

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**



**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

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**YEARS ENDED DECEMBER 31, 2021 AND 2020**

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# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Upstate Forever  
Greenville, South Carolina

### Opinion

We have audited the accompanying financial statements of Upstate Forever (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upstate Forever. as of December 31, 2021 and 2020, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Upstate Forever and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Upstate Forever's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Upstate Forever’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Upstate Forever’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
April 11, 2022

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2021**

**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2021 TOTAL</b>	<b>2020 TOTAL</b>
<b>ASSETS</b>				
Cash	\$ 151,506	400,946	552,452	\$ 760,768
Marketable Securities	4,778,940	2,471,881	7,250,821	6,287,746
Investments	183,986	-	183,986	214,037
Accounts Receivable	30,000	163,652	193,652	180,656
Long-Term Accounts Receivable, net	76,032	40,535	116,567	44,885
Campaign Pledge Receivables, net	72,713	-	72,713	269,092
Long-Term Campaign Pledge Receivables	-	-	-	1,500
Prepaid Expenses	3,474	-	3,474	5,888
Other Current Assets	7,973	-	7,973	12,300
Land Held for Resale	-	-	-	421,000
Due to/from Other Funds	(121,025)	121,025	-	-
Property and Equipment, net	587,344	-	587,344	605,980
<b>TOTAL ASSETS</b>	<b>\$ 5,770,943</b>	<b>3,198,039</b>	<b>8,968,982</b>	<b>\$ 8,803,852</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 11,030	-	11,030	\$ 5,720
Accrued Liabilities	60,570	-	60,570	44,836
<b>TOTAL LIABILITIES</b>	<b>71,600</b>	<b>-</b>	<b>71,600</b>	<b>50,556</b>
<b>NET ASSETS</b>				
Without Donor Restrictions	5,699,343	-	5,699,343	5,775,490
With Donor Restrictions	-	3,198,039	3,198,039	2,977,806
<b>TOTAL NET ASSETS</b>	<b>5,699,343</b>	<b>3,198,039</b>	<b>8,897,382</b>	<b>8,753,296</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,770,943</b>	<b>3,198,039</b>	<b>8,968,982</b>	<b>\$ 8,803,852</b>

The notes to the financial statements are an integral part of this statement.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2021**

**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2021 TOTAL</b>	<b>2020 TOTAL</b>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public Support				
Grants	\$ 10,000	401,327	411,327	\$ 468,467
PPP Loan Forgiveness	196,005	-	196,005	181,856
Contributions	235,965	-	235,965	35,341
Membership	645,877	-	645,877	401,311
Land Trust Endowments	-	166,630	166,630	223,342
Transfers Between Funds	(443,258)	443,258	-	-
Net Assets Released from Restrictions	1,081,033	(1,081,033)	-	-
<b>TOTAL PUBLIC SUPPORT</b>	<b>1,725,622</b>	<b>(69,818)</b>	<b>1,655,804</b>	<b>1,310,317</b>
Revenue				
Consulting Fees	1,509	27,401	28,910	28,644
Special Events, net of Expenses	-	-	-	4,018
Interest Income	6,204	595	6,799	15,820
Investment Income	358,599	262,055	620,654	725,361
Other	38	-	38	2,445
<b>TOTAL REVENUE</b>	<b>366,350</b>	<b>290,051</b>	<b>656,401</b>	<b>776,288</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>2,091,972</b>	<b>220,233</b>	<b>2,312,205</b>	<b>2,086,605</b>
<b>EXPENSES</b>				
Program				
Consulting Subcontract Costs	113,193	-	113,193	166,101
Other Program Costs	1,617,537	-	1,617,537	1,381,810
Management	125,381	-	125,381	163,205
Fundraising	312,008	-	312,008	259,406
<b>TOTAL EXPENSES</b>	<b>2,168,119</b>	<b>-</b>	<b>2,168,119</b>	<b>1,970,522</b>
<b>CHANGE IN NET ASSETS</b>	<b>(76,147)</b>	<b>220,233</b>	<b>144,086</b>	<b>116,083</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>5,775,490</b>	<b>2,977,806</b>	<b>8,753,296</b>	<b>8,637,213</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,699,343</b>	<b>3,198,039</b>	<b>8,897,382</b>	<b>\$ 8,753,296</b>

The notes to the financial statements are an integral part of this statement.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2021  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)**

<b>EXPENSES</b>	<b>OTHER PROGRAMS</b>	<b>MANAGEMENT</b>	<b>FUNDRAISING</b>	<b>2021 TOTAL</b>	<b>2020 TOTAL</b>
<b>EMPLOYEE EXPENSES</b>					
Salaries	\$ 940,491	157,829	172,010	1,270,330	\$ 1,031,614
Employee Benefits	64,422	7,687	12,116	84,225	60,281
Salaries, Paid Time Off	11,008	1,986	5,371	18,365	19,877
Payroll Service	-	3,734	-	3,734	2,843
Payroll Tax Expense	69,990	7,458	13,281	90,729	72,619
<b>TOTAL EMPLOYEE EXPENSES</b>	<b>1,085,911</b>	<b>178,694</b>	<b>202,778</b>	<b>1,467,383</b>	<b>1,187,234</b>
<b>ALL OTHER EXPENSES</b>					
Accounting	4,072	13,350	-	17,422	11,650
Advertising	4,324	-	-	4,324	1,151
Bad Debt Expense	-	-	32,929	32,929	10,835
Bank Charges	-	36	3,472	3,508	3,519
Computer	46,150	36,561	9,701	92,412	50,596
Consultants	113,830	2,600	13,625	130,055	168,183
Consultants Easement Assistance	70,809	-	-	70,809	-
Copier	2,583	3,142	-	5,725	5,895
Depreciation Expense	1,200	22,958	-	24,158	23,726
Education/Training	4,364	1,525	-	5,889	1,608
Loss on Sale of Bike Share Assets	-	-	-	-	105,814
Impairment on Land Held for Resale	-	-	703	703	81,300
Events, Other	-	-	-	-	1,187
Insurance	7,701	20,329	-	28,030	34,418
Licenses and Fees	1,365	147	-	1,512	1,262
Meeting and Conference Expenses	14,489	-	3,510	17,999	3,145
Miscellaneous	3,019	647	217	3,883	2,207
Organizational Dues	5,879	275	-	6,154	5,046
Overhead Allocation	145,463	(172,984)	27,521	-	-
Printed Materials	34,315	822	12,150	47,287	41,039
Records Management	-	1,631	-	1,631	1,465
Rent	12,520	-	-	12,520	12,340
Repairs and Maintenance	1,601	7,315	-	8,916	20,019
Sponsorship Expenses	36,855	-	-	36,855	5,600
Supplies and Equipment	8,155	4,477	2,710	15,342	7,723
Travel	11,757	203	2,215	14,175	11,771
Utilities	1,175	3,653	477	5,305	5,688
<b>TOTAL ALL OTHER EXPENSES</b>	<b>531,626</b>	<b>(53,313)</b>	<b>109,230</b>	<b>587,543</b>	<b>617,187</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,617,537</b>	<b>125,381</b>	<b>312,008</b>	<b>2,054,926</b>	<b>1,804,421</b>
Consulting Subcontract Costs				113,193	166,101
				<b>2,168,119</b>	<b>\$ 1,970,522</b>

