

**UPSTATE FOREVER
GREENVILLE, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

**UPSTATE FOREVER
GREENVILLE, SOUTH CAROLINA**

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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, 2024 and 2023, 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, 2024 and 2023, 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
April 21, 2025

**UPSTATE FOREVER
GREENVILLE, SOUTH CAROLINA**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2024 TOTAL	2023 TOTAL
ASSETS				
Cash	\$ 36,398	311,819	348,217	\$ 500,873
Marketable Securities	2,857,888	4,199,327	7,057,215	6,825,443
Private Equity	-	-	-	17,974
Accounts Receivable	-	161,585	161,585	262,827
Long-Term Accounts Receivable, net	-	46,723	46,723	72,798
Campaign Pledge Receivables, net	598,366	75,000	673,366	487,042
Long-Term Campaign Pledge Receivables	512,955	50,000	562,955	717,775
Prepays and Other Current Assets	29,622	-	29,622	18,365
Due to/from Other Funds	(137,420)	137,420	-	-
Property and Equipment, net	554,768	-	554,768	555,903
TOTAL ASSETS	\$ 4,452,577	4,981,874	9,434,451	\$ 9,459,000
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 55,186	-	55,186	\$ 26,626
Accrued Liabilities	99,994	-	99,994	55,181
TOTAL LIABILITIES	155,180	-	155,180	81,807
NET ASSETS				
Without Donor Restrictions	4,297,397	-	4,297,397	4,874,505
With Donor Restrictions	-	4,981,874	4,981,874	4,502,688
TOTAL NET ASSETS	4,297,397	4,981,874	9,279,271	9,377,193
TOTAL LIABILITIES AND NET ASSETS	\$ 4,452,577	4,981,874	9,434,451	\$ 9,459,000

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**UPSTATE FOREVER
GREENVILLE, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2024 TOTAL	2023 TOTAL
PUBLIC SUPPORT AND REVENUE				
Public Support				
Grants	\$ 30,000	682,274	712,274	\$ 444,770
Contributions	493,417	1,031,100	1,524,517	3,463,877
Capital Campaign	978,626	335,805	1,314,431	1,995,442
Land Trust Endowments	-	117,708	117,708	130,602
Transfers Between Funds	(641,587)	641,587	-	-
Net Assets Released from Restrictions	2,683,382	(2,683,382)	-	-
TOTAL PUBLIC SUPPORT	3,543,838	125,092	3,668,930	6,034,691
Revenue				
Consulting Fees	-	25,245	25,245	17,000
Special Events, net of Expenses	6,000	-	6,000	28,350
Investment Income (Loss)	271,670	328,849	600,519	723,726
TOTAL REVENUE	277,670	354,094	631,764	769,076
TOTAL PUBLIC SUPPORT AND REVENUE	3,821,508	479,186	4,300,694	6,803,767
EXPENSES				
Program				
Conservation Easements	1,024,100	-	1,024,100	1,702,300
Other Program Costs	2,608,477	-	2,608,477	2,426,853
Management	229,881	-	229,881	134,629
Fundraising	536,158	-	536,158	576,282
TOTAL EXPENSES	4,398,616	-	4,398,616	4,840,064
CHANGE IN NET ASSETS	(577,108)	479,186	(97,922)	1,963,703
NET ASSETS, BEGINNING OF YEAR	4,874,505	4,502,688	9,377,193	7,413,490
NET ASSETS, END OF YEAR	\$ 4,297,397	4,981,874	9,279,271	\$ 9,377,193

