

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**



**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**TABLE OF CONTENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

---

	<b>Page</b>
<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position - 2019	3
Statement of Activities - 2019	4
Statement of Functional Expenses - 2019	5
Statements of Cash Flows - 2019 and 2018	6
Statement of Financial Position - 2018	7
Statement of Activities - 2018	8
Statement of Functional Expenses - 2018	9
Notes to Financial Statements	10





# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Upstate Forever  
Greenville, South Carolina

We have audited the accompanying financial statements of Upstate Forever (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upstate Forever as of December 31, 2019 and 2018, 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.

*Greene Finney, LLP*

Greene Finney, LLP  
Mauldin, South Carolina  
March 18, 2020

GREENEFINNEY.COM · INFO@GREENEFINNEY.COM

MAULDIN, SC  
864.232.5204

CHARLESTON, SC  
843.735.5805

SPARTANBURG, SC  
864.232.5204

ASHEVILLE, NC  
828.771.0847  
OPEN BY APPOINTMENT ONLY



**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2019**

**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2019 TOTAL</b>	<b>2018 TOTAL</b>
<b>ASSETS</b>				
Cash	\$ 106,010	487,601	593,611	\$ 838,082
Marketable Securities	3,825,980	1,975,273	5,801,253	4,889,531
Investments	214,169	-	214,169	267,294
Deposits	1,128	-	1,128	1,128
Accounts Receivable	25,000	125,595	150,595	120,582
Long-Term Accounts Receivable, net	-	77,341	77,341	37,620
Campaign Pledge Receivables	456,472	25,000	481,472	344,042
Long-Term Pledge Campaign Receivables, net	138,444	-	138,444	404,373
Prepaid Expenses	4,447	-	4,447	3,262
Other Current Assets	3,579	-	3,579	3,775
Land Held for Resale	502,300	-	502,300	1,000
Due to/from Other Funds	(113,153)	113,153	-	-
Property and Equipment, net	628,623	106,897	735,520	777,139
<b>TOTAL ASSETS</b>	<b>\$ 5,792,999</b>	<b>2,910,860</b>	<b>8,703,859</b>	<b>\$ 7,687,828</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,987	-	9,987	\$ 8,470
Accrued Liabilities	52,570	4,089	56,659	64,421
<b>TOTAL LIABILITIES</b>	<b>62,557</b>	<b>4,089</b>	<b>66,646</b>	<b>72,891</b>
<b>NET ASSETS</b>				
Without Donor Restrictions	5,730,442	-	5,730,442	5,077,256
With Donor Restrictions	-	2,906,771	2,906,771	2,537,681
<b>TOTAL NET ASSETS</b>	<b>5,730,442</b>	<b>2,906,771</b>	<b>8,637,213</b>	<b>7,614,937</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,792,999</b>	<b>2,910,860</b>	<b>8,703,859</b>	<b>\$ 7,687,828</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, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2019 TOTAL</b>	<b>2018 TOTAL</b>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public Support				
Grants	\$ -	572,073	572,073	\$ 429,900
Contributions	39,244	15,523	54,767	55,592
In-Kind Contributions	-	-	-	427
Capital Campaign	914,358	-	914,358	2,644,021
Membership	238,846	-	238,846	284,147
Land Trust Endowments	-	91,720	91,720	87,770
Transfers Between Funds	(329,202)	329,202	-	-
Net Assets Released from Restrictions	967,335	(967,335)	-	-
<b>TOTAL PUBLIC SUPPORT</b>	<b>1,830,581</b>	<b>41,183</b>	<b>1,871,764</b>	<b>3,501,857</b>
Revenue				
Consulting Fees	4,072	9,775	13,847	18,471
Special Events, net of Expenses	(2,916)	6,408	3,492	34,631
Interest Income	10,154	135	10,289	9,671
Investment Income (Loss)	481,819	280,490	762,309	(289,243)
Bike Share Revenue	-	29,433	29,433	33,843
Other	1,590	1,666	3,256	2,682
<b>TOTAL REVENUE</b>	<b>494,719</b>	<b>327,907</b>	<b>822,626</b>	<b>(189,945)</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>2,325,300</b>	<b>369,090</b>	<b>2,694,390</b>	<b>3,311,912</b>
<b>EXPENSES</b>				
Program				
Conservation Easements	-	-	-	210,000
Consulting Subcontract Costs	100,575	-	100,575	98,920
Other Program Costs	1,118,933	-	1,118,933	953,061
Management	123,513	-	123,513	125,592
Fundraising	329,093	-	329,093	405,053
<b>TOTAL EXPENSES</b>	<b>1,672,114</b>	<b>-</b>	<b>1,672,114</b>	<b>1,792,626</b>
<b>CHANGE IN NET ASSETS</b>	<b>653,186</b>	<b>369,090</b>	<b>1,022,276</b>	<b>1,519,286</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>5,077,256</b>	<b>2,537,681</b>	<b>7,614,937</b>	<b>6,095,651</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,730,442</b>	<b>2,906,771</b>	<b>8,637,213</b>	<b>\$ 7,614,937</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, 2019  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)**

