

**CONESTEE FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**



**CONESTEE FOUNDATION, INC.**

**TABLE OF CONTENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

---

	<b>Page</b>
<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position - 2014	2
Statement of Activities - 2014	3
Statement of Functional Expenses - 2014	4
Statements of Cash Flows - 2014 and 2013	5
Statement of Financial Position - 2013	6
Statement of Activities - 2013	7
Statement of Functional Expenses - 2013	8
Notes to the Financial Statements	9





# Greene Finney & Horton

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Conestee Foundation, Inc.

### Report on Financial Statements

We have audited the accompanying statements of financial position of Conestee Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities 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 Conestee Foundation, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Greene, Finney & Horton LLP*

Greene, Finney & Horton, LLP  
Mauldin, South Carolina  
March 6, 2015

WWW.GFHLLP.COM · INFO@GFHLLP.COM

864.232.5204 PH · 864.232.5532 FAX · 211 EAST BUTLER ROAD, SUITE C-6 · MAULDIN, SC 29662

843.735.5805 PH · 1985 RIVIERA DRIVE, SUITE 103-203 · MT. PLEASANT, SC 29464

864.451.7381 PH · 800 EAST WASHINGTON STREET, SUITE D · GREENVILLE, SC 29601



CONESTEE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2014

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	<b>PERMANENTLY RESTRICTED</b>	<b>2014 TOTAL</b>	<b>2013 TOTAL</b>
<b>ASSETS</b>					
Cash	\$ 132,116	292,704	-	424,820	\$ 160,293
Account Receivable	-	28,705	-	28,705	60,000
Land	3,214	-	1,910,013	1,913,227	1,913,227
Buildings, park infrastructure and equipment, net	8,989	-	1,566,492	1,575,481	1,681,837
Construction in Progress	-	28,705	-	28,705	-
<b>TOTAL ASSETS</b>	<b>\$ 144,319</b>	<b>350,114</b>	<b>3,476,505</b>	<b>3,970,938</b>	<b>\$ 3,815,357</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 8,934	-	-	8,934	\$ 8,339
Deferred Revenue	30,000	-	-	30,000	-
<b>TOTAL LIABILITIES</b>	<b>38,934</b>	<b>-</b>	<b>-</b>	<b>38,934</b>	<b>8,339</b>
<b>NET ASSETS</b>					
Unrestricted	105,385	-	-	105,385	96,906
Temporarily Restricted	-	350,114	-	350,114	129,049
Permanently Restricted	-	-	3,476,505	3,476,505	3,581,063
<b>TOTAL NET ASSETS</b>	<b>105,385</b>	<b>350,114</b>	<b>3,476,505</b>	<b>3,932,004</b>	<b>3,807,018</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 144,319</b>	<b>350,114</b>	<b>3,476,505</b>	<b>3,970,938</b>	<b>\$ 3,815,357</b>

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

CONESTEE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>2014 TOTAL</u>	<u>2013 TOTAL</u>
<b>PUBLIC SUPPORT AND REVENUE</b>					
Public Support					
Grants	\$ -	252,657	-	252,657	\$ 266,370
Lease payments	120,000	-	-	120,000	60,000
Donations	18,557	-	-	18,557	15,717
Proceeds from land condemnation	-	-	-	-	1,100
Net Assets Released from Restrictions	31,592	(31,592)	-	-	-
<b>TOTAL PUBLIC SUPPORT</b>	<u>170,149</u>	<u>221,065</u>	<u>-</u>	<u>391,214</u>	<u>343,187</u>
Revenue					
Interest income	1,414	-	-	1,414	924
Other income	13,809	-	-	13,809	3,936
<b>TOTAL REVENUE</b>	<u>15,223</u>	<u>-</u>	<u>-</u>	<u>15,223</u>	<u>4,860</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>185,372</u>	<u>221,065</u>	<u>-</u>	<u>406,437</u>	<u>348,047</u>
<b>EXPENSES</b>					
Program	168,980	-	-	168,980	164,269
Depreciation	1,798	-	104,558	106,356	106,356
Management	3,058	-	-	3,058	3,068
Fund Raising	3,057	-	-	3,057	2,828
<b>TOTAL EXPENSES</b>	<u>176,893</u>	<u>-</u>	<u>104,558</u>	<u>281,451</u>	<u>276,521</u>
<b>CHANGE IN NET ASSETS</b>	8,479	221,065	(104,558)	124,986	71,526
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>96,906</u>	<u>129,049</u>	<u>3,581,063</u>	<u>3,807,018</u>	<u>3,735,492</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 105,385</u>	<u>350,114</u>	<u>3,476,505</u>	<u>3,932,004</u>	<u>\$ 3,807,018</u>