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**UPSTATE FOREVER
GREENVILLE, SOUTH CAROLINA**

STATEMENT OF FUNCTIONAL EXPENSES

**YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023)**

	OTHER PROGRAMS	MANAGEMENT	FUNDRAISING	2024 TOTAL	2023 TOTAL
EXPENSES					
EMPLOYEE EXPENSES					
Salaries	\$ 1,303,815	240,126	281,906	1,825,847	\$ 1,714,973
Employee Benefits	89,507	31,108	18,264	138,879	108,888
Salaries, Paid Time Off	13,745	-	2,202	15,947	-
Payroll Service	-	5,284	-	5,284	4,788
Payroll Tax Expense	97,145	16,052	21,177	134,374	128,180
TOTAL EMPLOYEE EXPENSES	1,504,212	292,570	323,549	2,120,331	1,956,829
Consultants	342,529	18,065	75,674	436,268	539,981
Consultants Easement Assistance	306,880	-	-	306,880	182,500
Information Technology & Support	69,112	26,435	29,634	125,181	111,669
Depreciation Expense	-	23,664	-	23,664	21,736
Education/Training	10,229	89	343	10,661	7,679
Insurance	12,450	24,971	300	37,721	44,439
Meeting and Conference Expenses	26,993	3,609	36,782	67,384	41,060
Organizational Dues	28,438	2,864	-	31,302	9,659
Overhead Allocation	198,464	(243,551)	45,087	-	-
Printed Materials & Mailing	26,064	543	12,065	38,672	42,695
Supplies and Occupancy	31,358	21,245	2,411	55,014	42,641
Sponsorship Expenses	6,000	-	-	6,000	10,750
Travel	42,140	1,304	4,268	47,712	36,054
Other Expenses	3,608	58,073	6,045	67,726	90,072
TOTAL EXPENSES	\$ 2,608,477	229,881	536,158	\$ 3,374,516	\$ 3,137,764
Conservation Easements				1,024,100	1,702,300
				\$ 4,398,616	\$ 4,840,064

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**UPSTATE FOREVER
GREENVILLE, SOUTH CAROLINA**

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (97,922)	\$ 1,963,703
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Unrealized Loss (Gain) on Marketable Securities and Investments	(368,054)	(542,965)
Depreciation	23,664	21,736
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Deposits, Prepaid Expenses and Other Current Assets	(11,257)	(16,558)
(Increase) Decrease in Accounts and Long-Term Pledges Receivable	95,813	(941,814)
Increase in Liabilities	73,373	324
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(284,383)</u>	<u>484,426</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Sale (Purchase) of Marketable Securities and Investments	154,257	(336,869)
Acquisition of Property and Equipment	(22,530)	(12,127)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>131,727</u>	<u>(348,996)</u>
NET INCREASE (DECREASE) IN CASH	(152,656)	135,430
CASH, BEGINNING OF YEAR	<u>500,873</u>	<u>365,443</u>
CASH, END OF YEAR	<u>\$ 348,217</u>	<u>\$ 500,873</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**UPSTATE FOREVER
GREENVILLE, SOUTH CAROLINA**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2023 TOTAL
ASSETS			
Cash	\$ 9,691	491,182	\$ 500,873
Marketable Securities	3,365,057	3,460,386	6,825,443
Private Equity	17,974	-	17,974
Accounts Receivable	-	262,827	262,827
Long-Term Accounts Receivable, net	-	72,798	72,798
Campaign Pledge Receivables, net	477,042	10,000	487,042
Long-Term Campaign Pledge Receivables	707,775	10,000	717,775
Prepaid Expenses	1,562	-	1,562
Other Current Assets	16,803	-	16,803
Due to/from Other Funds	(195,495)	195,495	-
Property and Equipment, net	555,903	-	555,903
TOTAL ASSETS	\$ 4,956,312	4,502,688	\$ 9,459,000
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable	\$ 26,626	-	\$ 26,626
Accrued Liabilities	55,181	-	55,181
TOTAL LIABILITIES	81,807	-	81,807
NET ASSETS			
Without Donor Restrictions	4,874,505	-	4,874,505
With Donor Restrictions	-	4,502,688	4,502,688
TOTAL NET ASSETS	4,874,505	4,502,688	9,377,193
TOTAL LIABILITIES AND NET ASSETS	\$ 4,956,312	4,502,688	\$ 9,459,000

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**UPSTATE FOREVER
GREENVILLE, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2023 TOTAL
PUBLIC SUPPORT AND REVENUE			
Public Support			
Grants	\$ 20,000	424,770	\$ 444,770
Contributions	595,217	2,868,660	3,463,877
Capital Campaign	1,863,857	131,585	1,995,442
Land Trust Endowments	-	130,602	130,602
Transfers Between Funds	(502,986)	502,986	-
Net Assets Released from Restrictions	3,133,263	(3,133,263)	-
TOTAL PUBLIC SUPPORT	5,109,351	925,340	6,034,691
Revenue			
Consulting Fees	-	17,000	17,000
Special Events, net of Expenses	28,350	-	28,350
Investment Income (Loss)	414,681	309,045	723,726
TOTAL REVENUE	443,031	326,045	769,076
TOTAL PUBLIC SUPPORT AND REVENUE	5,552,382	1,251,385	6,803,767
EXPENSES			
Program			
Conservation Easements	1,702,300	-	1,702,300
Other Program Costs	2,426,853	-	2,426,853
Management	134,629	-	134,629
Fundraising	576,282	-	576,282
TOTAL EXPENSES	4,840,064	-	4,840,064
CHANGE IN NET ASSETS	712,318	1,251,385	1,963,703
NET ASSETS, BEGINNING OF YEAR	4,162,187	3,251,303	7,413,490
NET ASSETS, END OF YEAR	\$ 4,874,505	4,502,688	\$ 9,377,193

