

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2023 AND 2022**



**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

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**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**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, 2023 and 2022, 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, 2023 and 2022, 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.
- 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  
March 27, 2024

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2023**

**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2023 TOTAL</b>	<b>2022 TOTAL</b>
<b>ASSETS</b>				
Cash	\$ 9,691	491,182	500,873	\$ 365,443
Marketable Securities	3,365,057	3,460,386	6,825,443	5,921,634
Private Equity	17,974	-	17,974	41,949
Accounts Receivable	-	262,827	262,827	371,410
Long-Term Accounts Receivable, net	-	72,798	72,798	216,038
Campaign Pledge Receivables, net	477,042	10,000	487,042	11,180
Long-Term Campaign Pledge Receivables	707,775	10,000	717,775	-
Prepaid Expenses	1,562	-	1,562	-
Other Current Assets	16,803	-	16,803	1,807
Due to/from Other Funds	(195,495)	195,495	-	-
Property and Equipment, net	555,903	-	555,903	565,512
<b>TOTAL ASSETS</b>	<b>\$ 4,956,312</b>	<b>4,502,688</b>	<b>9,459,000</b>	<b>\$ 7,494,973</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 26,626	-	26,626	\$ 19,967
Accrued Liabilities	55,181	-	55,181	61,516
<b>TOTAL LIABILITIES</b>	<b>81,807</b>	<b>-</b>	<b>81,807</b>	<b>81,483</b>
<b>NET ASSETS</b>				
Without Donor Restrictions	4,874,505	-	4,874,505	4,162,187
With Donor Restrictions	-	4,502,688	4,502,688	3,251,303
<b>TOTAL NET ASSETS</b>	<b>4,874,505</b>	<b>4,502,688</b>	<b>9,377,193</b>	<b>7,413,490</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,956,312</b>	<b>4,502,688</b>	<b>9,459,000</b>	<b>\$ 7,494,973</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, 2023**

**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2023 TOTAL</b>	<b>2022 TOTAL</b>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public Support				
Grants	\$ 20,000	424,770	444,770	\$ 944,163
Contributions	595,217	1,166,360	1,761,577	1,300,077
Capital Campaign	1,863,857	131,585	1,995,442	-
Land Trust Endowments	-	130,602	130,602	64,816
Transfers Between Funds	(502,986)	502,986	-	-
Net Assets Released from Restrictions	1,430,963	(1,430,963)	-	-
<b>TOTAL PUBLIC SUPPORT</b>	<b>3,407,051</b>	<b>925,340</b>	<b>4,332,391</b>	<b>2,309,056</b>
Revenue				
Consulting Fees	-	17,000	17,000	22,250
Special Events, net of Expenses	28,350	-	28,350	19,500
Investment Income (Loss)	414,681	309,045	723,726	(1,189,577)
<b>TOTAL REVENUE</b>	<b>443,031</b>	<b>326,045</b>	<b>769,076</b>	<b>(1,147,827)</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>3,850,082</b>	<b>1,251,385</b>	<b>5,101,467</b>	<b>1,161,229</b>
<b>EXPENSES</b>				
Program	2,426,853	-	2,426,853	2,024,047
Management	134,629	-	134,629	134,045
Fundraising	576,282	-	576,282	487,029
<b>TOTAL EXPENSES</b>	<b>3,137,764</b>	<b>-</b>	<b>3,137,764</b>	<b>2,645,121</b>
<b>CHANGE IN NET ASSETS</b>	<b>712,318</b>	<b>1,251,385</b>	<b>1,963,703</b>	<b>(1,483,892)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>4,162,187</b>	<b>3,251,303</b>	<b>7,413,490</b>	<b>8,897,382</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 4,874,505</b>	<b>4,502,688</b>	<b>9,377,193</b>	<b>\$ 7,413,490</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, 2023**