	<b>OTHER PROGRAMS</b>	<b>MANAGEMENT</b>	<b>FUNDRAISING</b>	<b>2019 TOTAL</b>	<b>2018 TOTAL</b>
<b>EXPENSES</b>					
Accounting	\$ -	12,280	-	12,280	\$ 10,780
Advertising	4,307	-	68	4,375	8,987
Bad Debt Expense	-	-	13,500	13,500	3,263
Bank Charges	3,941	30	3,712	7,683	11,305
Computer	23,773	8,642	3,375	35,790	33,790
Consultants	95,889	3,500	24,648	124,037	200,070
Copier	2,257	5,006	-	7,263	6,507
Depreciation Expense	28,031	20,911	-	48,942	49,780
Education/Training	1,503	1,919	-	3,422	1,031
Events, Other	11,199	15	22,122	33,336	-
Insurance	9,003	21,540	-	30,543	29,369
Licenses and Fees	450	300	-	750	1,057
Meeting and Conference Expenses	18,738	1,995	1,599	22,332	26,747
Miscellaneous	2,125	564	-	2,689	2,002
Organizational Dues	14,892	250	475	15,617	5,282
Overhead Allocation	95,184	(125,348)	30,164	-	-
Postage & Mailing	2,858	989	3,765	7,612	5,449
Printed Materials	20,067	2,222	7,384	29,673	29,166
Records Management	-	991	-	991	942
Rent	12,340	285	-	12,625	12,340
Repairs and Maintenance	22,628	4,673	1,300	28,601	24,646
Salaries	602,988	128,048	187,954	918,990	806,897
Employee Benefits	33,555	7,466	10,326	51,347	50,316
Salaries, Paid Time Off	(3,397)	(531)	(736)	(4,664)	4,594
Payroll Service	-	2,446	-	2,446	2,295
Payroll Tax Expense	43,225	9,143	13,610	65,978	59,636
Sponsorship Expenses	13,775	750	-	14,525	31,000
Supplies and Equipment	19,623	4,632	1,935	26,190	23,018
Telecommunications	9,378	6,316	1,516	17,210	15,856
Travel	28,735	533	1,867	31,135	21,767
Utilities	1,866	3,946	509	6,321	5,814
	<u>\$ 1,118,933</u>	<u>123,513</u>	<u>329,093</u>	<u>1,571,539</u>	<u>1,483,706</u>
Contribution for Conservation Easements				-	210,000
Consulting Subcontract Costs				100,575	98,920
				<u>1,672,114</u>	<u>\$ 1,792,626</u>

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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,022,276	\$ 1,519,286
Adjustments to Reconcile Change in Net Assets to Cash Provided by (used in) Operating Activities:		
Unrealized (Gain) Loss on Marketable Securities and Investments	(669,239)	436,254
Depreciation	48,942	49,780
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Deposits, Prepaid Expenses and Other Current Assets	(989)	2,526
(Increase) Decrease in Accounts and Long-Term Pledges Receivable	58,765	(663,471)
(Increase) Decrease in Land Held for Resale	(501,300)	-
Increase (Decrease) in Liabilities	(6,245)	11,247
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>(47,790)</u>	<u>1,355,622</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Purchase of Marketable Securities and Investments	(189,359)	(1,648,158)
Acquisition of Property and Equipment	(7,322)	(8,256)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>(196,681)</u>	<u>(1,656,414)</u>
<b>NET INCREASE/(DECREASE) IN CASH</b>	(244,471)	(300,792)
<b>CASH, BEGINNING OF YEAR</b>	<u>838,082</u>	<u>1,138,874</u>
<b>CASH, END OF YEAR</b>	<u>\$ 593,611</u>	<u>\$ 838,082</u>