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



**CONESTEE FOUNDATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2014  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013)**

<b>EXPENSES</b>	<b>PROGRAM</b>	<b>MANAGEMENT</b>	<b>FUND RAISING</b>	<b>2014 TOTAL</b>	<b>2013 TOTAL</b>
Auditing Fees	\$ 4,000	-	-	4,000	\$ 3,895
Computer support	1,332	-	-	1,332	202
Consulting Services	750	-	-	750	14,237
Contract Fees for Employees	103,289	3,058	3,057	109,404	82,372
Education and signage	7,321	-	-	7,321	10,730
Insurance	4,638	-	-	4,638	4,557
Land and Trail Maintenance	26,590	-	-	26,590	44,651
Miscellaneous	1,880	-	-	1,880	1,688
Property taxes	480	-	-	480	674
Supplies	4,833	-	-	4,833	2,368
Training	7,775	-	-	7,775	-
Utilities and telecommunications	6,092	-	-	6,092	4,791
	<u>\$ 168,980</u>	<u>3,058</u>	<u>3,057</u>	<u>175,095</u>	<u>170,165</u>
Transfer of land and park infrastructure to Permanently Restricted				-	114,252
Depreciation				1,798	1,798
				<u>176,893</u>	<u>\$ 286,215</u>

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

CONESTEE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 124,986	\$ 71,526
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
(Increase) decrease in Accounts Receivable	31,295	(59,329)
Increase in Deferred Revenue	30,000	-
Increase (decrease) in Accounts Payable	595	693
Depreciation	106,356	106,356
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>293,232</u>	<u>119,246</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Building, park infrastructure and equipment	(28,705)	(126,837)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(28,705)</u>	<u>(126,837)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	264,527	(7,591)
<b>CASH, BEGINNING OF YEAR</b>	<u>160,293</u>	<u>167,884</u>
<b>CASH, END OF YEAR</b>	<u>\$ 424,820</u>	<u>\$ 160,293</u>

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

CONESTEE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>2013 TOTAL</u>
<b>ASSETS</b>				
Cash	\$ 31,244	129,049	-	\$ 160,293
Account Receivable	60,000	-	-	60,000
Land	3,214	-	1,910,013	1,913,227
Buildings, park infrastructure and equipment, net	10,787	-	1,671,050	1,681,837
<b>TOTAL ASSETS</b>	<u>\$ 105,245</u>	<u>129,049</u>	<u>3,581,063</u>	<u>\$ 3,815,357</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 8,339	-	-	\$ 8,339
<b>TOTAL LIABILITIES</b>	<u>8,339</u>	<u>-</u>	<u>-</u>	<u>8,339</u>
<b>NET ASSETS</b>				
Unrestricted	96,906	-	-	96,906
Temporarily Restricted	-	129,049	-	129,049
Permanently Restricted	-	-	3,581,063	3,581,063
<b>TOTAL NET ASSETS</b>	<u>96,906</u>	<u>129,049</u>	<u>3,581,063</u>	<u>3,807,018</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 105,245</u>	<u>129,049</u>	<u>3,581,063</u>	<u>\$ 3,815,357</u>

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

CONESTEE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>2013 TOTAL</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public Support				
Grants	\$ 70,000	196,370	-	\$ 266,370
Lease payments	60,000	-	-	60,000
Donations	16,967	(1,250)	-	15,717
Proceeds from land condemnation	1,100	-	-	1,100
Net Assets Released from Restrictions	175,724	(175,724)	-	-
<b>TOTAL PUBLIC SUPPORT</b>	<u>323,791</u>	<u>19,396</u>	<u>-</u>	<u>343,187</u>
Revenue				
Interest income	924	-	-	924
Other income	3,936	-	-	3,936
<b>TOTAL REVENUE</b>	<u>4,860</u>	<u>-</u>	<u>-</u>	<u>4,860</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>328,651</u>	<u>19,396</u>	<u>-</u>	<u>348,047</u>
<b>EXPENSES</b>				
Program	164,269	-	-	164,269
Transfer of land and park infrastructure to Permanently Restricted	114,252	-	(114,252)	-
Depreciation	1,798	-	104,558	106,356
Management	3,068	-	-	3,068
Fund Raising	2,828	-	-	2,828
<b>TOTAL EXPENSES</b>	<u>286,215</u>	<u>-</u>	<u>(9,694)</u>	<u>276,521</u>
<b>CHANGE IN NET ASSETS</b>	42,436	19,396	9,694	71,526
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>54,470</u>	<u>109,653</u>	<u>3,571,369</u>	<u>3,735,492</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 96,906</u>	<u>129,049</u>	<u>3,581,063</u>	<u>\$ 3,807,018</u>

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

See accompanying independent auditor's report.