The notes to the financial statements are an integral part of this statement.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 144,086	\$ 116,083
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Unrealized Gain on Marketable Securities and Investments	(429,956)	(598,704)
Depreciation	24,158	23,726
Loss on Sale of Bike Share Assets	-	105,814
Changes in Operating Assets and Liabilities		
Increase in Deposits, Prepaid Expenses and Other Current Assets	6,741	(9,034)
Decrease in Accounts and Long-Term Pledges Receivable	113,201	351,719
Decrease in Land Held for Resale	421,000	81,300
Decrease in Liabilities	21,044	(16,090)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>300,274</b>	<b>54,814</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Purchase of Marketable Securities and Investments	(503,068)	112,343
Acquisition of Property and Equipment	(5,522)	-
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(508,590)</b>	<b>112,343</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>(208,316)</b>	<b>167,157</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>760,768</b>	<b>593,611</b>
<b>CASH, END OF YEAR</b>	<b>\$ 552,452</b>	<b>\$ 760,768</b>

The notes to the financial statements are an integral part of this statement.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2020**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2020 TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 469,814	290,954	\$ 760,768
Marketable Securities	4,000,550	2,287,196	6,287,746
Investments	214,037	-	214,037
Accounts Receivable	12,280	168,376	180,656
Long-Term Accounts Receivable, net	-	44,885	44,885
Campaign Pledge Receivables, net	269,092	-	269,092
Long-Term Campaign Pledge Receivables	1,500	-	1,500
Prepaid Expenses	5,888	-	5,888
Other Current Assets	12,300	-	12,300
Land Held for Resale	421,000	-	421,000
Due to/from Other Funds	(186,395)	186,395	-
Property and Equipment, net	605,980	-	605,980
<b>TOTAL ASSETS</b>	<b>\$ 5,826,046</b>	<b>2,977,806</b>	<b>\$ 8,803,852</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 5,720	-	\$ 5,720
Accrued Liabilities	44,836	-	44,836
<b>TOTAL LIABILITIES</b>	<b>50,556</b>	<b>-</b>	<b>50,556</b>
<b>NET ASSETS</b>			
Without Donor Restrictions	5,775,490	-	5,775,490
With Donor Restrictions	-	2,977,806	2,977,806
<b>TOTAL NET ASSETS</b>	<b>5,775,490</b>	<b>2,977,806</b>	<b>8,753,296</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,826,046</b>	<b>2,977,806</b>	<b>\$ 8,803,852</b>

The notes to the financial statements are an integral part of this statement.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2020**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2020 TOTAL</b>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support			
Grants	\$ 196,856	453,467	\$ 650,323
Contributions	32,341	3,000	35,341
Membership	396,311	5,000	401,311
Land Trust Endowments	-	223,342	223,342
Transfers Between Funds	(246,095)	246,095	-
Net Assets Released from Restrictions	1,117,099	(1,117,099)	-
<b>TOTAL PUBLIC SUPPORT</b>	<b>1,496,512</b>	<b>(186,195)</b>	<b>1,310,317</b>
Revenue			
Consulting Fees	4,064	24,580	28,644
Special Events, net of Expenses	4,018	-	4,018
Interest Income	13,316	2,504	15,820
Investment Income	496,916	228,445	725,361
Other	744	1,701	2,445
<b>TOTAL REVENUE</b>	<b>519,058</b>	<b>257,230</b>	<b>776,288</b>
<b>TOTAL PUBLIC SUPPORT         AND REVENUE</b>			
	<b>2,015,570</b>	<b>71,035</b>	<b>2,086,605</b>
<b>EXPENSES</b>			
Program			
Consulting Subcontract Costs	166,101	-	166,101
Other Program Costs	1,381,810	-	1,381,810
Management	163,205	-	163,205
Fundraising	259,406	-	259,406
<b>TOTAL EXPENSES</b>	<b>1,970,522</b>	<b>-</b>	<b>1,970,522</b>
<b>CHANGE IN NET ASSETS</b>	<b>45,048</b>	<b>71,035</b>	<b>116,083</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>5,730,442</b>	<b>2,906,771</b>	<b>8,637,213</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,775,490</b>	<b>2,977,806</b>	<b>\$ 8,753,296</b>

The notes to the financial statements are an integral part of this statement.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2020**

	<b>OTHER PROGRAMS</b>	<b>MANAGEMENT</b>	<b>FUNDRAISING</b>	<b>2020 TOTAL</b>
<b>EXPENSES</b>				
<b>EMPLOYEE EXPENSES</b>				
Salaries	\$ 702,809	162,877	165,928	\$ 1,031,614
Employee Benefits	41,334	9,340	9,607	60,281
Salaries, Paid Time Off	14,861	4,981	35	19,877
Payroll Service	-	2,843	-	2,843
Payroll Tax Expense	51,507	8,921	12,191	72,619
<b>TOTAL EMPLOYEE EXPENSES</b>	<b>810,511</b>	<b>188,962</b>	<b>187,761</b>	<b>1,187,234</b>
<b>ALL OTHER EXPENSES</b>				
Accounting	-	11,650	-	11,650
Advertising	1,151	-	-	1,151
Bad Debt Expense	10,835	-	-	10,835
Bank Charges	173	-	3,346	3,519
Computer	26,500	20,516	3,580	50,596
Consultants	145,900	4,317	17,966	168,183
Copier	2,603	3,292	-	5,895
Depreciation Expense	2,283	21,443	-	23,726
Education/Training	1,539	69	-	1,608
Loss on Sale of Bike Share Assets	105,814	-	-	105,814
Impairment on Land Held for Resale	81,300	-	-	81,300
Events, Other	1,052	21	114	1,187
Insurance	7,140	27,278	-	34,418
Licenses and Fees	1,011	251	-	1,262
Meeting and Conference Expenses	3,145	-	-	3,145
Miscellaneous	1,674	483	50	2,207
Organizational Dues	4,771	275	-	5,046
Overhead Allocation	116,537	(144,097)	27,560	-
Printed Materials	26,945	1,781	12,313	41,039
Records Management	-	1,465	-	1,465
Rent	12,340	-	-	12,340
Repairs and Maintenance	1,430	16,369	2,220	20,019
Sponsorship Expenses	2,600	250	2,750	5,600
Supplies and Equipment	1,471	5,497	755	7,723
Travel	11,295	-	476	11,771
Utilities	1,790	3,383	515	5,688
<b>TOTAL ALL OTHER EXPENSES</b>	<b>571,299</b>	<b>(25,757)</b>	<b>71,645</b>	<b>617,187</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,381,810</b>	<b>163,205</b>	<b>259,406</b>	<b>1,804,421</b>
Consulting Subcontract Costs				166,101
				<b>\$ 1,970,522</b>