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

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2018**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2018 TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 299,707	538,375	\$ 838,082
Marketable Securities	3,243,779	1,645,752	4,889,531
Investments	267,294	-	267,294
Deposits	1,128	-	1,128
Accounts Receivable	32,500	88,082	120,582
Long-Term Accounts Receivable, net	-	37,620	37,620
Campaign Pledge Receivables	314,042	30,000	344,042
Long-Term Pledge Campaign Receivables, net	374,373	30,000	404,373
Prepaid Expenses	3,262	-	3,262
Other Current Assets	3,775	-	3,775
Land Held for Resale	1,000	-	1,000
Due to/from other Funds	(33,625)	33,625	-
Property and Equipment, net	642,912	134,227	777,139
<b>TOTAL ASSETS</b>	<b>\$ 5,150,147</b>	<b>2,537,681</b>	<b>\$ 7,687,828</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 8,470	-	\$ 8,470
Accrued Liabilities	64,421	-	64,421
<b>TOTAL LIABILITIES</b>	<b>72,891</b>	<b>-</b>	<b>72,891</b>
<b>NET ASSETS</b>			
Without Donor Restrictions	5,077,256	-	5,077,256
With Donor Restrictions	-	2,537,681	2,537,681
<b>TOTAL NET ASSETS</b>	<b>5,077,256</b>	<b>2,537,681</b>	<b>7,614,937</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,150,147</b>	<b>2,537,681</b>	<b>\$ 7,687,828</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, 2018**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2018 TOTAL</b>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support			
Grants	\$ 20,000	409,900	\$ 429,900
Contributions	46,392	9,200	55,592
In-Kind Contributions	427	-	427
Capital Campaign	2,544,021	100,000	2,644,021
Membership	284,147	-	284,147
Land Trust Endowments	-	87,770	87,770
Transfers Between Funds	(56,642)	56,642	-
Net Assets Released from Restrictions	873,803	(873,803)	-
<b>TOTAL PUBLIC SUPPORT</b>	<b>3,712,148</b>	<b>(210,291)</b>	<b>3,501,857</b>
Revenue			
Consulting Fees	4,096	14,375	18,471
Special Events, net of Expenses	27,989	6,642	34,631
Interest Income	9,072	599	9,671
Investment Income (Loss)	(175,288)	(113,955)	(289,243)
Bike Share Revenue	-	33,843	33,843
Other	2,585	97	2,682
<b>TOTAL REVENUE</b>	<b>(131,546)</b>	<b>(58,399)</b>	<b>(189,945)</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>			
	<b>3,580,602</b>	<b>(268,690)</b>	<b>3,311,912</b>
<b>EXPENSES</b>			
Program			
Conservation Easements	210,000	-	210,000
Consulting Subcontract Costs	98,920	-	98,920
Other Program Costs	953,061	-	953,061
Management	125,592	-	125,592
Fundraising	405,053	-	405,053
<b>TOTAL EXPENSES</b>	<b>1,792,626</b>	<b>-</b>	<b>1,792,626</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,787,976</b>	<b>(268,690)</b>	<b>1,519,286</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>3,289,280</b>	<b>2,806,371</b>	<b>6,095,651</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,077,256</b>	<b>2,537,681</b>	<b>\$ 7,614,937</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, 2018**

<b>EXPENSES</b>	<b>OTHER PROGRAMS</b>	<b>MANAGEMENT</b>	<b>FUNDRAISING</b>	<b>2018 TOTAL</b>
Accounting	\$ -	10,780	-	\$ 10,780
Advertising	8,912	-	75	8,987
Bad Debt Expense	3,263	-	-	3,263
Bank Charges	8,009	80	3,216	11,305
Computer	26,961	5,705	1,124	33,790
Consultants	67,690	527	131,853	200,070
Copier	3,040	3,314	153	6,507
Depreciation Expense	29,419	20,361	-	49,780
Education/Training	276	-	755	1,031
Insurance	8,702	20,667	-	29,369
Licenses and Fees	569	214	274	1,057
Meeting and Conference Expenses	11,945	150	14,652	26,747
Miscellaneous	1,335	272	395	2,002
Organizational Dues	4,232	575	475	5,282
Overhead Allocation	78,360	(107,966)	29,606	-
Postage & Mailing	3,089	400	1,960	5,449
Printed Materials	19,604	1,464	8,098	29,166
Records Management	-	942	-	942
Rent	12,340	-	-	12,340
Repairs and Maintenance	19,389	5,257	-	24,646
Salaries	492,286	130,572	184,039	806,897
Employee Benefits	31,324	7,579	11,413	50,316
Salaries, Paid Time Off	4,206	1,307	(919)	4,594
Payroll Service	-	2,295	-	2,295
Payroll Tax Expense	36,467	9,536	13,633	59,636
Sponsorship Expenses	31,000	-	-	31,000
Supplies and Equipment	17,144	3,279	2,595	23,018
Telecommunications	9,934	4,624	1,298	15,856
Travel	21,403	6	358	21,767
Utilities	2,162	3,652	-	5,814
	<u>\$ 953,061</u>	<u>125,592</u>	<u>405,053</u>	<u>1,483,706</u>
Contribution for Conservation Easements				210,000
Consulting Subcontract Costs				98,920
				<u>\$ 1,792,626</u>

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, 2019 AND 2018**

---

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

***Operation***

Upstate Forever (the “Organization”) is a nonprofit organization founded in 1998 to protect critical lands, waters, and the unique character of the Upstate of South Carolina. The Organization accomplishes its mission through four major programs: Land Conservation, Clean Water, Land Planning and Policy, and Energy. The Organization 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 the Organization 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 FASB ASC 958-205 Not-For-Profit Presentation of Financial Statements.

***Revenue Recognition***

The Organization 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. The Organization has received planned gifts of \$4.6 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 is received.

***Cash and Cash Equivalents***

For the Statement of Cash Flows, the Organization 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 donor restricted net assets or net assets without donor restrictions.

***Investments***

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

***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.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

---

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

*Income Taxes*

The Organization 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 the Organization 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 the Organization 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, the Organization reports that support as an increase in net assets without donor restrictions.

*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. The Organization'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 the Organization 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 the Organization.

Conservation easements donated to the Organization 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  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

---

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

*Conservation Easements (Continued)*

The Organization 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 the Organization 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 the Organization's conservation easements.

*Grants*

The Organization 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 the Organization'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.