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

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STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

EXPENSES	OTHER PROGRAMS	MANAGEMENT	FUNDRAISING	2023 TOTAL
EMPLOYEE EXPENSES				
Salaries	\$ 1,315,317	203,151	196,505	\$ 1,714,973
Employee Benefits	75,149	12,884	20,855	108,888
Salaries, Paid Time Off	-	-	-	-
Payroll Service	-	4,788	-	4,788
Payroll Tax Expense	89,193	14,951	24,036	128,180
TOTAL EMPLOYEE EXPENSES	1,479,659	235,774	241,396	1,956,829
Consultants	346,476	14,838	178,667	539,981
Consultants Easement Assistance	182,500	-	-	182,500
Information Technology & Support	70,966	13,814	26,889	111,669
Depreciation Expense	-	21,736	-	21,736
Education/Training	7,521	158	-	7,679
Insurance	10,740	33,699	-	44,439
Meeting and Conference Expenses	31,692	2,109	7,259	41,060
Organizational Dues	9,063	596	-	9,659
Overhead Allocation	180,807	(228,325)	47,518	-
Printed Materials & Mailing	32,195	816	9,684	42,695
Supplies and Occupancy	22,890	19,233	518	42,641
Sponsorship Expenses	10,750	-	-	10,750
Travel	33,425	21	2,608	36,054
Other Expenses	8,169	20,160	61,743	90,072
TOTAL EXPENSES	\$ 2,426,853	134,629	576,282	\$ 3,137,764
Conservation Easements				1,702,300
				\$ 4,840,064

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**UPSTATE FOREVER
GREENVILLE, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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

YEARS ENDED DECEMBER 31, 2024 AND 2023

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
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024</u>	<u>December 31, 2023</u>
Cash and Cash Equivalents	\$ 36,398	\$ 9,691
Marketable Securities	2,857,888	3,365,057
Investments	-	17,974
Campaign Pledge Receivables, Net	598,366	477,042
	<u>\$ 3,492,652</u>	<u>\$ 3,869,764</u>

Upstate Forever's board-designated endowment of \$2,778,829 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

The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed 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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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024 and 2023, 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, 2024 and 2023.

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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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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 dissolved as of December 31, 2024 with the final distribution received on December 10th, 2024.

The table below details the activity within the private equity fund during 2024:

Private Equity Fund Value at December 31, 2023	\$	17,974
Cash Distributions from the Fund		(14,691)
Write Off Remaining Balance		(3,283)
Private Equity Fund Value at December 31, 2024	<u>\$</u>	<u>-</u>

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>\$</u>	<u>17,974</u>

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, 2024 and 2023:

	<u>Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1 Inputs)</u>	
	<u>Fair Value at December 31, 2024</u>	<u>Fair Value at December 31, 2023</u>
Assets:		
Cash and Deposit-in-Transit	\$ 123,412	\$ 31,610
Equities - Publicly Traded	1,827,906	1,389,532
Bonds - Publicly Traded	640,321	329,295
Treasury Notes	199,578	227,819
Mutual Funds:		
Stocks	1,819,151	2,184,737
Bonds	966,250	1,174,014
Other	394,392	358,993
Total Mutual Funds	<u>3,179,793</u>	<u>3,717,744</u>
Money Market Funds	1,086,205	1,129,443
Total Assets at Fair Value	<u>\$ 7,057,215</u>	<u>\$ 6,825,443</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 5 – FAIR VALUE DISCLOSURES (CONTINUED)

Total investment gain on marketable securities and investments of \$600,519 includes \$368,054 of unrealized gains for the year ended December 31, 2024. Investment fees in the amount of \$10,999 are netted with Investment Income on the Statement of Activities for the year ended December 31, 2024.

Total investment loss 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.

