EXPENSES	497,644	-	497,644
CHANGE IN NET ASSETS	22,621	(73,275)	(50,654)
NET ASSETS - BEGINNING OF YEAR	389,395	333,163	722,558
NET ASSETS - END OF YEAR	\$ 412,016	\$ 259,888	\$ 671,904

See accompanying notes to financial statements.

2019		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 145,244	\$ 162,638	\$ 307,882
170,113	-	170,113
48,075	-	48,075
6,864	-	6,864
<u>78,888</u>	<u>(78,888)</u>	<u>-</u>
<u>449,184</u>	<u>83,750</u>	<u>532,934</u>
259,804	-	259,804
43,138	-	43,138
<u>112,860</u>	<u>-</u>	<u>112,860</u>
<u>415,802</u>	<u>-</u>	<u>415,802</u>
33,382	83,750	117,132
<u>356,013</u>	<u>249,413</u>	<u>605,426</u>
<u>\$ 389,395</u>	<u>\$ 333,163</u>	<u>\$ 722,558</u>

GREENWAYS FOR NASHVILLE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Change in net assets	<u>\$ (50,654)</u>	<u>\$ 117,132</u>
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	-	4,332
Prepaid expenses and other	(11,187)	1,044
Increase in:		
Accounts payable and accrued expenses	(9,210)	9,878
Deferred revenue	<u>19,949</u>	<u>9,401</u>
TOTAL ADJUSTMENTS	<u>(448)</u>	<u>24,655</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(51,102)</u>	<u>141,787</u>
FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	<u>30,050</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>30,050</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(21,052)	141,787
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>756,084</u>	<u>614,297</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 735,032</u>	<u>\$ 756,084</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			
	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		MANAGEMENT AND GENERAL	FUNDRAISING	
Salaries	\$ 122,870	\$ 17,764	\$ 7,402	\$ 148,036
Payroll taxes	9,400	1,359	566	11,325
Greenway improvements	93,340	-	-	93,340
Shelby Bottoms Nature Center	3,536	-	-	3,536
Contract labor and services	-	18,434	-	18,434
Professional fees	8,274	2,068	-	10,342
Occupancy	-	8,100	-	8,100
Travel	48	7	5	60
Advocacy	3,006	-	-	3,006
Supplies	1,388	840	139	2,367
Website	1,248	187	125	1,560
Insurance	4,098	615	410	5,123
Gifts and awards	47	-	-	47
Dues and publications	-	438	-	438
Printing and app design	20,479	-	1,834	22,313
Postage	1,743	436	-	2,179
Advertising and public relations	39,461	-	9,865	49,326
License and software	3,003	1,011	-	4,014
Fees	3,614	542	361	4,517
Event expense	-	-	108,774	108,774
Meetings	-	807	-	807
TOTAL EXPENSES	<u>\$ 315,555</u>	<u>\$ 52,608</u>	<u>\$ 129,481</u>	<u>\$ 497,644</u>

See accompanying notes to financial statements.

2019

PROGRAM SERVICES	SUPPORTING SERVICES		
	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
\$ 122,235	\$ 17,673	\$ 7,364	\$ 147,272
9,351	1,352	563	11,266
73,640	-	-	73,640
5,830	-	-	5,830
-	7,968	-	7,968
8,092	2,023	-	10,115
-	8,100	-	8,100
43	7	4	54
3,558	-	-	3,558
1,471	593	147	2,211
473	71	47	591
6,080	912	608	7,600
724	-	-	724
-	294	-	294
18,420	-	1,733	20,153
1,344	336	-	1,680
1,750	22	201	1,973
3,413	1,206	-	4,619
3,380	507	338	4,225
-	-	101,855	101,855
-	2,074	-	2,074
<u>\$ 259,804</u>	<u>\$ 43,138</u>	<u>\$ 112,860</u>	<u>\$ 415,802</u>

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Greenways for Nashville (“Greenways”) is a Tennessee not-for-profit corporation. Its purpose is to create, preserve, and promote a system of greenways in Nashville and Davidson County. Greenways advocates preservation and protection of natural and cultural areas, development of community recreational opportunities, and acquisition of land for preservation as greenways and parks.

Basis of Presentation

The financial statements of Greenways have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) which require Greenways to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Greenways management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Greenways or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There are currently no donor restrictions that are perpetual in nature.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

Revenue Recognition

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Unconditional contributions of cash and other assets, including contributions receivable (unconditional promises to give), are recorded as revenue based upon any donor-imposed restrictions on the date of the donor's commitment or gift. Noncash contributions are recorded at the estimated fair value at the date of the gift. Contributions receivable, if any, are recorded at the estimated present value, net of an allowance for uncollectible amounts, if deemed necessary.

Revenue from special events is recognized as the events occur. As of June 30, 2020 and 2019, amounts received for the following year's events are recorded as deferred revenue.

Cash and Cash Equivalents

Cash and cash equivalents consist principally of checking and money market account balances with financial institutions.

Funds Held for Stone Hall

Greenways administers and oversees reservations of Stone Hall Park facilities. Greenways is required to maintain a separate account for rental proceeds and those funds are held for use in accordance with the agreement with the Metropolitan Board of Parks and Recreation. Greenways has no discretionary powers over these funds and is to make payments as directed by the Metro Parks Department. Greenways recognized designated cash and a liability in the Statement of Financial Position. No revenues or expenses are recorded for such transactions, as they have been determined to be agency transactions.