*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 year following December 31, 2019 consist of the following:

Cash and Cash Equivalents	\$	106,010
Marketable Securities		3,825,980
Investments		214,169
Accounts Receivable		25,000
Campaign Pledge Receivables, Net		456,472
Endowment distributions and appropriations		80,000
	\$	<u>4,707,631</u>

The Organization's board-designated endowment of \$2,452,933 is subject to board approval. 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.



**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

---

**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**

The Organization 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, 2019 and 2018, and the Organization’s holdings did not exceed the insured limits.

**NOTE 5 – FAIR VALUE DISCLOSURES**

The Financial Accounting Standards Board (“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 the Organization has the ability to access.

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, 2019 and 2018, the Organization’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 and Level 2 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, 2019 and 2018.

***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.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

---

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

*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.

*Private Equity Fund*

A contribution was given to the Organization 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 the Organization's share in the private equity fund. As part of the transfer of ownership agreement, the Organization 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 is scheduled to close out and make final disbursements in October 2020. The Organization 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 2019:

Private Equity Fund Value at December 31, 2018	\$	267,294
Cash Distributions from the Fund		(66,336)
Unrealized Gains on Investment		13,211
Private Equity Fund Value at December 31, 2019	\$	<u>214,169</u>

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

The following table sets forth by level the fair value hierarchy of the Trust’s assets accounted for at fair value on a recurring basis as of December 31, 2019:

**Fair Value Measurements at December 31, 2019 Using Quoted Prices:**

	Fair Value at December 31, 2019	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1 Inputs)	Quoted Prices for Similar Assets and Liabilities (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
<b>Assets:</b>				
Cash and Deposit-in-Transit	\$ 36,756	36,756	-	\$ -
Certificates of Deposit	607,000	607,000		
Community Foundation Funds	21,897	21,897	-	-
Equities - Publicly Traded	1,023,688	1,023,688	-	-
Bonds - Publicly Traded	158,848	158,848	-	-
Treasury Notes	156,694	156,694	-	-
<b>Mutual Funds:</b>				
Stocks	1,496,661	1,496,661	-	-
Bonds	1,883,814	1,883,814	-	-
Other	80,627	80,627	-	-
Total Mutual Funds	3,461,102	3,461,102	-	-
Money Market Funds	335,268	335,268	-	-
Total Assets at Fair Value	<u>\$ 5,801,253</u>	<u>5,801,253</u>	<u>-</u>	<u>\$ -</u>

Total investment gain on marketable securities and investments of \$762,309 includes \$669,239 of unrealized gains for the year ended December 31, 2019. Investment fees in the amount of \$26,595 are netted with Investment Income on the Statement of Activities for the year ended December 31, 2019.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

The following table sets forth by level the fair value hierarchy of the Trust’s assets accounted for at fair value on a recurring basis as of December 31, 2018:

<b>Fair Value Measurements at December 31, 2018 Using Quoted Prices:</b>				
	Fair Value at December 31, 2018	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1 Inputs)	Quoted Prices for Similar Assets and Liabilities (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
<b>Assets:</b>				
Cash and Deposit-in-Transit	\$ 56,145	56,145	-	\$ -
Certificates of Deposit	342,000	342,000		
Community Foundation Funds	22,308	22,308	-	-
Equities - Publicly Traded	805,267	805,267	-	-
Bonds - Publicly Traded	167,763	167,763	-	-
Treasury Notes	133,970	133,970	-	-
Mutual Funds:				
Stocks	1,178,215	1,178,215	-	-
Bonds	1,582,881	1,582,881	-	-
Other	288,110	288,110	-	-
Total Mutual Funds	3,049,206	3,049,206	-	-
Money Market Funds	312,872	312,872	-	-
Total Assets at Fair Value	<u>\$ 4,889,531</u>	<u>4,889,531</u>	<u>-</u>	<u>\$ -</u>

Total investment loss on marketable securities and investments of \$289,243 includes \$436,254 of unrealized losses for the year ended December 31, 2018. Investment fees in the amount of \$22,785 are netted with Investment Income on the Statement of Activities for the year ended December 31, 2018.

**NOTE 6 – ENDOWMENT FUNDS**

*Land Trust Endowment*

As part of the Organization’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 the Organization’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 the Organization’s oversight responsibilities.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

---

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

*Land Trust Endowment (Continued)*

It is the written intent of most donors and the Organization 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, 2019, the Organization has received \$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. The Organization 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 the Organization in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). In accordance with UPMIFA, the Organization 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 the Organization 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 the Organization.
- The investment policy of the Organization.

*Investment Objective*

The Organization’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. The Organization 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, the Organization 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).

The Organization has chosen not to manage its underlying assets directly, but utilizes independent investment managers to do so. The Finance and Investment Committee of the Organization meets twice annually with the investment managers to review and discuss the management of the Endowment Funds.