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. In 2024, the fund received \$242,805 in contributions and awarded grants totaling \$296,880 for permanent land protection projects covering 4,462 acres across 7 different counties of the Upstate.

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.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6 – ENDOWMENT FUNDS (CONTINUED)

Endowment Without Donor Restrictions

As of December 31, 2024, 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.

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.

**UPSTATE FOREVER
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6 – ENDOWMENT FUNDS (CONTINUED)

Investment Objective (Continued)

Changes in Upstate Forever’s Endowment Funds, by net asset classification, for the years ended December 31, 2024 and 2023 are summarized as follows:

Description	2024			Total
	Board Designated Without Donor Restrictions	Land Trust With Donor Restrictions	ULCF With Donor Restrictions	
Endowment Fund, Beginning of Year	\$ 2,862,687	2,744,564	1,048,869	\$ 6,656,120
Investment Gain (Loss)	223,323	284,000	44,850	552,173
Contributions	-	217,708	242,805	460,513
Appropriation of Assets for Expenditure	(307,181)	(83,532)	(236,313)	(627,026)
Endowment Funds, End of Year	<u>\$ 2,778,829</u>	<u>3,162,740</u>	<u>1,100,211</u>	<u>\$ 7,041,780</u>

Description	2023			Total
	Board Designated Without Donor Restrictions	Land Trust With Donor Restrictions	ULCF With Donor Restrictions	
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>

**UPSTATE FOREVER
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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:

	Accounts Receivable	
	<u>2024</u>	<u>2023</u>
Land Policy and Planning	\$ -	\$ 50,000
Land Trust Endowment Funds	22,051	19,736
Clean Water Program	67,651	84,740
Land Conservation Program	45,910	95,000
Other Receivables	25,973	13,351
Total	<u>\$ 161,585</u>	<u>\$ 262,827</u>

	Long-Term Accounts Receivable, net	
	<u>2024</u>	<u>2023</u>
Land Conservation Program, Net	\$ 34,723	\$ 72,798
Clean Water, Net	12,000	-
Total	<u>\$ 46,723</u>	<u>\$ 72,798</u>

During 2023, Upstate Forever launched the “Generations Campaign.” The campaign is scheduled to officially close in 2025. Of the \$3,309,873 in donations, \$2,073,552 was received in cash, as of December 31, 2024. 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:

	Pledges Receivable	
	<u>2024</u>	<u>2023</u>
Due in 2024	\$ -	\$ 487,042
Due in 2025	673,366	419,150
Due in 2026	408,778	202,500
Due in 2027	161,177	113,125
Due in 2028	13,000	3,000
	<u>1,256,321</u>	<u>1,224,817</u>
Less Allowance for Doubtful Accounts	(20,000)	(20,000)
Pledges Receivable, Net	<u>1,236,321</u>	<u>1,204,817</u>
Less Current Portion	(673,366)	(487,042)
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ 562,955</u>	<u>\$ 717,775</u>

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

**UPSTATE FOREVER
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 7 – ACCOUNTS AND PLEDGES RECEIVABLE (CONTINUED)

During 2022, Upstate Forever received a \$375,000 5 year grant from ReWa for Expanding Land and Water Protection in the Tigerville Area. \$75,725 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.

	<u>2024</u>	<u>2023</u>
Due in 2024	\$ -	\$ 95,000
Due in 2025	41,375	40,000
Due in 2026	37,323	37,323
	<u>78,698</u>	<u>172,323</u>
Less Discount to Net Present Value of 2.5% per year	(2,600)	(4,525)
	<u>76,098</u>	<u>167,798</u>
Tigerville Land Water Protection Grant Receivable, Net	76,098	167,798
Less Current Portion Included in Accounts Receivable	(41,375)	(95,000)
	<u>34,723</u>	<u>72,798</u>
Portion Included in Long-Term Accounts Receivable, Net	<u>\$ 34,723</u>	<u>\$ 72,798</u>

NOTE 8 – FUNDS WITH DONOR RESTRICTIONS

Grants with donor restrictions received in 2024 and 2023 are comprised of the following:

Major Grants	<u>2024</u>	<u>2023</u>
3&20 Creek Section 319 Grant	\$ 177,168	\$ 88,628
Advocating for a Legacy of Conservation in Oconee County	100,000	75,000
Shaping Growth - Greenville	75,000	75,000
Habitat Protection in the Upstate of SC	63,668	3,606
Expanding Conservation in Tigerville Area	58,300	-
SC Climate and Community Accountability	50,000	-
Tyger River Section 319 Grant	49,799	107,337
Advancing SC's Clean Energy Future	33,500	-
Other Grants	32,885	-
Watershed Based Plan for Rocky River Watershed	26,157	-
Twelve Mile Watershed based plan	15,796	32,699
Electrifying the Upstate	-	30,000
Tyger River Confluence project	-	12,500
	<u>\$ 682,273</u>	<u>\$ 424,770</u>

**UPSTATE FOREVER
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)

In 2024, Upstate Forever began work on four major grants, completed work under one major grant, and continued work under six other major grants. The work funded by these major grants is described below.