The notes to the financial statements are an integral part of this statement.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Operation***

Upstate Forever is a nonprofit organization founded in 1998 to protect critical lands, waters, and the unique character of the Upstate of South Carolina. Upstate Forever accomplishes its mission through four major programs: Land Conservation, Clean Water, Land Planning and Policy, and Energy. Upstate Forever receives third-party donations, grants from state and federal governments, foundations and private industry, and investment income.

***Basis of Presentation***

The accompanying financial statements of Upstate Forever have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and are presented in accordance with Financial Accounting Standards Board (“FASB”) ASC 958-205 Not-For-Profit Presentation of Financial Statements.

***Revenue Recognition***

Upstate Forever recognizes revenue on grants either when received or when the funds have been expended (reimbursable grants) in accordance with grant requirements. Contributions are recognized when received or when a written pledge is received for contributions promised over more than one year. Upstate Forever has received planned gifts of \$4.9 million as a part of its Crossroads Campaign as described further in Note 7. Planned gifts are future contributions that a donor plans during their lifetime that will take effect upon the donor’s passing. Planned gifts are not recognized on the financial statements until the cash or other assets are received.

***Cash and Cash Equivalents***

For the Statement of Cash Flows, Upstate Forever generally considers all instruments with a maturity of three months or less at date of purchase to be cash equivalents.

***Marketable Securities***

Marketable securities consist primarily of publicly traded mutual funds and publicly traded stock and are classified as available-for-sale. Such securities are carried at fair value based on quoted market prices, with any unrealized gains or losses reported as a change in net assets with donor restrictions or net assets without donor restrictions.

***Investments***

Investments consist of a private equity limited partnership fund that makes investments in middle-market businesses.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Receivables***

Receivables consist primarily of amounts due for grants and from large donors.

Campaign pledge receivables that are expected to be collected within one year are recorded at net realizable value. Campaign pledge receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledge receivables are received. Amortization of the discounts is included in contribution revenue.

Allowances for uncollectible accounts are determined based on subsequent collections, past experience, and an assessment of economic conditions. Receivables are written off when deemed uncollectible.

***Income Taxes***

Upstate Forever is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code, and therefore has made no provision for federal income taxes in the accompanying financial statements.

***Property and Equipment***

Property and equipment with an estimated useful life of at least 2 years and with a cost or value equal to or greater than \$2,500 are recorded at cost if purchased, and recorded at fair market value if donated. Assets are depreciated on a straight-line method.

***Net Assets***

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Upstate Forever and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* are net assets available for use in general operations and not subject to donor-imposed restrictions. The Board, at its discretion, may designate a portion of the net assets without donor restrictions to be used for specific purposes, such as capital improvements.
- *Net Assets With Donor Restrictions* are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by the actions of Upstate Forever or the passage of time. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. If a restriction is fulfilled during the same year in which the contribution is received, Upstate Forever reports that support as an increase in net assets without donor restrictions.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Conservation Easements***

A conservation easement is an agreement between a landowner and the organization in which the landowner permanently relinquishes most or all of the rights to develop the property and agrees to other terms benefitting the public. The easement is publicly recorded and is binding on all future owners of the property. Upstate Forever's principal responsibility is to ensure compliance with the terms of the easement. It meets this responsibility by periodically inspecting the property and, if necessary, taking appropriate action to enforce the easement.

Each conservation easement received by Upstate Forever provides that it cannot be transferred or assigned to any person or entity except to an organization that is qualified under the Internal Revenue Code to receive easements and that has the commitment, ability, and resources to meet its responsibilities and obligations under the easement and to take the necessary steps to protect the conservation values of the property. Accordingly, there is no market for any of the conservation easements received by Upstate Forever.

Conservation easements donated to Upstate Forever are recorded at a zero value in the Statement of Financial Position, the Statement of Activities and the Statement of Functional Expenses. Conservation easements that are purchased are recorded at a zero value in the Statement of Financial Position and are shown as an expense in the Statement of Activities, Statement of Functional Expenses and Statements of Cash Flows. The funding source that enables the purchase of these easements is shown as a revenue in the Statement of Activities and Statements of Cash Flows, resulting in a net zero effect on net assets.

Upstate Forever believes that tracking the value of conservation easements under management is useful to gauge the significance of the ongoing responsibility to monitor these easements. Accordingly, for purposes of note disclosure only, conservation easements received by Upstate Forever are disclosed at the value paid to acquire the conservation easement or the estimated value of the development rights relinquished under the easement, that is, the amount of the reduction in fair market value (as defined in IRS regulations) resulting from the easement at the date it is recorded. This value is generally established through qualified appraisals that are performed at or near the recording date. Where such an appraisal is not available, management makes its best estimate of the value based on relevant facts and circumstances. Values are not updated as they represent the historical cost at the date the easements were granted. See Note 15 for more details of Upstate Forever's conservation easements.

***Grants***

Upstate Forever receives grants from federal, state and local governments, as well as from private organizations, to be used for specific programs or for the purchase of conservation easements.

***Accounting Estimates***

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires Upstate Forever's management to make estimates and assumptions. These estimates and assumptions 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.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Reclassifications***

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**NOTE 2—LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within the following fiscal year consisted of the following:

	December 31, 2021	December 31, 2020
Cash and Cash Equivalents	\$ 151,506	\$ 469,814
Marketable Securities	4,778,940	4,000,550
Investments	183,986	214,037
Accounts Receivable	30,000	12,280
Campaign Pledge Receivables, Net	72,713	270,592
	<u>\$ 5,217,145</u>	<u>\$ 4,967,273</u>

Upstate Forever's board-designated endowment of \$3,216,267 is subject to board approval for disbursement. Although they do not intend to spend from this endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval), these amounts could be made available if necessary.

**NOTE 3 – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 4 – CONCENTRATION OF CREDIT RISK**

Upstate Forever currently maintains bank accounts. Accounts at each institution were insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 as of December 31, 2021 and 2020, and Upstate Forever's holdings did not exceed the insured limits.

**NOTE 5 – FAIR VALUE DISCLOSURES**

The FASB issued a statement that defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Upstate Forever has the ability to access.