The total fund balance is comprised of both marketable securities and other assets and liabilities of the Endowment Funds.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

Changes in the Organization’s Endowment Funds, by net asset classification, for the years ended December 31, 2019 and 2018 are summarized as follows:

<b>Description</b>	<b>2019</b>		
	<b>Board Designated Without Donor Restrictions</b>	<b>Land Trust With Donor Restrictions</b>	<b>Total</b>
Endowment Fund, Beginning of Year	\$ 2,141,866	1,571,580	\$ 3,713,446
Investment Gain	391,067	280,490	671,557
Contributions	-	93,473	93,473
Appropriation of Assets for Expenditure	(80,000)	(56,619)	(136,619)
Endowment Funds, End of Year	<u>\$ 2,452,933</u>	<u>1,888,924</u>	<u>\$ 4,341,857</u>

  

<b>Description</b>	<b>2018</b>		
	<b>Board Designated Without Donor Restrictions</b>	<b>Land Trust With Donor Restrictions</b>	<b>Total</b>
Endowment Fund, Beginning of Year	\$ 2,344,041	1,647,722	\$ 3,991,763
Investment Loss	(122,175)	(113,955)	(236,130)
Contributions	-	87,770	87,770
Appropriation of Assets for Expenditure	(80,000)	(49,957)	(129,957)
Endowment Funds, End of Year	<u>\$ 2,141,866</u>	<u>1,571,580</u>	<u>\$ 3,713,446</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.

**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>2019</b>	<b>2018</b>
Land Policy and Planning	\$ 50,000	\$ -
Land Trust Endowment Funds	8,652	17,952
Clean Water Program	54,793	59,730
Land Conservation Program	12,150	10,400
Other	25,000	32,500
Total	<u>\$ 150,595</u>	<u>\$ 120,582</u>

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

	<b>Long-Term Accounts Receivable</b>	
	<u>2019</u>	<u>2018</u>
Land Conservation Program, Net	\$ 28,560	\$ 37,620
Land Policy and Planning, Net	48,780	-
Total	<u>\$ 77,341</u>	<u>\$ 37,620</u>

During 2018, the Organization 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, the Organization exceeded its goals with \$3.6 million in donations and \$4.6 million in planned gifts. Of the \$3,558,379 in donations, \$2,922,496 was received in cash, marketable securities and real property. The remaining pledges receivable are due as follows:

	<b>Pledges Receivable</b>	
	<u>2019</u>	<u>2018</u>
Due in 2018	\$ -	\$ 20,500
Due in 2019	75,198	323,542
Due in 2020	406,273	340,545
Due in 2021	145,937	67,195
Due in 2022	8,475	8,000
	<u>635,883</u>	<u>759,782</u>
Less Discount to Net Present Value of 2.5% per year	(3,967)	(11,367)
Less Allowance for Doubtful Accounts	(12,000)	-
Campaign Pledges Receivable, Net	<u>619,916</u>	<u>748,415</u>
Less Current Portion	(481,472)	(344,042)
Portion Included in Long-Term Campaign Pledges Receivables Net	<u>\$ 138,444</u>	<u>\$ 404,373</u>

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

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

During 2018, the Organization 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:

	<u>2019</u>	<u>2018</u>
Due in 2019	\$ -	\$ 10,000
Due in 2020	10,000	10,000
Due in 2021	10,000	10,000
Due in 2022	10,000	10,000
Due in 2023	10,000	10,000
	<u>40,000</u>	<u>50,000</u>
Less Discount to Net Present Value of 2.5% per year	(1,440)	(2,380)
Critical Lands Grant Receivable, Net	<u>38,560</u>	<u>47,620</u>
Less Current Portion Included in Accounts Receivable	(10,000)	(10,000)
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ 28,560</u>	<u>\$ 37,620</u>

During 2019, the Organization also received a \$150,000 pledge from the Jolley Foundation for a Shaping Growth in Greenville County grant. The grant is to be received over a period of three years. The remaining grant receivable is due as follows:

	<u>2019</u>
Due in 2020	\$ 50,000
Due in 2021	50,000
	<u>100,000</u>
Less Discount to Net Present Value of 2.5% per year	(1,220)
Critical Lands Grant Receivable, Net	<u>98,780</u>
Less Current Portion Included in Accounts Receivable	(50,000)
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ 48,780</u>



**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 8 – FUNDS WITH DONOR RESTRICTIONS**

Grants with donor restrictions received in 2019 and 2018 are comprised of the following:

<b>Major Grants</b>	<b>2019</b>	<b>2018</b>
Shaping Growth - Greenville, net discount	\$ 237,046	\$ 75,640
Tyger River Section 319 Grant	78,153	83,639
Oconee County Land Conservation	75,000	500
Sea Change - Energy and Pipeline Initiatives	45,000	50,254
Lake Keowee Watershed-Based Plan	26,435	-
3&20 Creek Section 319 Grant	21,376	30,232
Saving Lake Greenwood	7,000	-
Reconnecting People with Rivers	4,122	12,715
Campaign for Critical Lands, net discount	940	47,620
Bike Share	-	30,000
<b>Other Grants</b>		
Other Land Policy And Planning Restricted Grants	27,000	-
Upstate Voice for SC Energy Efficiency	15,000	-
Land Trust Restricted Grants	11,000	25,000
Citizen Planning Academies	10,000	-
Miscellaneous	14,000	13,300
Jones Gap & Paris Mountain Conservation	-	20,000
Missing Middle Affordable Housing	-	14,000
Conservation Bank Funding	-	7,000
	<u>\$ 572,072</u>	<u>\$ 409,900</u>

In 2019, the Organization completed work under two major grants, continues work under seven major grants and received one additional major grant. The work funded by these major grants is described below.