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

In 2018, Upstate Forever received a \$46,608 reimbursable grant from the South Carolina Department of Health and Environmental Control (DHEC) and \$5,000 from Anderson Regional Joint Water System to prepare a watershed-based plan for Three and Twenty Creek, in the Savannah River Basin. Since 2020, Upstate Forever received \$516,030 from DHEC and an additional \$65,000 from Anderson Regional Joint Water System and \$36,000 from Anderson County Watershed Protection Council 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
Department of Health and Environmental Control (DHEC) - Implementation Phase II	283,389
Anderson Joint Regional Water District (AJRWD)	70,000
Anderson County Watershed Protection Council	36,000
Total	<u>\$ 668,638</u>

The table below details the annual and grant to date activity. In addition to the \$490,417 in total grants below, there is an additional \$178,219 available in unearned reimbursement grant funds.

	Inception Through 12/31/22	2023	2024	Total
Grants	\$ 224,620	88,628	177,168	\$ 490,416
Direct Expenses	(207,627)	(101,940)	(120,116)	(429,683)
Transfer from Other Funds	295	(3,976)	-	(3,681)
Change in Net Assets	\$ 17,288	(17,288)	57,052	\$ 57,052

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)

Advocating for a Legacy of Conservation in Oconee County – In Progress

Since 2023, Upstate Forever was awarded \$175,000 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.

	Inception Through 12/31/22	2023	2024	Total
Total Grants	\$ -	75,000	100,000	\$ 175,000
Direct Expenses	-	(15,728)	(36,577)	(52,305)
Change in Net Assets	\$ -	59,272	63,423	\$ 122,695

Shaping Growth in Greenville – In Progress

Since 2017, Upstate Forever has received \$935,405 to promote land use planning and policy in Greenville County and its municipalities. One of the objectives is to facilitate land use policy training for local government staff & officials, practitioners and citizens highlighting land-use solutions likely to address issues related to affordable housing, public transportation and sprawl. Another objective is to provide grassroots organization and assistance to empower Greenville County citizens in the land use planning process.

Grants were awarded as follows:

<u>Grantors</u>	<u>Total Grants</u>
Jolley Foundation	\$ 390,000
Hollingsworth	525,000
New Belgium	5,000
Community Foundation	5,000
Greenville Housing Fund	5,000
Other Grants	5,405
Total	<u>\$ 935,405</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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.

	Inception Through 12/31/22	2023	2024	Total
Grants	\$ 785,405	75,000	75,000	\$ 935,405
(Discount Long Term Receivable)	(1,220)	1,220	-	-
Direct Expenses	(547,976)	(101,708)	(167,440)	(817,124)
Transfer in from Other Funds	9,583	-	-	9,583
Change in Net Assets	<u>\$ 245,792</u>	<u>(25,488)</u>	<u>(92,440)</u>	<u>\$ 127,864</u>

Habitat Protection and Enhancement in the Upstate of South Carolina - New

In 2024, Upstate Forever was awarded grants from funders for habitat restoration and enhancement projects in Upstate Forever’s 10-county focus. The project funding will provide private landowners cost share to assistance for restoring and enhancing habitats on Upstate Forever protected lands with a focus on listed species. Landowner projects will also include in-stream and streambank restoration, riparian buffer establishment, erosion control, establishing pollinator plots, installing artificial bat structures, and invasive species control and enhancement of bottomland forest habitat to support a variety of native flora and fauna.

<u>Grantors</u>	<u>Total Grants</u>
US Fish & Wild Life	\$ 84,000
National Audubon Society	34,774
Southern Conservation Partners	2,500
Total	<u>\$ 121,274</u>

The table below details the annual and grant to date activity. In addition to the \$67,274 in total grants below, there is an additional \$54,000 available in unearned reimbursement grant funds.