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**NOTE 5 – FAIR VALUE DISCLOSURES (CONTINUED)**

Level 2 – Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

At December 31, 2021 and 2020, Upstate Forever's marketable securities, investments, and campaign pledges receivable were the only financial instruments carried at fair value on the statements of financial position in accordance with the FASB ASC 820-10 valuation hierarchy. These marketable securities and investments were valued based upon Level 1 inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

***Mutual and Money Market Funds***

These investments are public investment vehicles valued using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlining assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy.

***Stocks***

These investments are valued based on the current stock market price or information obtained from the company itself if there is no secondary market for the sale of the shares of stock. The current stock market price investments are classified within Level 1.

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**NOTE 5 – FAIR VALUE DISCLOSURES (CONTINUED)**

*Private Equity Fund*

A contribution was given to Upstate Forever in December 2018 that is an interest in a private equity limited partnership fund that makes investments in lower middle-market businesses. This investment is reported at NAV of Upstate Forever’s share in the private equity fund. As part of the transfer of ownership agreement, Upstate Forever is not responsible for any future calls for funding and any or all future distributions are solely the property of Upstate Forever. The private equity partnership was scheduled to close out and make final disbursements as of December 31, 2021. Those final disbursements were not resolved as of the audit report date. Upstate Forever uses NAV reported by fund managers to estimate fair value of alternative investments that (a) do not have a readily determinable fair value and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. The private equity investment, whose fair value was determined using NAV as a practical expedient, is not categorized within the described fair value hierarchy.

The table below details the activity within the private equity fund during 2021:

Private Equity Fund Value at December 31, 2020	\$	214,037
Unrealized Losses on Investment		(30,051)
Private Equity Fund Value at December 31, 2021	\$	<u>183,986</u>

The table below details the activity within the private equity fund during 2020:

Private Equity Fund Value at December 31, 2019	\$	214,169
Cash Distributions from the Fund		(17,470)
Unrealized Gains on Investment		17,338
Private Equity Fund Value at December 31, 2020	\$	<u>214,037</u>

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**NOTE 5 – FAIR VALUE DISCLOSURES (CONTINUED)**

The following table sets forth by level the fair value hierarchy of Upstate Forever’s assets accounted for at fair value on a recurring basis as of December 31, 2021 and 2020:

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1 Inputs)	
	Fair Value at December 31, 2021	Fair Value at December 31, 2020
<b>Assets:</b>		
Cash and Deposit-in-Transit	\$ 32,013	\$ 59,485
Certificates of Deposit	124,908	487,468
Community Foundation Funds	-	25,010
Equities - Publicly Traded	1,416,355	1,361,083
Bonds - Publicly Traded	372,121	209,712
Treasury Notes	240,336	130,109
Mutual Funds:		
Stocks	2,719,812	2,037,037
Bonds	1,988,158	1,815,439
Total Mutual Funds	4,707,970	3,852,476
Money Market Funds	357,118	162,403
Total Assets at Fair Value	<u>\$ 7,250,821</u>	<u>\$ 6,287,746</u>

Total investment gain on marketable securities and investments of \$620,654 includes \$429,956 of unrealized gains for the year ended December 31, 2021. Investment fees in the amount of \$24,260 are netted with Investment Income on the Statement of Activities for the year ended December 31, 2021.

Total investment gain on marketable securities and investments of \$725,361 includes \$598,704 of unrealized gains for the year ended December 31, 2020. Investment fees in the amount of \$20,759 are netted with Investment Income on the Statement of Activities for the year ended December 31, 2020.

**NOTE 6 – ENDOWMENT FUNDS**

*Land Trust Endowment*

As part of Upstate Forever’s Land Trust program, it receives gifts and contributions from individuals and entities to be used to ensure compliance with the terms of its conservation easements. (See Note 15 for a description of Upstate Forever’s conservation easements).

The Land Trust Endowment is comprised of three individual funds: The Principal Fund (investment), Monitoring Fund, and Defense Fund, all of which are classified as with donor restrictions. These funds include amounts invested in marketable securities, and accounts receivable from donors.

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**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6 – ENDOWMENT FUNDS (CONTINUED)**

Investment income earned on the marketable securities is allocated to the Defense and Monitoring Funds in order to provide continuing support for Upstate Forever’s oversight responsibilities.

It is the written intent of most donors and Upstate Forever that cumulative investment losses, if any, will not be reported in net assets without donor restrictions. Investment losses will be reported first in the Monitoring and Defense net assets to the extent of cumulative investment earnings, net of appropriations for expenditures, and then against the account principal. Future investment income will be used to restore losses, if any, to the principal before again being available for oversight activities.

*Endowment Without Donor Restrictions*

As of December 31, 2021, Upstate Forever has an endowment that was funded by receiving \$2,200,000 in funds without restrictions from one family, which the Board of Directors designated to be held as an endowment fund for future endeavors. Upstate Forever classified these as net assets without donor restrictions, and also records investment earnings as without donor restrictions. The Board of Directors approves when and how to use these gifts that are without donor restrictions.

*Accounting Guidance*

Net assets with donor restrictions are appropriated for expenditure by Upstate Forever in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). In accordance with UPMIFA, Upstate Forever considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund.
- The purposes of Upstate Forever and the endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and appreciation of investments.
- Other resources of Upstate Forever.
- The investment policy of Upstate Forever.

*Investment Objective*

Upstate Forever’s investment objective is to attain an average annual real total return (net of investment management fees) with an acceptable margin of risk. The overall goal is for the fund, over the long term (rolling three-year periods), to achieve returns comparable to appropriate asset class indexes. Upstate Forever has a diversified approach to investment that balances the goals of maximizing return with preservation of funds. By diversifying among asset classes, and rebalancing toward policy target allocations, Upstate Forever expects to enhance real market value.

Rebalancing asset allocations to policy targets is essential for maintaining the risk profile of this policy. When funds exceed established ranges, a rebalancing occurs, generally not more frequently than quarterly. Funds are diversified both by asset class and within asset class in accordance with the following guidelines: 60%-70% in equity securities, alternate investments and real estate, and 30%- 40% in fixed income funds (bonds and cash equivalents).

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**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6 – ENDOWMENT FUNDS (CONTINUED)**

Upstate Forever has chosen not to manage its underlying assets directly, but utilizes independent investment managers to do so. The Finance and Investment Committee of Upstate Forever meets twice annually with the investment managers to review and discuss the management of Upstate Forever’s endowment funds.

The total fund balance is comprised of both marketable securities and other assets and liabilities of Upstate Forever’s endowment funds.