**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	<b>OTHER PROGRAMS</b>	<b>MANAGEMENT</b>	<b>FUNDRAISING</b>	<b>2023 TOTAL</b>	<b>2022 TOTAL</b>
<b>EXPENSES</b>					
<b>EMPLOYEE EXPENSES</b>					
Salaries	\$ 1,315,317	203,151	196,505	1,714,973	\$ 1,603,474
Employee Benefits	75,149	12,884	20,855	108,888	93,562
Salaries, Paid Time Off	-	-	-	-	9,133
Payroll Service	-	4,788	-	4,788	4,532
Payroll Tax Expense	89,193	14,951	24,036	128,180	120,672
<b>TOTAL EMPLOYEE EXPENSES</b>	<b>1,479,659</b>	<b>235,774</b>	<b>241,396</b>	<b>1,956,829</b>	<b>1,831,373</b>
<b>ALL OTHER EXPENSES</b>					
Consultants	346,476	14,838	178,667	539,981	330,990
Consultants Easement Assistance	182,500	-	-	182,500	30,485
Information Technology & Support	70,966	13,814	26,889	111,669	110,658
Depreciation Expense	-	21,736	-	21,736	21,833
Education/Training	7,521	158	-	7,679	11,738
Insurance	10,740	33,699	-	44,439	38,790
Meeting and Conference Expenses	31,692	2,109	7,259	41,060	30,584
Overhead Allocation	180,807	(228,325)	47,518	-	-
Printed Materials & Mailing	32,195	816	9,684	42,695	50,201
Supplies and Occupancy	22,890	19,233	518	42,641	48,773
Sponsorship Expenses	10,750	-	-	10,750	11,700
Travel	33,425	21	2,608	36,054	24,287
Other Expenses	17,232	20,756	61,743	99,731	103,709
<b>TOTAL ALL OTHER EXPENSES</b>	<b>947,194</b>	<b>(101,145)</b>	<b>334,886</b>	<b>1,180,935</b>	<b>813,748</b>
<b>TOTAL EXPENSES</b>	<b>\$ 2,426,853</b>	<b>134,629</b>	<b>576,282</b>	<b>3,137,764</b>	<b>\$ 2,645,121</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, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,963,703	\$ (1,483,892)
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Unrealized Loss (Gain) on Marketable Securities and Investments	(542,965)	1,287,515
Depreciation	21,736	21,833
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Deposits, Prepaid Expenses and Other Current Assets	(16,558)	9,640
(Increase) Decrease in Accounts and Long-Term Pledges Receivable	(941,814)	(215,696)
Increase in Liabilities	324	9,883
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>484,426</b>	<b>(370,717)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Sale (Purchase) of Marketable Securities and Investments	(336,869)	183,708
Acquisition of Property and Equipment	(12,127)	-
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(348,996)</b>	<b>183,708</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>135,430</b>	<b>(187,009)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>365,443</b>	<b>552,452</b>
<b>CASH, END OF YEAR</b>	<b>\$ 500,873</b>	<b>\$ 365,443</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, 2022**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2022 TOTAL</b>
<b>ASSETS</b>			
Cash	\$ (46,411)	411,854	\$ 365,443
Marketable Securities	3,666,179	2,255,455	5,921,634
Private Equity	41,949	-	41,949
Accounts Receivable	30,000	341,410	371,410
Long-Term Accounts Receivable, net	46,032	170,006	216,038
Campaign Pledge Receivables, net	11,180	-	11,180
Other Current Assets	1,807	-	1,807
Due to/from Other Funds	(72,578)	72,578	-
Property and Equipment, net	565,512	-	565,512
<b>TOTAL ASSETS</b>	<b>\$ 4,243,670</b>	<b>3,251,303</b>	<b>\$ 7,494,973</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 19,967	-	\$ 19,967
Accrued Liabilities	61,516	-	61,516
<b>TOTAL LIABILITIES</b>	<b>81,483</b>	<b>-</b>	<b>81,483</b>
<b>NET ASSETS</b>			
Without Donor Restrictions	4,162,187	-	4,162,187
With Donor Restrictions	-	3,251,303	3,251,303
<b>TOTAL NET ASSETS</b>	<b>4,162,187</b>	<b>3,251,303</b>	<b>7,413,490</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,243,670</b>	<b>3,251,303</b>	<b>\$ 7,494,973</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, 2022**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2022 TOTAL</b>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support			
Grants	\$ 10,000	934,163	\$ 944,163
Contributions	1,300,077	-	1,300,077
Land Trust Endowments	-	64,816	64,816
Transfers Between Funds	(106,371)	106,371	-
Net Assets Released from Restrictions	714,643	(714,643)	-
<b>TOTAL PUBLIC SUPPORT</b>	<b>1,918,349</b>	<b>390,707</b>	<b>2,309,056</b>
Revenue			
Consulting Fees	22,250	-	22,250
Special Events, net of Expenses	19,500	-	19,500
Investment Income (Loss)	(852,134)	(337,443)	(1,189,577)
<b>TOTAL REVENUE</b>	<b>(810,384)</b>	<b>(337,443)</b>	<b>(1,147,827)</b>
<b>TOTAL PUBLIC SUPPORT                 AND REVENUE</b>	<b>1,107,965</b>	<b>53,264</b>	<b>1,161,229</b>
<b>EXPENSES</b>			
Program	2,024,047	-	2,024,047
Management	134,045	-	134,045
Fundraising	487,029	-	487,029
<b>TOTAL EXPENSES</b>	<b>2,645,121</b>	<b>-</b>	<b>2,645,121</b>
<b>CHANGE IN NET ASSETS</b>	<b>(1,537,156)</b>	<b>53,264</b>	<b>(1,483,892)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>5,699,343</b>	<b>3,198,039</b>	<b>8,897,382</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 4,162,187</b>	<b>3,251,303</b>	<b>\$ 7,413,490</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, 2022**