	Inception Through 12/31/22	2023	2024	Total
Grants	\$ -	3,606	63,668	\$ 67,274
Direct Expenses	-	(3,606)	(82,119)	(85,725)
Transfer from Other Funds	-	-	18,451	18,451
Change in Net Assets	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

**UPSTATE FOREVER
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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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 due diligence costs, cost share fees, and conservation easement purchases.

The table below details the grant activity to date. In addition to the \$299,275 recognized as income in the table below, there is an additional \$75,725 available that is earmarked for project pass through expenses that Upstate Forever will recognize when incurred.

	Inception Through 12/31/22	2023	2024	Total
Total Grants	\$ 240,000	975	58,300	\$ 299,275
Direct Expenses	(4,706)	(24,197)	(33,579)	(62,482)
Change in Net Assets	\$ 235,294	(23,222)	24,721	\$ 236,793

South Carolina Climate and Community Accountability - New

In 2024, Upstate Forever was awarded a grant from The Oak Hill Foundation in the amount of \$50,000 to support existing and new advocacy efforts for Energy Efficiency in the Upstate and work towards developing solutions for regulatory barriers to microgrid adoption in South Carolina. Upstate Forever will continue to work with our clean energy partners in the Southeast to strategize our Clean Energy policy goals under consideration in the House and Senate.

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

	Inception Through 12/31/22	2023	2024	Total
Grants	\$ -	-	50,000	\$ 50,000
Direct Expenses	-	-	(50,591)	(50,591)
Transfer from Other Funds	-	-	591	591
Change in Net Assets	\$ -	-	-	\$ -

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)

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

Upstate Forever has received \$142,000 from local water districts and \$651,856 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:

<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	372,223
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
Total	\$ 793,856

The table below details the annual and grant to date activity. In addition to the \$678,596 in total grants below, there is an additional \$115,260 available in unearned reimbursement grant funds.

	Inception Through 12/31/22	2023	2024	Total
Total Grants	\$ 521,460	107,337	49,799	\$ 678,596
Direct Expenses	(445,322)	(135,710)	(63,450)	(644,482)
Transfer in from Other Funds	2,334	3,976	-	6,310
Change in Net Assets	\$ 78,472	(24,397)	(13,651)	\$ 40,424

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)

Advancing South Carolina’s Clean Energy Future - New

In 2024, Upstate Forever was awarded a grant from The Energy Foundation in the amount of \$33,500 to advance progressive energy policy and regulatory outcomes at the Public Service Commission and advocate for utility investment in energy efficiency through media, action alerts, and other educational materials among neighborhood and community groups in the Upstate.

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

	Inception Through 12/31/22	2023	2024	Total
Grants	\$ -	-	33,500	\$ 33,500
Direct Expenses	-	-	(25,712)	(25,712)
Change in Net Assets	\$ -	-	7,788	\$ 7,788

Watershed Based Plan for Rocky River and Generostee Creek Watersheds – New

In 2024, Upstate Forever was awarded a grant from South Carolina Department of Health and Environmental Control (DHEC) in the amount of \$91,125, to prepare a watershed-based plan for Three and Twenty Creek, in the Savannah River Basin. In collaboration with stakeholders Upstate Forever will create a plan to further identify sources of bacterial pollution, proactively address sediment and nutrient concerns that could become an issue as development continues, recommend strategies for pollutant reduction, and create a roadmap to implement the plan.

The table below details the annual and grant to date activity. In addition to the \$26,157 in total grants below, there is an additional \$64,968 available in unearned reimbursement grant funds.

	Inception Through 12/31/22	2023	2024	Total
Grants	\$ -	-	26,157	\$ 26,157
Direct Expenses	-	-	(26,157)	(26,157)
Change in Net Assets	\$ -	-	-	\$ -

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)

Creating a Watershed-Based Plan for the Twelve Mile River – Keowee River Watershed – Completed

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
Total	\$ 63,723

The table below details the grant activity through completion.