Changes in Upstate Forever’s Endowment Funds, by net asset classification, for the years ended December 31, 2021 and 2020 are summarized as follows:

<b>Description</b>	<b>2021</b>		<b>Total</b>
	<b>Board Designated Without Donor Restrictions</b>	<b>Land Trust With Donor Restrictions</b>	
Endowment Fund, Beginning of Year	\$ 2,882,674	2,269,274	\$ 5,151,948
Investment Gain	362,307	262,055	624,362
Contributions	-	166,630	166,630
Appropriation of Assets for Expenditure	(28,714)	(47,120)	(75,834)
Endowment Funds, End of Year	<u>\$ 3,216,267</u>	<u>2,650,839</u>	<u>\$ 5,867,106</u>

  

<b>Description</b>	<b>2020</b>		<b>Total</b>
	<b>Board Designated Without Donor Restrictions</b>	<b>Land Trust With Donor Restrictions</b>	
Endowment Fund, Beginning of Year	\$ 2,452,933	1,888,924	\$ 4,341,857
Investment Gain	429,741	228,443	658,184
Contributions	-	223,342	223,342
Appropriation of Assets for Expenditure	-	(71,435)	(71,435)
Endowment Funds, End of Year	<u>\$ 2,882,674</u>	<u>2,269,274</u>	<u>\$ 5,151,948</u>

Although substantially all of the assets of the Endowment Fund are invested in marketable securities, the category Marketable Securities on the balance sheet also includes Certificates of Deposit with original maturities over 90 days and funds collected as part of the Crossroads Campaign but not yet spent.

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**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7 – ACCOUNTS AND PLEDGES RECEIVABLE**

Accounts and long-term pledges receivable consist of the following amounts due to the programs and funds noted below:

	<b>Accounts Receivable</b>	
	<b>2021</b>	<b>2020</b>
Land Policy and Planning	\$ 50,000	\$ 50,000
Land Trust Endowment Funds	38,399	22,890
Clean Water Program	54,252	63,535
Land Conservation Program	21,000	31,952
Other Receivables	30,000	12,279
Total	<u>\$ 193,652</u>	<u>\$ 180,656</u>

	<b>Long-Term Accounts Receivable</b>	
	<b>2021</b>	<b>2020</b>
Land Conservation Program, Net	\$ -	\$ 19,275
Land Trust Endowment, Net	19,535	25,610
Clean Water, Net	21,000	-
Other Receivables, Net	76,032	-
Total	<u>\$ 116,567</u>	<u>\$ 44,885</u>

During 2018, Upstate Forever launched the “Crossroads Campaign” with a goal of \$7 million, with \$3 million in donations and \$4 million in planned gifts. At the close of the campaign in 2019, Upstate Forever exceeded its goals with \$3.6 million in donations and \$4.9 million in planned gifts. Of the \$3,558,379 in donations, \$3,473,666 was received in cash, marketable securities and real property as of December 31, 2021. The remaining pledges receivable are due as follows:

	<b>Pledges Receivable</b>	
	<b>2021</b>	<b>2020</b>
Due in 2021	\$ -	\$ 284,984
Due in 2022	84,713	1,575
	<u>84,713</u>	<u>286,559</u>
Less Discount to Net Present Value of 2.5% per year	-	(3,967)
Less Allowance for Doubtful Accounts	(12,000)	(12,000)
Land Trust Endowment Receivable, Net	<u>72,713</u>	<u>270,592</u>
Less Current Portion Included in Accounts Receivable	(72,713)	(269,092)
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ -</u>	<u>\$ 1,500</u>

The carrying amount of campaign pledges approximate fair value because the pledges have been discounted to present value. Also, Upstate Forever has recorded a \$12,000 allowance for doubtful accounts.

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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 7 – ACCOUNTS AND PLEDGES RECEIVABLE (CONTINUED)**

During 2018, Upstate Forever also received a \$50,000 pledge from Daniel-Mickel Foundation for a Critical Lands Grant. The grant is to be received over a period of five years. The remaining grant receivable is due as follows:

	2021	2020
Due in 2021	\$ -	\$ 10,000
Due in 2022	10,000	10,000
Due in 2023	10,000	10,000
	<u>20,000</u>	<u>30,000</u>
Less Discount to Net Present Value of 2.5% per year	-	(725)
Critical Lands Grant Receivable, Net	<u>20,000</u>	<u>29,275</u>
Less Current Portion Included in Accounts Receivable	(10,000)	(10,000)
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ 10,000</u>	<u>\$ 19,275</u>

During 2020, Upstate Forever also received a total of \$30,449 in pledges for land trust endowment receivables for five separate easements. These are to be received over a period of up to three years. The remaining land trust endowment receivable is due as follows:

	2021	2020
Due in 2021	\$ 16,869	\$ 22,890
Due in 2022	21,531	19,363
Due in 2023	20,540	7,253
	<u>58,940</u>	<u>49,506</u>
Less Discount to Net Present Value of 2.5% per year	(1,006)	(1,006)
Land Trust Endowment Receivable, Net	<u>57,934</u>	<u>48,500</u>
Less Current Portion Included in Accounts Receivable	(38,400)	(22,890)
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ 19,534</u>	<u>\$ 25,610</u>

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**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS**

Grants with donor restrictions received in 2021 and 2020 are comprised of the following:

<b>Major Grants</b>	<b>2021</b>	<b>2020</b>
Tyger River Section 319 Grant	\$ 163,891	\$ 46,170
Oconee County Land Conservation	100,000	100,000
Shaping Growth - Greenville, net discount	75,000	77,719
3&20 Creek Section 319 Grant	43,472	30,861
Lake Greenwood Watershed Based Plan	39,191	25,471
Campaign for Critical Lands, net discount	726	714
Priority Upcountry Land and Water Conservation Project	(20,953)	20,952
Sea Change - Energy and Pipeline Initiatives	-	44,015
Lake Keowee Watershed-Based Plan	-	22,565
<b>Other Grants</b>		
Upstate Voice for SC Energy Efficiency	-	15,000
Land Trust Restricted Grants	-	55,200
Miscellaneous	-	14,800
	<u>\$ 401,327</u>	<u>\$ 307,297</u>

In 2021, Upstate Forever completed work under one major grant, continues work under nine major grants. The work funded by these major grants is described below.