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

The Organization is a sub-grantee of the Lake Keowee Source Protection Team’s \$49,000, DHEC reimbursement grant. The Organization 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.

UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

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

*Lake Keowee Watershed-Based Plan – New (Continued)*

The table below details the annual and grant to date activity. In addition to the \$26,435 in total grants below, there is \$22,565 available in unearned reimbursement grant funds.

	<b>Inception Through 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Grants	\$ -	-	26,435	\$ 26,435
Direct Expenses	-	-	26,435	26,435
Change in Net Assets	\$ -	-	-	\$ -

*Shaping Growth in Greenville – In Progress*

Since 2017, the Organization has received \$408,905 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>Grantors</u>	<u>Total Grants</u>
Jolley Foundation	\$ 240,000
Hollingsworth	150,000
New Belgium	5,000
Community Foundation	5,000
Greenville Housing Fund	5,000
Other Grants	3,905
Total	<b>\$ 408,905</b>

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

	<b>Inception Through 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Grants	\$ 95,000	75,640	238,265	\$ 408,905
(Discount Long Term Receivable)	-	-	(1,219)	(1,219)
Fund Transfers in	-	1,948	-	1,948
Direct Expenses	673	57,509	120,439	178,621
Change in Net Assets	\$ 94,327	20,079	116,606	\$ 231,012

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

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

Since 2017, the Organization has been awarded \$125,500 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	\$ 125,000
Lake Keowee Source Water Protection team	500
<b>Total</b>	<b>\$ 125,500</b>

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

	<b>Inception Through 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Grants	\$ 50,000	500	75,000	\$ 125,500
Direct Expenses	243	39,059	8,797	48,099
Change in Net Assets	\$ 49,757	(38,559)	66,203	\$ 77,401

***Sea Change – In Progress***

Since 2017, the Organization has been awarded grants in the amount of \$144,300 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	94,300
Other Income	254
<b>Total</b>	<b>\$ 144,554</b>

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

	<b>Inception Through 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Grants	\$ 49,300	50,000	45,000	\$ 144,300
Other income	-	254	-	254
Direct Expenses	4,713	91,554	44,912	141,179
Transfer in from Unrestricted funds		2,730	8,027	10,756
Change in Net Assets	\$ 44,587	(38,570)	8,114	\$ 14,131

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

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

The Organization has received \$77,000 from local water districts and \$343,454 from the South Carolina Department of Health and Environmental Control (DHEC) to implement the recommendations from our 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, the Organization 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:

<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
Greer Commission of Public Works (CPW)	32,000
Startex Jackson Welford Duncan Water District (SJWD)	30,000
Woodruff Roebuck Water District (WRWD)	15,000
<b>Total</b>	<b>\$ 420,454</b>

The table below details the annual and grant to date activity. In addition to the \$184,333 in total grants below, there is an additional \$236,121 available in unearned reimbursement grant funds.

	<b>Inception Through 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Total Grants	\$ 22,541	83,639	78,153	\$ 184,333
Direct Expenses	15,208	36,902	77,906	130,016
Transfer in from other funds		931	858	1,789
Change in Net Assets	\$ 7,333	46,737	1,105	\$ 56,106

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

In 2017 and 2018, the Organization received \$130,000 in grants to provide financial support for closing conservation easements. Through a partnership with Furman University, the Organization 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>

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

***Campaign for Critical Lands – In Progress (Continued)***

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

	<b>Inception Through 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Grants	\$ 80,000	50,000	-	\$ 130,000
(Discount Long Term Receivable)	-	(2,380)	940	(1,440)
Direct Expenses	5,706	24,940	8,205	38,851
Change in Net Assets	\$ 74,294	22,680	(7,265)	\$ 89,709

***Reconnecting People to Rivers Initiative Grants – In Progress***

In 2014, the Organization launched a multi-year initiative to reconnect people to rivers. Coordinating with stakeholders throughout the region, the initiative created blueway maps and coordinated a statewide website highlighting river recreation and paddling opportunities. Additionally, it helped to develop the SC Adopt-a-Stream volunteer water quality monitoring program to engage citizens in the health of local rivers and provide much needed water quality data. The Organization has raised \$334,593 including a \$100,000 challenge grant from the Callie and John Rainey Foundation and a \$95,000 reimbursement grant from SC Department of Natural Resources (DNR) to fund this work.

The table below details the annual and grant to date activity. In addition to the \$290,798 in total revenue below, there is an additional \$46,161 available in unearned reimbursement grant funds from SCDNR. The ending balance of \$858 was transferred to another clean water project.