CONESTEE FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>PROGRAM</u>	<u>MANAGEMENT</u>	<u>FUND RAISING</u>	<u>2013 TOTAL</u>
<b>EXPENSES</b>				
Auditing Fees	\$ 3,895	-	-	\$ 3,895
Computer support	202	-	-	202
Consulting Services	14,237	-	-	14,237
Contract Fees for Employees	76,716	2,828	2,828	82,372
Education and signage	10,730	-	-	10,730
Insurance	4,557	-	-	4,557
Land and Trail Maintenance	44,651	-	-	44,651
Miscellaneous	1,688	-	-	1,688
Property taxes	674	-	-	674
Supplies	2,128	240	-	2,368
Utilities and telecommunications	4,791	-	-	4,791
	<u>\$ 164,269</u>	<u>3,068</u>	<u>2,828</u>	<u>170,165</u>
Transfer of land and park infrastructure to Permanently Restricted				114,252
Depreciation				1,798
				<u>\$ 286,215</u>

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

**CONESTEE FOUNDATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

---

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

***Operation***

Conestee Foundation, Inc. (the “Foundation”) is a nonprofit organization founded in 2000 to develop the Lake Conestee Nature Park (LCNP) located in Greenville County, South Carolina. The Foundation receives third party donations and grants to acquire lands, develop the infrastructure outlined in the Master Plan for LCNP, operate LCNP and design and conduct outdoor educational programming. The Foundation has contracted with Hargett Resources, Inc to provide a part time executive director.

On February 3, 2014, the Foundation entered into a thirty (30) year lease with Greenville County (the “County”) whereby the Foundation agreed to lease LCNP to the County. Either party can however terminate the lease agreement with one hundred eighty (180) days notice. Under the agreement, the County will pay the Foundation \$120,000 per year commencing on July 1, 2013. The amount of the lease payment will be increased every two years based on the CPI Index of the Southern Region beginning with fiscal year beginning July 1, 2015. Under the lease, the County agrees to perform all routine maintenance and the repair and replacement of all trails, boardwalks, bridges and amenities at LCNP. The Foundation retains many rights including continued development of the property, environmental stewardship, environmental education programming and the ability to collect fees from its programming. The dam discussed in note 9 remains the responsibility of the Foundation. This agreement replaces all previous agreements with the Greenville County Recreation District (“GCRD”) which was merged into the County in 2013. It is now the Greenville County Department of Parks, Recreation and Tourism (“GCPRT”).

In February 2008, the Foundation signed a Service Agreement and an Operating Agreement with the Greenville County Recreation District (“GCRD”). The Service Agreement provides for GCRD to partially fund the Foundations’s operating expense. The amount for 2013 and 2012 was \$60,000 and \$86,500, respectively. The Service Agreement was terminated upon the signing of the County lease discussed above.

The Operating Agreement, which expires in 2038, outlines GCRD responsibilities for the on-the-ground maintenance of LCNP. The Operating Agreement was terminated upon the signing of the County lease discussed above.

***Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may be or will be met either by actions of the Foundation or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets that consist of land and improvements primarily under a conservation easement that permanently restricts the use and provides for public access.

**CONESTEE FOUNDATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

---

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

*Organization*

The Foundation is nonprofit and exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no income taxes are provided in the financial statements. There was no unrelated business income for the years ended December 31, 2014 and 2013.

*Cash and Cash Equivalents*

For the statement of cash flows, the Foundation considers all instruments with a maturity of three months or less at date of purchase to be cash equivalents.

*Functional Allocation of Expenses*

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

*Conservation Easements*

A conservation easement is an agreement between the Foundation and a qualified land trust in which the Foundation relinquishes some or all of the rights to develop the property. The easement is publicly recorded and is binding on all future owners of the property. The qualified land trust's principle 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.

The estimated value of a conservation easement is based on the development rights relinquished under the easement; that is, the amount of the reduction in fair market value resulting from the easement at the date it is recorded. This value is established at or near the recording date based on management's best estimate of the value based on relevant facts and circumstances. The Foundation has reduced the carrying value of its land under a conservation easement to reflect the reduction in fair market value at or near the date the easement was recorded.

Each conservation easement donated by the Foundation 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 historic and conservation values of the property. Accordingly, there is no market for the conservation easement donated by the Foundation.

*Accounting Estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Foundation's management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

*Subsequent Events*

The financial statements were issued on March 6, 2015, and subsequent events have been evaluated through that date.