Income Taxes

Greenways qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided. Greenways files a U.S. Federal Form 990 for organizations exempt from income tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing Greenways' income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services - consists of expenditures to support the initiatives of the Metro Parks Department and the Greenways and Open Space Commission to develop and enhance greenway trails and preserve land. To date, Greenways for Nashville has assisted in developing a significant trail footprint of nearly 100 miles, including the protection of over 2,700 acres of floodplain land and the addition of over 7,000 acres of park land through the Greenways and Open Space Division of Metro Parks. In addition to fundraising, Greenways educates citizens about Nashville's greenways and provides opportunities for community involvement.

Management and General - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Includes costs associated with providing coordination and articulation of Greenways' program strategy, business management, general record keeping, budgeting, and related purposes.

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

GREENWAYS FOR NASHVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Functional Expenses

The costs of program and supporting services have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Expenses that can be directly attributed to a particular function are charged to that function. Expenses that relate to more than one function are allocated among applicable functions on the basis of objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. Salaries, payroll taxes, professional fees, travel, supplies, website, insurance, printing and app design, postage, advertising and public relations, license and software, and fees are allocated on the basis of estimates of time and effort.

Donated Property, Goods and Services

Property, services and goods received as donations are reflected as support in the accompanying financial statements at their estimated or appraised fair value in the period received.

Donated services are recognized if they create or enhance non-financial assets or the donated service requires specialized skills, were performed by a donor who possesses such skills, and would have been purchased by Greenways if not donated. Such services are recognized at estimated fair value as support and expense in the period the services are performed.

A substantial number of unpaid volunteers have contributed their time to the Greenways' program and supporting services. The value of this contributed time is not reflected in these statements since it does not meet the criteria noted above.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Pronouncement

On July 1, 2019, Greenways adopted Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all subsequent amendments to the ASU (collectively, “ASC 606”), which supersedes most existing revenue recognition guidance and outlines a single comprehensive standard for revenue recognition across all industries. ASC 606 requires revenue to be recognized in an amount that reflects the considerations to which the entity expects to be entitled in an exchange of goods or services. The revenue streams considered in-scope for purposes of ASC 606 include most revenues associated with performance of special events. Greenways recognizes revenues that fall within the scope of ASC 606 as it satisfies its obligation to the customer. The adoption of ASU 2014-09 did not result in a material change to the accounting for any of the revenue streams; as such, Greenways did not record a cumulative effect adjustment.

On July 1, 2019, Greenways adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions and improved guidance to better distinguish between conditional and unconditional contributions. Analysis of various provisions of this standard resulted in no significant changes in the way Greenways recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the current year presentation. The reclassifications had no effect on prior year’s change in net assets.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Events Occurring After Reporting Date

Greenways has evaluated events and transactions that occurred between June 30, 2020 and March 8, 2021, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position, comprise the following as of June 30:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	<u>\$ 735,032</u>	<u>\$ 756,084</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	259,888	333,163
Board designations	<u>11,966</u>	<u>8,117</u>
	<u>271,854</u>	<u>341,280</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 463,178</u>	<u>\$ 414,804</u>

GREENWAYS FOR NASHVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 3 - GREENWAY AND PARK IMPROVEMENTS

Greenway and park improvements on the Statements of Functional Expenses consists of the following for the year ended June 30:

	<u>2020</u>	<u>2019</u>
440 Greenway	\$ -	\$ 49,671
Mill Creek Greenway	-	938
Richland Creek Greenway	-	1,544
Charlotte Rails - Trails	93,340	15,686
Greenway Amenities	<u>-</u>	<u>5,801</u>
	<u>\$ 93,340</u>	<u>\$ 73,640</u>

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows as of June 30:

	<u>2020</u>	<u>2019</u>
Grants and contributions restricted for specific purposes:		
440/Browns Creek Greenway	\$ 116,349	\$ 116,349
Charlotte Rails - Trails Greenway	71,555	164,896
Cumberland River Greenway	5,959	5,959
Richland Creek Greenway	15,507	15,507
Land Acquisition Stewardship	5,667	5,667
Peeler Park Greenway	5,722	5,722
Whites Creek Greenway	7,000	7,000
Shelby Bottoms Greenway	11,484	1,220
Other	<u>20,645</u>	<u>10,843</u>
	<u>\$ 259,888</u>	<u>\$ 333,163</u>

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 5 - CONCENTRATION OF CREDIT RISK

Contributions received from one source comprised approximately 14% of total contributions for the year ended June 30, 2020 (contributions from one source comprised approximately 49% of total contributions for the year ended June 30, 2019).

Greenways maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. Greenways' cash balances may, at times, exceed statutory limits. Greenways has not experienced any losses in such accounts and management considers this to be a normal operating risk.

NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN

In response to the COVID-19 pandemic, the Paycheck Protection Program was established under the CARES Act and administered by the Small Business Administration. Greenways entered into a Paycheck Protection Program loan of \$30,050 in April 2020, which is fully forgivable if at least 60% of the funds are used for payroll costs, and if certain other terms are met. The loan bears interest at a fixed rate of 1% and matures on April 20, 2022. By a letter dated November 25, 2020 from Greenway's lender, the full principal balance of \$30,050 has been forgiven by the Small Business Administration. As such, Greenways will recognize this amount as other non-operating income during the year ended June 30, 2021.

NOTE 7 - COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries including the geographical area in which Greenways operates. While it is unknown how long these conditions will last and what the complete financial effect will be to Greenways, management is continuing to evaluate the evolving situation and will implement appropriate countermeasures as needed.