	Inception Through 12/31/22	2023	2024	Total
Total Grants	\$ 15,228	32,699	15,796	\$ 63,723
Direct Expenses	(15,228)	(32,699)	(17,222)	(65,149)
Transfer in from Unrestricted Funds	-	-	1,426	1,426
Change in Net Assets	\$ -	-	-	\$ -

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.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)

Tyger River Confluence Project – In Progress (Continued)

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

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

	<u>Inception Through 12/31/22</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Total Grants	\$ 125,000	12,500	-	\$ 137,500
Direct Expenses	(15,198)	(59,902)	(22,501)	(97,601)
Transfer in from Other Funds	3,161	126	-	3,287
Change in Net Assets	\$ 112,963	(47,276)	(22,501)	\$ 43,186

Total Funds with Donor Restrictions

Upstate Forever has remaining balances in the following funds with donor restrictions as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<u>Major Grants</u>		
Shaping Growth - Greenville	\$ 127,864	\$ 220,304
Expanding Conservation in Tigerville Area	236,793	212,072
Tyger River Confluence Project	43,186	65,687
Tyger Implementation	40,424	54,075
Oconee County Land Conservation	122,695	-
3&20 WBP and Implementation	57,052	-
Oconee Advocacy	-	59,272
<u>Other Grants</u>		
Land Trust Endowment Earnings and Defense	1,203,020	986,553
Land Trust Endowment Contributions (Principal)	1,959,718	1,758,010
Upstate Land Conservation Fund	1,100,211	1,048,870
North Main Park	83,123	83,303
Energy Restricted grants	7,788	-
Oconee Forever	-	14,542
Total	\$ 4,981,874	\$ 4,502,688

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 – FUNDS WITH DONOR RESTRICTIONS (CONTINUED)

Transfers Between Funds

Upstate Forever transferred \$641,587 and \$502,986 from funds without donor restrictions to donor-restricted funds to cover program activities for the years ended December 31, 2024 and 2023, respectively.

NOTE 9 – PROPERTY, EQUIPMENT AND DEPRECIATION

A summary of property and equipment is as follows:

	<u>2024</u>	<u>2023</u>
Property	\$ 833,097	\$ 833,097
Furniture	19,735	23,758
Equipment	24,166	20,382
Total Property and Equipment	<u>876,998</u>	<u>877,236</u>
Less Accumulated Depreciation	<u>(322,230)</u>	<u>(321,333)</u>
Property and Equipment, Net	<u>\$ 554,768</u>	<u>\$ 555,903</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.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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.

NOTE 12 – CONCENTRATION OF MEMBER CONTRIBUTIONS

There were no donations in excess of 10% of total unrestricted contributions in 2024. There were no donations in excess of 10% of total unrestricted contributions in 2023.

NOTE 13 – CONSERVATION EASEMENTS

At December 31, 2024, Upstate Forever had conservation easements on 171 sites in upper South Carolina and western North Carolina. A summary of conservation easements signed in 2024 and 2023 is as follows:

<u>County/State</u>	<u>Easement Acreage</u>	<u>Value Paid / Estimated Value of Development Rights Relinquished</u>
Balance at December 31, 2022	30,219	\$ 117,075,681
Anderson, Pickens, Greenville, Cherokee, & Spartanburg Counties, South Carolina	<u>737</u>	<u>7,392,785</u>
Total Easements Completed 2023	737	7,392,785
Balance at December 31, 2023	30,956	124,468,466
Anderson, Pickens, Greenville, Cherokee, & Spartanburg Counties, South Carolina	<u>1,149</u>	<u>4,463,162</u>
Total Easements Completed 2024	1,149	4,463,162
Grand Total at December 31, 2024	32,105	\$ 128,931,628

The funding sources that enable the purchase of these easements that pass through Upstate Forever accounts is shown as a contribution revenue in the Statement of Activities and Statements of Cash Flows, resulting in a net zero effect on net assets. Additional funding sources do not pass through Upstate Forever accounts that Upstate Forever facilitate for the landowner. The table below reflects the amounts and sources of funds facilitated by Upstate Forever on behalf of the landowner and are integral to our success.

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YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 – CONSERVATION EASEMENTS (CONTINUED)

The table below highlights the funding that Upstate Forever facilitated on the landowner’s behalf from partner organizations.

	<u>2024</u>	<u>2023</u>
South Carolina Conservation Bank	\$ 778,000	\$ 1,124,300
Greenville County Historic and Natural Resources Trust	246,100	137,500
Agricultural Conservation Easement Program (USDA)	-	440,500
Total Funding	<u>\$ 1,024,100</u>	<u>\$ 1,702,300</u>

NOTE 14 – SUBSEQUENT EVENTS

The financial statements were issued on April 21, 2025 and subsequent events have been evaluated through that date.