**CONESTEE FOUNDATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 2 – LAND**

Land is comprised of the following as of December 31, 2014 and 2013:

Description	Acres	2014	2013
<b>Unrestricted</b>			
Conestee village lots (3 in 2014 and 2013)	1	\$ 3,214	\$ 3,214
Total Unrestricted	1	3,214	3,214
<b>Permanently Restricted</b>			
Lake Conestee* (1)	151	200,000	200,000
Henderson Farm*	106	957,384	957,384
Forrester property* (2)	44	409,374	409,374
Breazeale Farm* (3)	86	117,171	117,171
Augusta Acres* (4)	7	43,264	43,264
Raines and Metro Sewer parcels	1	32,073	32,073
Conestee village lots (21 in 2014 and 2013)	6	150,747	150,747
Total Permanently Restricted	401	1,910,013	1,910,013
Total Land	402	\$ 1,913,227	\$ 1,913,227

\* This land is under the Amended and Restated Conservation Easement.

- (1) Approximately 6 acres of this property are not under the Easement.
- (2) Approximately 4 acres of this property are not under the Easement.
- (3) Approximately 5 acres of this property are not under the Easement.
- (4) Approximately 5 acres of this property are not under the Easement.

All parcels are located in Greenville County, South Carolina.

**NOTE 3 – BUILDINGS, PARK INFRASTRUCTURE AND EQUIPMENT**

Buildings, park infrastructure and equipment with a useful life of at least 3 years and with a cost or value greater than \$10,000 are recorded at original cost if purchased and recorded at fair market value if donated. Buildings, park infrastructure and equipment consist of a rehabilitated park building used as the Foundation office, entrance gateways, observation decks, helical piers and boardwalks, natural trails, a 215 foot structural pedestrian bridge connecting the park lands on the east and west sides of the Reedy River, paved trails which are part of the Greenville County Swamp Rabbit Trail and maintenance equipment. Depreciation is provided on a straight line method over an estimated useful life of 20 years for buildings and park infrastructure and 7 years for equipment. Buildings and park infrastructure are permanently restricted. Equipment is unrestricted.

Buildings, park infrastructure and equipment are comprised of the following at December 31, 2014 and 2013:

Description	2014	2013
Gosset Moran Office Building	\$ 44,567	\$ 44,567
Equipment	12,585	12,585
Entrance gateways	53,276	53,276
Paved and natural trails and boardwalks	1,409,009	1,409,009
Pedestrian Bridge over Reedy River	610,958	610,958
Total land improvements	2,130,395	2,130,395
Less accumulated depreciation	(554,914)	(448,558)
Total land improvements, net	\$ 1,575,481	\$ 1,681,837



**CONESTEE FOUNDATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

---

**NOTE 4 – CONSTRUCTION IN PROGRESS**

Costs totaling \$28,705 for the Conestee Village Connector trail and boardwalks are shown as Construction in Progress in the Statement of Financial Position as of December 31, 2014. There was no Construction in Progress at December 31, 2013.

**NOTE 5 – CONCENTRATION OF CREDIT RISK**

The Foundation maintains its bank accounts at one bank. Accounts at an institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Cash at this bank exceeded Federally insured limits as of December 31, 2014, by \$176,072. As of December 31, 2013, cash at this bank did not exceed the federally insured limits.

**NOTE 6 – LINE OF CREDIT**

The Foundation has a \$150,000 unsecured line of credit with interest at prime plus 1.5% (with a floor of 4.75%). The line of credit is reviewed annually by the bank beginning on September 27, 2013. No balances were drawn during 2014 or 2013.

**NOTE 7 – TEMPORARILY RESTRICTED FUNDS**

Temporarily restricted grants received in 2014 and 2013 are comprised of the following:

	<u>2014</u>	<u>2013</u>
Grants to Build Trails and Park Infrastructure	\$ 236,657	\$ 114,376
Grants for New Education Center	16,000	15,964
Grants for Environmental Education Program Development	-	55,000
Greenville County Hospitality Tax - Capital Improvement	-	7,326
Grant for Technology	-	3,704
Total	<u>\$ 252,657</u>	<u>\$ 196,370</u>

***Grants to Build Trails and Park Infrastructure***

The Foundation was awarded a South Carolina Parks Recreation and Tourism (SCPRT) 2013 and 2014 trails reimbursable grant in the amount of \$100,000 each to build two connecting trails within the park. The grant requires matching funds of a minimum of \$25,000 for each grant. Construction began in 2014 on one of the grants. The Foundation received a grant in 2014 from the GCPRT for \$200,000 for both projects, which will more than cover the required match. The amount committed on the construction project that began in 2014 is \$95,404.