***Tyger River Implementation Project (Section 319 Grant) - In Progress***

Upstate Forever has received \$142,000 from local water districts and \$878,565 from the South Carolina Department of Health and Environmental Control (DHEC) to implement the recommendations from the completed watershed-based plan for three sub-watersheds of the Tyger River Basin to reduce nonpoint source pollution in this region. Partnering with three local water districts, Upstate Forever is working to install a variety of implementation measures (e.g., septic system repairs, livestock fencing, drip irrigation, conservation easements) to reduce bacteria, sediment and nutrient pollution in the watersheds over a three-year period. The local grants and DHEC government reimbursement grants are listed as follows:

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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

***Tyger River Implementation Project (Section 319 Grant) - In Progress (Continued)***

<u>Grantors</u>	<u>Total Grants</u>
Department of Health and Environmental Control - Watershed Base Plan	\$ 40,939
Department of Health and Environmental Control - Implementation Plan	302,515
Department of Health and Environmental Control - Implementation Phase 2	535,111
Greer Commission of Public Works (CPW)	52,000
Startex Jackson Welford Duncan Water District (SJWD)	45,000
City of Greer	15,000
Woodruff Roebuck Water District (WRWD)	30,000
<b>Total</b>	<b>\$ 1,020,565</b>

The table below details the annual and grant to date activity. In addition to the \$394,394 in total grants below, there is an additional \$626,171 available in unearned reimbursement grant funds.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Total Grants	\$ 184,333	46,170	163,891	\$ 394,394
Direct Expenses	(130,016)	(58,950)	(115,295)	(304,261)
Transfer in from Other Funds	1,789	-	-	1,789
Change in Net Assets	\$ 56,106	(12,780)	48,596	\$ 91,922

***Oconee County Land Conservation and Stewardship – In Progress***

Since 2017, Upstate Forever has been awarded \$325,500 to expand land conservation outreach, strengthen conservation stewardship, and form cost-sharing partnerships in Oconee County, South Carolina. A listing of the grants follows:

<u>Grantors</u>	<u>Total Grants</u>
Pete and Sally Smith Foundation	\$ 325,000
Lake Keowee Source Water Protection team	500
<b>Total</b>	<b>\$ 325,500</b>

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**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

*Oconee County Land Conservation and Stewardship – In Progress (Continued)*

The table below details the annual and grant to date activity.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Grants	\$ 125,500	100,000	100,000	\$ 325,500
Direct Expenses	(48,099)	(67,157)	(100,343)	(215,599)
Change in Net Assets	\$ 77,401	32,843	(343)	\$ 109,901

*Shaping Growth in Greenville – In Progress*

Since 2017, Upstate Forever has received \$560,405 to promote land use planning and policy in Greenville County and its municipalities. One of the objectives is to facilitate land use policy training for local government staff & officials, practitioners and citizens highlighting land-use solutions likely to address issues related to affordable housing, public transportation and sprawl. Another objective is to provide grassroots organization and assistance to empower Greenville County citizens in the land use planning process.

Grants were awarded as follows:

<u><b>Grantors</b></u>	<u><b>Total Grants</b></u>
Jolley Foundation	\$ 240,000
Hollingsworth	300,000
New Belgium	5,000
Community Foundation	5,000
Greenville Housing Fund	5,000
Other Grants	5,405
<b>Total</b>	<u><u><b>\$ 560,405</b></u></u>

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**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

*Shaping Growth in Greenville – In Progress (Continued)*

The table below details the annual and grant to date activity.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Grants	\$ 408,905	76,500	75,000	\$ 560,405
(Discount Long Term Receivable)	(1,219)	1,219	-	-
Direct Expenses	(178,621)	(144,321)	(105,844)	(428,786)
Transfer in from Other Funds	1,948	-	-	1,948
Change in Net Assets	<u>\$ 231,013</u>	<u>(66,602)</u>	<u>(30,844)</u>	<u>\$ 133,567</u>

***Watershed-Based Plan and Implementation for the Three and Twenty Creek (Section 319 Grant) – In Progress***

In 2018, Upstate Forever received a \$46,608 reimbursable grant from the South Carolina Department of Health and Environmental Control (DHEC) and \$5,000 from Anderson Regional Joint Water System to prepare a watershed-based plan for Three and Twenty Creek, in the Savannah River Basin. In 2020, Upstate Forever received \$232,641 from DHEC and an additional \$29,000 from Anderson Regional Joint Water System to implement the recommendations from the completed watershed-based plan for the Three and Twenty Creek to reduce nonpoint source pollution in this region. Upstate Forever is working to install a variety of implementation measures to mitigate the threats and improve water quality.

The local grants and the DHEC reimbursable grant are listed below:

<u><b>Grantors</b></u>	<u><b>Total Grants</b></u>
Department of Health and Environmental Control (DHEC) - Watershed Base Plan	\$ 46,608
Department of Health and Environmental Control (DHEC) - Implementation	232,641
Anderson Joint Regional Water District (AJRWD)	34,000
<b>Total</b>	<u><u><b>\$ 313,249</b></u></u>

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**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

***Watershed-Based Plan and Implementation for the Three and Twenty Creek (Section 319 Grant) – In Progress (Continued)***

The table below details the annual and grant to date activity. In addition to the \$125,941 in total grants below, there is an additional \$187,308 available in unearned reimbursement grant funds.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Grants	\$ 51,608	30,860	43,472	\$ 125,940
Direct Expenses	(51,903)	(1,860)	(45,595)	(99,358)
Transfer from Other Funds	295	-	-	295
Change in Net Assets	\$ -	29,000	(2,123)	\$ 26,877

***Lake Greenwood, Saluda River Basin Watershed-based Plan - In Progress***

In partnership with the South Carolina Rural Water Association Upstate Forever will prepare a watershed-based plan for 6 sub watersheds in the Lake Greenwood area. The watershed-based plan will identify sources of bacteria, sediment, and nutrient pollutants in these basins and devise strategies to mitigate these pollutants and improve water quality.

The local grants and DHEC government reimbursement grants are listed as follows:

<u>Grantors</u>	<u>Total Grants</u>
Department of Health and Environmental Control WBP	\$ 60,412
Fujifilm Manufacturing U.S.A	11,250
<b>Total</b>	<b>\$ 71,662</b>

The table below details the annual and grant to date activity.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Grants	\$ -	25,471	39,191	\$ 64,662
Direct Expenses	-	(28,873)	(42,171)	(71,044)
Transfer in From Saving Lake Greenwood	-	7,000	-	7,000
Transfer in from Other Funds	-	-	241	241
Change in Net Assets	\$ -	3,598	(2,739)	\$ 859

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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

***Campaign for Critical Lands – In Progress***

In 2017 and 2018, Upstate Forever received \$130,000 in grants to provide financial support for closing conservation easements. Through a partnership with Furman University, Upstate Forever has identified and mapped the most critical lands that influence water quality in the Upstate region. Conserving these areas with voluntary conservation easements will protect our drinking water supply, build capacity for future growth, and conserve the lands needed to support the region’s burgeoning local food economy.