<b>EXPENSES</b>	<b>OTHER PROGRAMS</b>	<b>MANAGEMENT</b>	<b>FUNDRAISING</b>	<b>2022 TOTAL</b>
<b>EMPLOYEE EXPENSES</b>				
Salaries	\$ 1,147,881	181,523	274,070	\$ 1,603,474
Employee Benefits	65,532	13,046	14,984	93,562
Salaries, Paid Time Off	2,948	3,747	2,438	9,133
Payroll Service	-	4,532	-	4,532
Payroll Tax Expense	86,178	13,586	20,908	120,672
<b>TOTAL EMPLOYEE EXPENSES</b>	<b>1,302,539</b>	<b>216,434</b>	<b>312,400</b>	<b>1,831,373</b>
<b>ALL OTHER EXPENSES</b>				
Consultants	297,822	25,668	7,500	330,990
Consultants Easement Assistance	30,485	-	-	30,485
Information Technology & Support	60,454	25,840	24,364	110,658
Depreciation Expense	500	21,333	-	21,833
Education/Training	11,593	86	59	11,738
Insurance	9,093	29,697	-	38,790
Meeting and Conference Expenses	22,337	675	7,572	30,584
Overhead Allocation	179,032	(222,883)	43,851	-
Printed Materials & Mailing	39,057	495	10,649	50,201
Supplies and Occupancy	22,809	23,075	2,889	48,773
Sponsorship Expenses	7,950	-	3,750	11,700
Travel	22,004	448	1,835	24,287
Other Expenses	18,372	13,177	72,160	103,709
<b>TOTAL ALL OTHER EXPENSES</b>	<b>721,508</b>	<b>(82,389)</b>	<b>174,629</b>	<b>813,748</b>
<b>TOTAL EXPENSES</b>	<b>\$ 2,024,047</b>	<b>134,045</b>	<b>487,029</b>	<b>\$ 2,645,121</b>

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

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

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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. 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**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

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

***Receivables***

Receivables consist primarily of amounts due from grantors and 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.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

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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 13 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.



**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

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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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash and Cash Equivalents	\$ 9,691	\$ (46,411)
Marketable Securities	3,365,057	3,666,179
Investments	17,974	41,949
Accounts Receivable	-	30,000
Campaign Pledge Receivables, Net	477,042	11,180
	<u>\$ 3,869,764</u>	<u>\$ 3,702,897</u>

Upstate Forever's board-designated endowment of \$2,862,687 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022.

***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 not extended beyond December 31, 2021. Accordingly, the fund has commenced to wind up affairs and liquidate the assets in an orderly manner in line with the agreement. 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 2023:

Private Equity Fund Value at December 31, 2022	\$	41,949
Cash Distributions from the Fund		(23,975)
Private Equity Fund Value at December 31, 2023	\$	<u>17,974</u>

The table below details the activity within the private equity fund during 2022:

Private Equity Fund Value at December 31, 2021	\$	183,986
Cash Distributions from the Fund		(143,469)
Unrealized Gains on Investment		1,432
Private Equity Fund Value at December 31, 2022	\$	<u>41,949</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, 2023 and 2022:

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1 Inputs)	
	Fair Value at December 31, 2023	Fair Value at December 31, 2022
<b>Assets:</b>		
Cash and Deposit-in-Transit	\$ 31,610	\$ 24,379
Equities - Publicly Traded	1,389,532	1,059,127
Bonds - Publicly Traded	329,295	325,734
Treasury Notes	227,819	212,247
Mutual Funds:		
Stocks	2,184,737	2,435,548
Bonds	1,174,014	1,369,195
Other	358,993	323,085
Total Mutual Funds	<u>3,717,744</u>	<u>4,127,828</u>
Money Market Funds	1,129,443	172,319
Total Assets at Fair Value	<u>\$ 6,825,443</u>	<u>\$ 5,921,634</u>

Total investment gain on marketable securities and investments of \$723,726 includes \$542,965 of unrealized gains for the year ended December 31, 2023. Investment fees in the amount of \$24,589 are netted with Investment Income on the Statement of Activities for the year ended December 31, 2023.

Total investment loss on marketable securities and investments of \$1,189,577 includes \$1,287,515 of unrealized losses for the year ended December 31, 2022. Investment fees in the amount of \$45,656 are netted with Investment Income (Loss) on the Statement of Activities for the year ended December 31, 2022.

**NOTE 6 – ENDOWMENT FUNDS**

*Upstate Land Conservation Fund*

In 2023, Upstate Forever assumed the role of administrator for the Upstate Land Conservation Fund (ULCF). The ULCF is a restricted fund of Upstate Forever to be used exclusively for conservation projects in, or near, the Upstate region of South Carolina. The ULCF is available for use by Upstate Forever, other land trust organizations, and federal, state and local governmental entities or agencies. Upstate Forever administers the investment and distribution of the funds approved by the committee. In 2023, \$1,157,201 of ULCF assets were transferred from local community foundations under Upstate Forever’s control, and an additional \$131,585 of contributions were received restricted to ULCF.

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

*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 13 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.

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, 2023, 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 this endowment.

*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.

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

*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).

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, 2023 and 2022 are summarized as follows:

Description	2023			
	Board Designated Without Donor Restrictions	Land Trust With Donor Restrictions	ULCF With Donor Restrictions	Total
Endowment Fund, Beginning of Year	\$ 2,827,016	2,370,604	-	\$ 5,197,620
Investment Gain (Loss)	308,171	295,090	13,955	617,216
Contributions	-	130,602	1,288,786	1,419,388
Appropriation of Assets for Expenditure	(272,500)	(51,732)	(253,872)	(578,104)
Endowment Funds, End of Year	<u>\$ 2,862,687</u>	<u>2,744,564</u>	<u>1,048,869</u>	<u>\$ 6,656,120</u>
Description	2022			
	Board Designated Without Donor Restrictions	Land Trust With Donor Restrictions	ULCF With Donor Restrictions	Total
Endowment Fund, Beginning of Year	\$ 3,216,267	2,650,839	-	\$ 5,867,106
Investment Gain (Loss)	(661,750)	(337,452)	-	(999,202)
Contributions	450,000	64,816	-	514,816
Appropriation of Assets for Expenditure	(177,501)	(7,599)	-	(185,100)
Endowment Funds, End of Year	<u>\$ 2,827,016</u>	<u>2,370,604</u>	<u>-</u>	<u>\$ 5,197,620</u>

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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>	
	<u>2023</u>	<u>2022</u>
Land Policy and Planning	\$ 50,000	\$ 72,461
Land Trust Endowment Funds	19,736	33,170
Clean Water Program	84,740	103,102
Land Conservation Program	95,000	132,677
Other Receivables	13,351	30,000
Total	<u>\$ 262,827</u>	<u>\$ 371,410</u>

	<b>Long-Term Accounts Receivable, net</b>	
	<u>2023</u>	<u>2022</u>
Land Policy and Planning	\$ -	\$ 48,780
Land Conservation Program, Net	72,798	111,823
Land Trust Endowment, Net	-	9,403
Other Receivables, Net	-	46,032
Total	<u>\$ 72,798</u>	<u>\$ 216,038</u>

During 2023, Upstate Forever launched the “Generations Campaign.” At the close of the early campaign period, Upstate Forever received \$1.9 million in donations to the campaign. Of the \$1,995,442 in donations, \$790,625 was received in cash, as of December 31, 2023. The remaining pledges receivable are due as follows:

	<b>Pledges Receivable</b>	
	<u>2023</u>	<u>2022</u>
Due in 2023	\$ -	\$ 23,180
Due in 2024	487,042	-
Due in 2025	419,150	-
Due in 2026	202,500	-
Due in 2027	113,125	-
Due in 2028	3,000	-
	<u>1,224,817</u>	<u>23,180</u>
Less Allowance for Doubtful Accounts	(20,000)	(12,000)
Pledges Receivable, Net	<u>1,204,817</u>	<u>11,180</u>
Less Current Portion Included in Accounts Receivable	(487,042)	(11,180)
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ 717,775</u>	<u>\$ -</u>

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**NOTES TO FINANCIAL STATEMENTS**

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

The carrying amount of campaign pledges approximate fair value because the pledges have been discounted to present value. Also, Upstate Forever has recorded a \$20,000 allowance for doubtful accounts.

During 2022, Upstate Forever received a \$150,000 pledge from The Jolley Foundation for Shaping Growth Greenville.

	2023	2022
Due in 2023	\$ -	\$ 50,000
Due in 2024	50,000	50,000
	<u>50,000</u>	<u>100,000</u>
Less Discount to Net Present Value of 2.5% per year	-	(1,220)
	<u>50,000</u>	<u>98,780</u>
Critical Lands Grant Receivable, Net Less Current Portion Included in Accounts Receivable	(50,000)	(50,000)
	<u>-</u>	<u>-</u>
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ -</u>	<u>\$ 48,780</u>

During 2022, Upstate Forever received a \$375,000 5 year grant from ReWa for Expanding Land and Water Protection in the Tigerville Area. \$135,000 of the grant is planned for conservation projects as a pass through to the project recipient. The pass through amounts will be recognized at the time of the expense over the course of the grant work.

	2023	2022
Due in 2023	\$ -	\$ 122,677
Due in 2024	95,000	40,000
Due in 2025	40,000	40,000
Due in 2026	37,323	37,323
	<u>172,323</u>	<u>240,000</u>
Less Discount to Net Present Value of 2.5% per year	(4,525)	(5,500)
	<u>167,798</u>	<u>234,500</u>
Tigerville Land Water Protection Grant Receivable, Net Less Current Portion Included in Accounts Receivable	(95,000)	(122,677)
	<u>72,798</u>	<u>111,823</u>
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ 72,798</u>	<u>\$ 111,823</u>



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**NOTES TO FINANCIAL STATEMENTS**

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

During 2020, Upstate Forever also received a total of \$42,573 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:

	<u>2023</u>	<u>2022</u>
Due in 2023	\$ -	\$ 33,170
Due in 2024	19,736	9,638
	<u>19,736</u>	<u>42,808</u>
Less Discount to Net Present Value of 2.5% per year	-	(235)
Land Trust Endowment Receivable, Net	<u>19,736</u>	<u>42,573</u>
Less Current Portion Included in Accounts Receivable	(19,736)	(33,170)
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ -</u>	<u>\$ 9,403</u>

**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS**

Grants with donor restrictions received in 2023 and 2022 are comprised of the following:

<b>Major Grants</b>	<u>2023</u>	<u>2022</u>
Tyger River Section 319 Grant	\$ 107,337	\$ 127,066
3&20 Creek Section 319 Grant	88,628	98,680
Shaping Growth - Greenville, net discount	75,000	225,000
Advocating for a Legacy of Conservation in Oconee County	75,000	-
Twelve Mile Watershed based plan	32,699	15,228
Electrifying the Upstate	30,000	25,000
Tyger River Confluence project	12,500	125,000
Expanding Conservation in Tigerville Area	-	240,000
Sea Change - Energy and Pipeline Initiatives	-	45,000
Other Grants	3,606	33,189
	<u>\$ 424,770</u>	<u>\$ 934,163</u>

In 2023, Upstate Forever began work on one major grant and completed work under four major grants, continues work under six other major grants. The work funded by these major grants is described below.

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

*Advocating for a Legacy of Conservation in Oconee County – New*

In 2023, Upstate Forever was awarded \$75,000 from the Pete & Sally Smith Foundation to support existing and new advocacy efforts to advance key policies and efforts to find permanent funding for the Oconee County Conservation Bank, expand land conservation outreach and strengthen conservation stewardship in Oconee County.