The Foundation received a SCPRT grant of \$100,000 in 2010 for the completion of Phase IV natural surface trails that were constructed in 2012 and 2013. The grant required a local match of \$25,000.

As part of Hands On Greenville (HOG Day), the Foundation received a grant of \$7,952 and \$15,047 to purchase materials for park infrastructure improvements as of December 31, 2014 and 2013.

***New Environmental Education Center***

The Foundation received grants of \$16,000 and \$15,964 in 2014 and 2013, for the construction of a new education center to be located on the property. Plans are underway for a capital campaign to raise the additional funds necessary to complete this project.

**CONESTEE FOUNDATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

---

**NOTE 7 – TEMPORARILY RESTRICTED FUNDS (CONTINUED)**

***Environmental Education Program Development***

In 2010, the Foundation was awarded three grants totaling \$47,500, to develop an innovative environmental education experience that: 1) gets students outdoors; 2) provides lessons on environmental science principles centered around the ecosystems, physical setting, and history of the park; and 3) utilizes the internet to deliver the related educational content. The plan also calls for establishing up to 40 learning stations along the trails. In 2013, the Foundation was awarded a fourth grant for \$15,000, to complete the project. The grant should be completed in 2015.

The Foundation received a grant for \$40,000 to help establish a nature education program for students in a number of grade levels. The programs were developed and taught during 2014 and 2013. Although this grant is complete, the programs developed are continuing to be offered to an increasing number of students.

***Greenville County Hospitality Tax Capital Improvement***

In March 2008, the Foundation signed an agreement with the County whereby the County will provide up to \$2 million in capital grants for the constructing of additional nature, hiking and biking trails, construction of a pedestrian bridge and other projects. The County will fund these grants using a portion of the proceeds from Certificates of Participation bonds secured by future Hospitality Tax revenues.

As of December 31, 2011, construction was completed on both Phase II and Phase III paved trails and boardwalks, construction of a 215 foot pedestrian bridge over the Reedy River and the renovations of an existing house that is now used as the LCNP office. Additional land was also purchased along the trails. During 2012, work was begun on Phase IV trails consisting of three natural surface trails. This project was completed in early 2013. As of December 31, 2013, this \$2 million grant is complete.

***Total Temporarily Restricted Funds***

The Foundation has remaining fund balances in the following temporarily restricted funds at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Conestee Park Connector	\$ 175,000	\$ -
Conestee Village Connector	53,705	-
Land Acquisition	78,000	78,000
Education Center	31,964	15,964
Learning Loops 3 and 4	10,564	2,400
Education Programming	881	29,312
Technology Improvements	-	3,373
Total	<u>\$ 350,114</u>	<u>\$ 129,049</u>

**NOTE 8 – PERMANENTLY RESTRICTED NET ASSETS**

On November 16, 2005, the Foundation granted and recorded in the public records a conservation easement to Upstate Forever, a qualified land trust, that significantly restricts the use of the Lake Conestee and Henderson Farm properties currently owned by the Foundation, and provides for public access to the LCNP.

**CONESTEE FOUNDATION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

---

**NOTE 8 – PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)**

On June 19, 2009 the Foundation granted and recorded in the public records an Amended and Restated Conservation Easement to Upstate Forever, a qualified land trust, that added approximately 125 acres to the existing easement. The easement, totaling approximately 374 acres, continues to significantly restrict the use of the LCNP property and provides for public access to LCNP.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

*Voluntary Cleanup Contract*

The Foundation entered into a Voluntary Cleanup Contract (“VCC”) with the South Carolina Department of Health and Environmental Control (DHEC) under the Environmental Protection Agency (EPA) Targeted Brown Fields program to manage the original lake bed site for its intended use as the Lake Conestee Nature Park. The VCC was finalized in 2007, and a restrictive covenant was recorded in the public records on October 25, 2007, in Greenville County, South Carolina requiring the Foundation to manage the use of the site to provide reasonable protection to the public, including maintaining the dam to contain the sediments. The VCC is also conditional on continued groundwater monitoring. The first annual monitoring was substantially completed in 2008. Based on the results from the first year monitoring, DHEC has waived the requirement for future monitoring.

The amount of the future repairs and maintenance of the dam is currently undeterminable and the source to fund these future costs has not been identified, although they are believed to be very material to the Foundation.

*Other*

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

**NOTE 10 – RELATED PARTY**

The volunteer Chairman of the Foundation is a member of the Board of Directors of Upstate Forever and is its Treasurer.