	<b>Inception Through 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Grants	\$ 267,847	12,716	4,122	\$ 284,685
Other income	6,113	-	-	6,113
Total Revenue	273,960	12,716	4,122	290,798
Total Expenses	253,116	32,702	4,122	289,940
Transfer out to Tyger Implementation			(858)	(858)
Change in Net Assets	\$ 20,844	(19,986)	(858)	\$ -

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

Since 2016, the Organization received \$97,000 in grants from FujiFilm Manufacturing U.S.A., Inc., and \$11,337 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.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

*Saving Lake Greenwood – In Progress (Continued)*

- 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 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Grants	\$ 90,000	-	7,000	\$ 97,000
Other income	9,677	97	1,563	11,337
	99,677	97	8,563	108,337
Direct Expenses	44,927	24,425	22,555	91,907
Change in Net Assets	\$ 54,750	(24,328)	(13,992)	\$ 16,430

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

In 2018, the Organization 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. The plan targets bacteria, sediment and nutrient pollution from nonpoint sources and devises strategies to mitigate the threats and improve water quality. The local grant and the DHEC reimbursable grant are listed below:

<u>Grantors</u>	<u>Total Grants</u>
Department of Health and Environmental Control (DHEC)	\$ 46,608
Anderson Joint Regional Water District (AJRWD)	5,000
<b>Total</b>	<b>\$ 51,608</b>

The project was successfully completed in 2019; the net deficit was covered with unrestricted funds.

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

	<b>Inception Through 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Grants	\$ -	30,232	21,376	\$ 51,608
Direct Expenses		26,705	25,198	51,903
Change in Net Assets	\$ -	3,527	(3,822)	\$ (295)

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

***Bike Share Program - Completed***

Since 2012, the Organization 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, the organization decided to give up the reins as bike share operator. The program ceased operation in November 2019 and transferred ownership of the equipment to the manufacturer, BCycle, LLC in January 2020. BCycle LLC is considering operating the program themselves in Greenville. See Note 16 for further discussion.

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

	<b>Inception Through 12/31/17</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Revenue				
Grant from GTA	\$ 129,658	-	-	\$ 129,658
Grant from GHS	350,000	30,000	-	380,000
Grant from GCPRT	35,000	-	-	35,000
Grants - Other	24,375	-	-	24,375
Total Grants	539,033	30,000	-	569,033
Bike Share Memberships and Sponsorships	144,368	33,843	29,433	207,644
In-Kind Contribution	31,270	-	-	31,270
Net Transfers	(748)	-	-	(748)
Total Support and Revenue	713,923	63,843	29,433	807,199
Direct Expenses	470,265	93,770	93,463	657,498
Change in Net Assets	\$ 243,658	(29,927)	(64,030)	\$ 149,701

Included in the change in total net assets is the net value of the bike share equipment at December 31, 2019 of \$106,897 and the remaining cash balance.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

***South Pacolet Watershed Area Long Range Plan - Completed***

In 2017, the Organization received a \$25,000 grant from Spartanburg Water to develop a streamlined and cost-effective plan to protect the North and South Pacolet Watersheds. The project focused on identifying and prioritizing land that, if developed, would have a disproportionate impact on water quality and was completed in 2018.

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

	<b>Inception Through 12/31/16</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Grants	\$ -	25,000	-	\$ 25,000
Direct Expenses	-	12,608	12,392	25,000
Change in Net Assets	\$ -	12,392	(12,392)	\$ -

***Preserving Our Natural and Rural Heritage - Completed***

In 2017, the Organization received a \$25,000 grant from the Daniel Mickel Foundation to preserve our natural heritage. The program includes educating local Greenville County leaders on the results of the Shaping Our Future study with the ultimate goal of improving land use policies to protect our most critical natural resources. The project was successfully completed in 2018; the net deficit was covered with unrestricted funds.

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

	<b>Inception Through 12/31/16</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Grants	\$ -	25,000	-	\$ 25,000
Direct Expenses	-	14,499	11,386	25,885
Change in Net Assets	\$ -	10,501	(11,386)	\$ (885)

***Mary Black Active Communities 2018 – Completed***

In October 2017, the Organization received a \$50,075 grant from the Mary Black Foundation to build capacity at a grassroots level and among elected/appointed officials and public-sector staff to transform built-environments in Spartanburg County and create places where residents can safely and conveniently integrate physical activity and healthy eating into daily life routines. The grant period is from November 1, 2017 to October 31, 2018. The project was successfully completed in 2018; the net deficit was covered with unrestricted funds.



UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

---

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

*Mary Black Active Communities 2018 – Completed (Continued)*

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

	<b>Inception Through 12/31/16</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Grants	\$ -	50,075	-	\$ 50,075
Direct Expenses	-	5,759	44,775	50,534
Change in Net Assets	\$ -	44,316	(44,775)	\$ (459)

*South Carolina Conservation Bank - Completed*

The Organization did not receive funds from the South Carolina Conservation Bank (SCCB) in 2019 nor 2018. In May of 2018 the SCCB was made a permanent state agency and has been reorganizing, it is anticipated that new applications will be submitted in 2020.

UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

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

**Total Funds with Donor Restrictions**

The Organization has remaining balances in the following funds with donor restrictions as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
<b><u>Major Grants</u></b>		
Shaping Growth - Greenville	\$ 231,013	\$ 114,406
Bike Share	149,701	213,730
Oconee County Land Conservation	77,401	11,198
Tyger River Section 319 Grant Match	56,106	55,000
Campaign for Critical Lands	89,709	96,973
Quality of Life Initiative	22,174	-
Saving Lake Greenwood	16,430	30,422
Sea Change - Energy and Pipeline Initiatives	14,131	5,599
Planning Academies	7,553	-
3&20 Section 319 Grant	-	3,527
Reconnecting People with Rivers	-	858
<b><u>Other Grants</u></b>		
Land Trust Endowment Funds (see note 6)	674,837	440,966
North Main Park	125,531	130,815
North Saluda Watershed	115,654	115,654
Barr Family Pledge, Water Programs	85,112	100,000
Oconee Forever	15,007	15,166
Cornell Bird	5,000	-
Land Trust Restricted Grants	-	21,381
Rockerfeller Pipelines	-	5,568
100 and Counting	-	2,204
Rocky River	-	22,948
Jones Gap & Paris Mountain Conservation	-	12,479
Missing Middle Affordable Housing	-	619
Miscellaneous	7,327	7,556
<b>Total</b>	<b><u>\$ 1,692,686</u></b>	<b><u>\$ 1,407,069</u></b>

***Transfers Between Funds***

The Organization transferred \$329,202 and \$56,642 from funds without donor restrictions to donor-restricted funds to cover program activities for the years ended December 31, 2019 and 2018, respectively. Included in the 2019 transfer is \$318,680 of campaign funds in support of campaign initiatives.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

---

**NOTE 9 – LAND HELD FOR RESALE**

In fiscal year 2019, the Organization 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. The Organization has conservatively valued this asset at the tax value (\$501,300), and it has no significant carrying costs associated with the property. The property was listed for sale in November 2019.

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

A summary of property and equipment is as follows:

	<u>2019</u>	<u>2018</u>
Property	\$ 833,097	\$ 833,097
Furniture	18,235	10,912
Equipment	8,256	8,256
Bike Share Equipment	289,320	289,320
Total Property and Equipment	<u>1,148,908</u>	<u>1,141,585</u>
Less Accumulated Depreciation	<u>(413,388)</u>	<u>(364,446)</u>
Property and Equipment, Net	<u>\$ 735,520</u>	<u>\$ 777,139</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 monthly rate is \$1,091. Rent expense was \$12,625 and \$12,340 for the years ending December 31, 2019 and 2018, respectively.

**NOTE 12 – CONTINGENCIES**

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

The Organization'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 the Organization.

**NOTE 13 – CONSERVATION EASEMENT INSURANCE**

The Organization 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**

In 2019, the Organization received 55.95% of its total unrestricted campaign pledges, contributions and membership revenues from five members. In 2018, the Organization received 64.07% of its total unrestricted campaign pledges, contributions and membership revenues from three members.

**UPSTATE FOREVER  
GREENVILLE, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**NOTE 15 – CONSERVATION EASEMENTS**

At December 31, 2019, the Organization had conservation easements on 123 sites in upper South Carolina and western North Carolina. A summary of conservation easements signed in 2019 and 2018 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, 2017</b>	<b>21,130</b>	<b>\$ 91,505,746</b>
Greenville, Pickens, Cherokee, and Oconee Counties, South Carolina		
<b>Total Easements Completed 2018</b>	<u><b>893</b></u>	<u><b>3,921,086</b></u>
<b>Balance at December 31, 2018</b>	<b>22,023</b>	<b>95,426,832</b>
Greenville, Oconee, Cherokee, Polk and Union Counties, South Carolina		
<b>Total Easements Completed 2019</b>	<u><b>1,623</b></u>	<u><b>3,812,604</b></u>
<b>Grand Total at December 31, 2019</b>	<u><u><b>23,646</b></u></u>	<u><u><b>\$ 99,239,436</b></u></u>

**NOTE 16 – SUBSEQUENT EVENTS**

In January 2020, the Organization transferred ownership of its Bike Share Program to BCycle, LLC as BCycle, LLC is considering operating the program themselves in Greenville. Per the agreement, the transfer includes all assets related to the Bike Share Program, including bikes, dock stations, etc. As a result of the transfer of the BikeShare assets to a new operator in January 2020, the Organization will recognize a loss of approximately \$107,000 on this transfer in fiscal year 2020.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak in the United States has resulted in a significant impact on the financial markets. The Organization's marketable securities were affected by significant decline in the equity markets but is well-positioned with adequate cash reserves to weather the storm and continue all operations and program activities. At the current time, there is no material effect to the organization to continue to fund operations at full capacity. The Organization is adapting to the new culture of business and reaching members and grantors. As of March 18, 2020, the total marketable securities were valued approximately as \$5,100,303.

The financial statements were issued on March 18, 2020 and subsequent events have been evaluated through that date.