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

	<b>Inception Through 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Total Grants	\$ -	-	75,000	\$ 75,000
Direct Expenses	-	-	(15,728)	(15,728)
Transfer in from Other Funds	-	-	-	-
Change in Net Assets	\$ -	-	59,272	\$ 59,272

*Tyger River Confluence Project – In Progress*

In 2022, Upstate Forever began working with a coalition of public, private, and nonprofit partners in Spartanburg County to create a recreation and eco-tourism corridor in one of the nation’s fastest growing regions. It is modeled after the new Black River Water Trail and Park Network in the Pee Dee River Basin, an emerging new state park that is unlike any other experience currently offered in South Carolina’s 47 state parks. As proposed, the Tyger River Confluence Project will cover 20 river miles and include public park spaces with trails and a Nature Center. Funding will be used to support staff time and administrative costs and well as matching funds for master planning efforts and associated legal fees.

A listing of the grantors for this initiative and a table of the grant activity to date is below.

<u><b>Grantors</b></u>	<u><b>Total Grants</b></u>
Spartanburg Community Foundation	\$ 100,000
Mary Black Foundation	25,000
Tyger River Foundation	12,500
<b>Total</b>	<u><u><b>\$ 137,500</b></u></u>

	<b>Inception Through 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Total Grants	\$ -	125,000	12,500	\$ 137,500
Direct Expenses	-	(15,198)	(59,902)	(75,100)
Transfer in from Other Funds	-	3,161	126	3,287
Change in Net Assets	\$ -	112,963	(47,276)	\$ 65,687

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

*Expanding Conservation in Tigerville Area – In Progress*

In 2022, Upstate Forever began working in conjunction with Renewable Water Resources to promote conservation of Land and Water in the Tigerville area. Through a state statute Renewable Water Resources committed \$375,000 over 5 years to identify conservation projects in the Tigerville area. The funds provide administrative costs and programs dedicated to preserving the rural nature, environmental integrity, and sustainability of the Tigerville community. The program will bolster our current land and water protection efforts in this area by allowing Upstate Forever to encourage landowners to protect water quality projects such as riparian buffers, septic repairs, helping attract landowners to conservation easements with additional aid for to due diligence costs, cost share fees, and conservation easement purchases.

The table below details the grant activity to date. In addition to the \$240,000 recognized as income in 2022 in the table below, there is an additional \$135,000 available that is earmarked for project pass through expenses that Upstate Forever will recognize when incurred.

	<b>Inception Through 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Total Grants	\$ -	240,000	-	\$ 240,000
Discount Long Term Receivable	-	-	975	975
Direct Expenses	-	(4,706)	(24,197)	(28,903)
Transfer in from Other Funds	-	-	-	-
Change in Net Assets	\$ -	235,294	(23,222)	\$ 212,072

*Electrifying the Upstate – In Progress*

Since 2022, Upstate Forever was granted \$55,000 from The Energy Foundation to promote the electrification of the transportation sector. There is a growing interest from the business community, local planners, and electric utilities and is matched with unprecedented dollars from the state of South Carolina. Upstate Forever will work with Energy Foundation partners to identify opportunities for implementation of those dollars and will advocate for policies to support the state’s energy transition. At the local level, we will meet with Greenville planners and decisionmakers to identify local policy initiatives as well as projects to implement the City’s electrification goals. At the state level, we will participate in PSC dockets related to these goals and provide educational resources to the public.

	<b>Inception Through 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Total Grants	\$ -	25,000	30,000	\$ 55,000
Direct Expenses	-	(6,800)	(51,693)	(58,493)
Transfer in from Other Funds	-	-	3,493	3,493
Change in Net Assets	\$ -	18,200	(18,200)	\$ -

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**NOTES TO FINANCIAL STATEMENTS**

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

***Creating a Watershed-Based Plan for the Twelve Mile River – Keowee River Watershed – In Progress***

Upstate Forever and the Clemson University Center for Watershed Excellence were awarded \$63,723 from SC Department of Health and Environmental Control (DHEC) for funding under the Drinking Water State Revolving Fund set-aside grant to develop a comprehensive Watershed-based plan for the Twelve Mile River – Keowee River Watershed within the larger Savannah River Basin. This watershed contains approximately 371.3 miles of streams and over 98,967 land acres with the primary land uses being forested, agricultural, and urban. This portion of the Seneca Watershed includes source water intakes and protection areas for the Easley Central Water District (ECWD) and Pickens Water Treatment Plant (Pickens WTP). Collectively, ECWD and Pickens WTP provide drinking water to over 16,300 residents living in Pickens County. DHEC government reimbursement grants are listed as follows:

<u>Grantors</u>	<u>Total Grants</u>
Department of Health and Environmental Control (DHEC) - Watershed Base Plan	\$ 63,723
<b>Total</b>	<b>\$ 63,723</b>

The table below details the grant activity to date. In addition to the \$47,927 in total grants below, there is an additional \$15,797 available in unearned reimbursement grant funds.