<u>Grantors</u>	<u>Total Grants</u>
Greenville Women Giving	\$ 80,000
Daniel-Mickel Foundation	50,000
<b>Total</b>	<b>\$ 130,000</b>

The table below details the annual and grant to date activity.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Grants	\$ 130,000	-	-	\$ 130,000
(Discount Long Term Receivable)	(1,440)	714	726	-
Direct Expenses	(38,851)	(17,495)	(46,844)	(103,190)
Change in Net Assets	\$ 89,709	(16,781)	(46,118)	\$ 26,810

***Priority Upcountry Land and Water Conservation Project – In Progress***

In 2020 Upstate Forever was awarded a grant from the United States Department of Agriculture Natural Resources Conservation Service through the Regional Conservation Partnership Program (USDA-NRCS-RCPP) a total grant of \$703,896 over 5 years. Through RCPP, NRCS Upstate Forever plans to implement projects that demonstrate innovative solutions to further watershed planning and implementation through perpetual protection of land from non-compatible uses. In addition to the funds Upstate Forever receives, the grant provides for an additional \$3.2 million in financial assistance directly to the landowner who provides property under this award over the five-year term of the grant. Grants were awarded as follows:

<u>Grantors</u>	<u>Total Grants</u>
USDA-NRCS-RCPP	\$ 703,896
<b>Total</b>	<b>\$ 703,896</b>

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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

***Priority Upcountry Land and Water Conservation Project – In Progress (Continued)***

The table below details the annual and grant to date activity.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Accrued Grant Revenue	\$ -	20,952	(20,952)	\$ -
Direct Expenses	-	(20,952)	(70,056)	(91,008)
Transfers in from Other Funds	-	-	91,008	91,008
Change in Net Assets	\$ -	-	-	\$ -

***Sea Change – In Progress***

Since 2017, Upstate Forever has been awarded grants in the amount of \$188,569 to support Upstate Forever's pipeline and renewable energy policy initiatives, reauthorization of the South Carolina Conservation bank and wetland mitigation across the state. These efforts included working with a broad coalition to bring about statewide policy change supporting clean energy and development of a 4-part webinar series entitled "Natural Gas Pipelines 101 - What You Need to Know Before One Comes Through Your Community".

<u><b>Grantors</b></u>	<u><b>Total Grants</b></u>
Turner Foundation	\$ 50,000
Oak Hill	138,315
Other Income	254
<b>Total</b>	<u><u><b>\$ 188,569</b></u></u>

The table below details the annual and grant to date activity.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Grants	\$ 144,300	44,015	-	\$ 188,315
Other income	254	-	-	254
Total Revenue	144,554	44,015	-	188,569
Direct Expenses	(141,179)	(39,520)	(22,067)	(202,766)
Transfer in from Other Funds	10,757	-	3,440	14,197
Change in Net Assets	\$ 14,132	4,495	(18,627)	\$ -

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**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

***Saving Lake Greenwood – In Progress***

Since 2016, Upstate Forever received \$97,000 in grants from FujiFilm Manufacturing U.S.A., Inc., and \$11,722 in other income to improve water quality throughout the Reedy River and Lake Greenwood. The work includes:

- Participation in the Reedy River Water Quality Group, a comprehensive stakeholder effort focused on reducing nutrient levels throughout the Reedy River watershed.
- Advocating to improve development and land use regulations to reduce pavement requirements and allow for low impact development/green infrastructure storm water solutions.
- Producing easy-to-understand report cards for major rivers and lakes across the Upstate to address water quality conditions and concerns.
- Coordinating educational events to draw public interest in the value of healthy rivers and lakes.
- Installing hydration stations in downtown Greenwood to encourage use of reusable water bottles.

The table below details the annual and grant to date activity.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Grants	\$ 97,000	-	-	\$ 97,000
Other income	11,337	385	-	11,722
Total Revenue	108,337	385	-	108,722
Direct Expenses	(91,907)	(3,148)	(1,897)	(96,952)
Transfer out to Lake Greenwood, Saluda River Basin WNP	-	(7,000)	-	(7,000)
Change in Net Assets	\$ 16,430	(9,763)	(1,897)	\$ 4,770

***Lake Keowee Watershed-Based Plan – Completed***

Upstate Forever is a sub-grantee of the Lake Keowee Source Protection Team’s \$49,000, DHEC reimbursement grant. Upstate Forever will prepare a watershed-based plan for two sub-watersheds of the Keowee River-Lake Keowee and the Little River. The watershed-based plan will identify sources of bacteria, sediment, and biological pollutants in these basins and devise strategies to mitigate these pollutants and improve water quality.

The table below details the annual and grant to date activity.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Grants	\$ 26,435	22,565	-	\$ 49,000
Direct Expenses	(26,435)	(22,565)	-	(49,000)
Change in Net Assets	\$ -	-	-	\$ -

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**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

***Bike Share Program - Completed***

Since 2012, Upstate Forever has been awarded several grants to purchase, install and operate a bike share system in Greenville as follows:

<u>Grantors</u>	<u>Total Grants</u>
Greenville Health System (“GHS”)	\$ 380,000
Greenville Transit Authority (“GTA”)	129,658
Greenville County Department of Parks, Recreation and Tourism District (“GCPRT”)	35,000
Other Grants	24,375
<b>Total</b>	<b>\$ 569,033</b>

The system, launched in 2013, provided alternative transportation to workers, residents, and visitors in downtown areas.

After six years of operating the Greenville bike share system, Upstate Forever decided to give up the reins as bike share operator. The program ceased operation in November 2019, and Upstate Forever transferred ownership of the equipment to the operator, BCycle, LLC, in January 2020. BCycle LLC is considering operating the program themselves in Greenville. Per the agreement, the transfer included all assets related to the Bike Share Program including bikes, dock stations, etc. As a result of the transfer of the BikeShare assets, Upstate Forever recognized a loss of approximately \$106,000 in 2020. Remaining funds from the Bike Share Program (\$40,143) were transferred out to the Livable Communities Program, which is a grant to advocate for biking and walking options within communities in Greenville County.

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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

***Bike Share Program – Completed (Continued)***

The table below details the annual and grant to date activity.