	<b>Inception Through 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Total Grants	\$ -	15,228	32,699	\$ 47,927
Direct Expenses	-	(15,228)	(32,699)	(47,927)
Change in Net Assets	\$ -	-	-	\$ -

***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**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

**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 (DHEC) - Watershed Base Plan	\$ 40,939
Department of Health and Environmental Control (DHEC) - Implementation Plan	238,694
Department of Health and Environmental Control (DHEC) - Implementation Plan Phase II	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>\$ 956,744</b>

The table below details the annual and grant to date activity. In addition to the \$628,797 in total grants below, there is an additional \$327,947 available in unearned reimbursement grant funds.

	<b>Inception Through 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Total Grants	\$ 394,394	127,066	107,337	\$ 628,797
Direct Expenses	(304,261)	(141,061)	(135,710)	(581,032)
Transfer in from Other Funds	1,789	545	3,976	6,310
Change in Net Assets	\$ 91,922	(13,450)	(24,397)	\$ 54,075

***Oconee County Land Conservation and Stewardship – Completed***

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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**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

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

***Oconee County Land Conservation and Stewardship – Completed (Continued)***

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

	<b>Inception Through 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Grants	\$ 325,500	-	-	\$ 325,500
Direct Expenses	(215,599)	(85,767)	(40,622)	(341,988)
Transfer in fro Other Funds	-	-	16,488	16,488
Change in Net Assets	\$ 109,901	(85,767)	(24,134)	\$ -

***Shaping Growth in Greenville – In Progress***

Since 2017, Upstate Forever has received \$860,405 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:

<b><u>Grantors</u></b>	<b><u>Total Grants</u></b>
Jolley Foundation	\$ 390,000
Hollingsworth	450,000
New Belgium	5,000
Community Foundation	5,000
Greenville Housing Fund	5,000
Other Grants	5,405
Total	<b><u>\$ 860,405</u></b>

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**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

**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 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Grants	\$ 560,405	225,000	75,000	\$ 860,405
(Discount Long Term Receivable)	-	(1,220)	1,220	-
Direct Expenses	(428,786)	(119,190)	(101,708)	(649,684)
Transfer in from Other Funds	1,948	7,635	-	9,583
Change in Net Assets	<u>\$ 133,567</u>	<u>112,225</u>	<u>(25,488)</u>	<u>\$ 220,304</u>

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

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>Grantors</u>	<u>Total Grants</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>\$ 313,249</u></u>

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

	<b>Inception Through 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Grants	\$ 125,940	98,680	88,629	\$ 313,249
Direct Expenses	(99,358)	(108,269)	(101,941)	(309,568)
Transfer from Other Funds	295	-	(3,976)	(3,681)
Change in Net Assets	<u>\$ 26,877</u>	<u>(9,589)</u>	<u>(17,288)</u>	<u>\$ -</u>

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**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

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

*Sea Change – Completed*

Since 2017, Upstate Forever has been awarded grants in the amount of \$233,569 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>Grantors</u>	<u>Total Grants</u>
Turner Foundation	\$ 50,000
Oak Hill	183,315
Other Income	254
<b>Total</b>	<b>\$ 233,569</b>

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

	<b>Inception Through 12/31/21</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Grants	\$ 188,315	45,000	-	\$ 233,315
Other Income	254	-	-	254
Total Revenue	188,569	45,000	-	233,569
Direct Expenses	(202,766)	(27,974)	(30,281)	(261,021)
Transfer in from Other Funds	14,197	11,407	1,848	27,452
Change in Net Assets	\$ -	28,433	(28,433)	\$ -



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**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<b><u>Major Grants</u></b>		
Shaping Growth - Greenville	\$ 220,304	\$ 245,792
Expanding Conservation in Tigerville Area	212,072	235,294
Tyger River Confluence Project	65,687	112,962
Tyger Implementation	54,075	78,472
Oconee County Land Conservation	-	24,134
Sea Change - Energy and Pipeline Initiatives	-	28,433
Electrifying the Upstate	-	18,200
3&20 WBP and Implementation	-	17,288
Oconee Advocacy	59,272	-
<b><u>Other Grants</u></b>		
Land Trust Endowment Earnings and Defense	986,553	739,559
Land Trust Endowment Contributions (Principal)	1,758,010	1,631,046
Upstate Land Conservation Fund	1,048,870	-
North Main Park	83,303	85,034
Energy Restricted grants	-	7,470
Upstate Voice for SC Energy Efficiency	-	4,936
Oconee Forever	14,542	14,542
Newmans Own	-	8,141
<b>Total</b>	<b><u>\$ 4,502,688</u></b>	<b><u>\$ 3,251,303</u></b>

***Transfers Between Funds***

Upstate Forever transferred \$502,986 and \$106,371 from funds without donor restrictions to donor-restricted funds to cover program activities for the years ended December 31, 2023 and 2022, respectively.

**UPSTATE FOREVER  
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**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 9 – PROPERTY, EQUIPMENT AND DEPRECIATION**

A summary of property and equipment is as follows:

	<u>2023</u>	<u>2022</u>
Property	\$ 833,097	\$ 833,097
Furniture	23,758	23,758
Equipment	<u>20,382</u>	<u>8,256</u>
Total Property and Equipment	877,236	865,110
Less Accumulated Depreciation	<u>(321,333)</u>	<u>(299,598)</u>
Property and Equipment, Net	<u>\$ 555,903</u>	<u>\$ 565,512</u>

**NOTE 10 – 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.

During 2022, Upstate Forever joined Conserving Carolina and Play, Advocate, Live Well (“PAL”); to form a coalition, The Saluda Grade Trails Conservancy (the “Conservancy”), to lead the effort to repurpose an inactive rail line to a recreational trail that will run from Spartanburg County, South Carolina into the mountains of western North Carolina. The Saluda Grade Trail will run through Inman, Campobello, Landrum, Tryon, Saluda, and Zirconia. In March 2023, the coalition signed a non-binding letter of intent with the owner of the rail line to acquire the rail line and adjacent properties and has secured some initial federal funding through the South Carolina Department of Transportation.

Along its route, the trail will feature rural scenery, vibrant small towns, historic landmarks, and gorgeous nature preserves, lakes, and waterfalls. It is expected to be a multi-use trail that will be enjoyed by people of all ages and abilities. The Conservancy is planning to work on a master plan and has begun the process of an economic impact and feasibility study that will shed light on how the trail will shape local economies and how to move forward with the project. Conserving Carolina is leading efforts on the North Carolina side of the trail, while Upstate Forever and PAL are leading efforts in South Carolina.

**NOTE 11 – 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.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 12 – CONCENTRATION OF MEMBER CONTRIBUTIONS**

There were no donations in excess of 10% of total unrestricted contributions in 2023. In 2022, Upstate Forever received a donation from one donor in excess of 10% of total unrestricted contributions and membership revenues.

**NOTE 13 – CONSERVATION EASEMENTS**

At December 31, 2023, Upstate Forever had conservation easements on 163 sites in upper South Carolina and western North Carolina. A summary of conservation easements signed in 2023 and 2022 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, 2021</b>	<b>29,423</b>	<b>\$ 112,629,681</b>
Anderson, Greenville, Pickens, & Spartanburg Counties, South Carolina	<u>796</u>	<u>4,446,000</u>
<b>Total Easements Completed 2022</b>		
<b>Balance at December 31, 2022</b>	<b>30,219</b>	<b>117,075,681</b>
Anderson, Pickens, Greenville, Cherokee, & Spartanburg Counties, South Carolina	<u>737</u>	<u>7,392,785</u>
<b>Total Easements Completed 2023</b>		
<b>Grand Total at December 31, 2023</b>	<b><u>30,956</u></b>	<b><u>\$ 124,468,466</u></b>

**NOTE 14 – SUBSEQUENT EVENTS**

In January 2024, Upstate Forever engaged Forvis, LLP to calculate and document the Employee Retention Credit for the quarters which it was eligible. Based on their calculation, the Organization is expected to receive approximately \$403,000 as a payroll tax refund.

The financial statements were issued on March 27, 2024 and subsequent events have been evaluated through that date.