	<b>Inception Through 12/31/19</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Revenue				
Grant from GTA	\$ 129,658	-	-	\$ 129,658
Grant from GHS	380,000	-	-	380,000
Grant from GCPRT	35,000	-	-	35,000
Grants - Other	24,375	-	-	24,375
Total Grants	569,033	-	-	569,033
Bike Share Memberships and Sponsorships	207,644	-	-	207,644
In-Kind Contribution	31,270	-	-	31,270
Net Transfers	(748)	(40,143)	-	(40,891)
Total Support and Revenue	807,199	(40,143)	-	767,056
Direct Expenses	(657,498)	(3,601)	-	(661,099)
Retire Net Assets of Bike Share	-	(105,957)	-	(105,957)
Change in Net Assets	\$ 149,701	(149,701)	-	\$ -

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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)**

**Total Funds with Donor Restrictions**

Upstate Forever has remaining balances in the following funds with donor restrictions as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
<b><u>Major Grants</u></b>		
Shaping Growth - Greenville	\$ 133,567	\$ 164,410
Tyger Implementation	91,922	43,326
Oconee County Land Conservation	109,901	110,244
Sea Change - Energy and Pipeline Initiatives	-	18,627
3&20 WBP and Implementation	26,877	29,000
Lake Greenwood, Saluda River Basin WBP	859	3,598
Campaign for Critical Lands	26,810	72,928
Saving Lake Greenwood	4,770	6,667
<b><u>Other Grants</u></b>		
Liveable Communities Greenville	-	40,143
Land Trust Endowment Earnings and Defense	1,074,610	850,255
Land Trust Endowment Contributions (Principal)	1,576,230	1,419,019
North Main Park	91,757	108,471
Upstate Voice for SC Energy Efficiency	-	13,717
North Saluda Watershed	5,654	5,654
Barr Family Pledge, Water Programs	23,575	50,721
Oconee Forever	14,742	14,890
Newmans Own	8,604	9,281
Planning Academies	6,415	8,194
Cornell Bird	1,749	5,000
Miscellaneous	-	3,661
<b>Total</b>	<b><u>\$ 3,198,039</u></b>	<b><u>\$ 2,977,806</u></b>

***Transfers Between Funds***

Upstate Forever transferred \$443,258 and \$246,095 from funds without donor restrictions to donor-restricted funds to cover program activities for the years ended December 31, 2021 and 2020, respectively. Included in the 2021 and 2020 transfers are \$121,025 and \$186,785, respectively, of campaign funds in support of campaign initiatives.

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**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 9 – LAND HELD FOR RESALE**

In fiscal year 2019, Upstate Forever was gifted 115 acres of property in Oconee County. The majority of the property has a conservation easement on it which is held by Oconee County Soil and Water District. Upstate Forever initially conservatively valued this asset at the tax value (\$501,300). An appraisal on the property was completed in December 2020, and Upstate Forever accordingly reduced the value of the asset to the appraisal value (\$420,000) and recorded a loss. The property was sold April 15, 2021 for \$425,000.

**NOTE 10 – PROPERTY, EQUIPMENT AND DEPRECIATION**

A summary of property and equipment is as follows:

	<u>2021</u>	<u>2020</u>
Property	\$ 833,097	\$ 833,097
Furniture	23,758	18,235
Equipment	8,256	8,256
Bike Share Equipment	-	-
Total Property and Equipment	<u>865,110</u>	<u>859,588</u>
Less Accumulated Depreciation	<u>(277,766)</u>	<u>(253,608)</u>
Property and Equipment, Net	<u>\$ 587,345</u>	<u>\$ 605,980</u>

**NOTE 11 – LEASE OBLIGATIONS**

On February 15, 2017, the Spartanburg office moved to new rental space at \$1,028 per month. The lease expired in February 2020, and the new lease began June 1, 2020 and ends May 31, 2023. According to the terms of the new lease, Upstate Forever will pay approximately \$1,028 per month for the first year of the lease, \$1,054 per month for the second year of the lease, and \$1,091 per month for the third year of the lease. Rent expense was \$12,520 and \$12,340 for the years ending December 31, 2021 and 2020, respectively. Total remaining lease payments on this lease are approximately \$12,907 for the year ended December 31, 2022, and \$5,455 for the year ended December 31, 2023.

**NOTE 12 – CONTINGENCIES**

Upstate Forever is dependent upon grants, contracts, and contributions. Upstate Forever must apply for renewals of grants and contracts. Funding is subject to increases or decreases at the discretion of the contractors, grantors or donors.

Upstate Forever's costs incurred under its governmental grants are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the financial position or changes in net assets of Upstate Forever.

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**NOTE 13 – CONSERVATION EASEMENT INSURANCE**

Upstate Forever is enrolled with the Terrafirma Risk Retention Group LLC, which provides insurance coverage for enforcement and defense of conservation easements under the terms of that policy.

**NOTE 14 – CONCENTRATION OF MEMBER CONTRIBUTIONS**

As the Capital Campaign was completed in June 2019, there was no concentration of member contributions in excess of 10% of its total unrestricted contributions and membership revenues for 2021 or 2020, respectively.

**NOTE 15 – CONSERVATION EASEMENTS**

At December 31, 2021, Upstate Forever had conservation easements on 147 sites in upper South Carolina and western North Carolina. A summary of conservation easements signed in 2021 and 2020 is as follows:

<u>County/State</u>	<u>Easement Acreage</u>	<u>Value Paid / Estimated Value of Development Rights Relinquished</u>
<b>Balance at December 31, 2019</b>	<b>23,646</b>	<b>\$ 99,239,436</b>
Greenville, Laurens, Pickens, Oconee, Spartanburg & Union Counties, South Carolina	<u><b>2,176</b></u>	<u><b>5,617,716</b></u>
<b>Total Easements Completed 2020</b>		
<b>Balance at December 31, 2020</b>	<b>25,822</b>	<b>104,857,152</b>
Greenville, Abbeville, Laurens, Newberry, Oconee, & Spartanburg Counties, South Carolina	<u><b>3,601</b></u>	<u><b>7,772,529</b></u>
<b>Total Easements Completed 2021</b>		
<b>Grand Total at December 31, 2021</b>	<u><b>29,423</b></u>	<u><b>\$ 112,629,681</b></u>

**NOTE 16—REVENUES FROM FEDERAL COVID-19 RELATED LOANS**

Upstate Forever was granted Paycheck Protection Program (“PPP”) loans administered by the Small Business Administration approved partner for \$196,005 in 2021 and \$181,856 in 2020. Upstate Forever previously recorded the loan forgiveness as grant income in 2020. This classification was changed in 2021 to be shown separately in the financial statements. The loans were legally forgiven in full on August 13, 2021 and on February 9, 2021, respectively. Upstate Forever recognized the PPP loans as income for \$196,005 in 2021 and \$181,856 in 2020.

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**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 17—COVID-19 PANDEMIC IMPACTS**

On January 30, 2020, the World Health Organization announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China and, in March 2020, classified the outbreak as a pandemic based on the rapid increase in exposure globally. The full impact of the pandemic continues to evolve as of the date of these financial statements. Management continues to actively monitor the impacts from the pandemic on its financial condition, liquidity, operations, workforce, grantors, and donors.

As local and federal governments recommend or mandate restrictions on business, travel, and event attendance in an effort to curb the pandemic by changing consumer behavior, Upstate Forever's revenues and expenses may be impacted.