

PATH FOUNDATION, INC.

Financial Statements
And
Independent Auditors' Report

March 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
PATH Foundation, Inc.

We have audited the accompanying financial statements of PATH Foundation, Inc. ("PATH"), which comprise the Statements of Financial Position as of March 31, 2021 and 2020, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended and the related Notes to 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 PATH'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 PATH'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 PATH Foundation, Inc., as of March 31, 2021 and 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 and Note 14 to the financial statements, the entity adopted new accounting guidance related to Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* and ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The prior period has been restated in conformity to the aforementioned adopted accounting guidance. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited PATH's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter – Supplemental Information

The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Marshall Jones

Atlanta, Georgia
August 3, 2021

PATH FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
 March 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,060,588	\$ 4,670,003
Investments	990,869	991,951
Grants receivable	2,489,854	74,303
Pledges receivable	3,142,501	5,768,390
Prepaid expenses	21,195	19,792
Property and equipment, net	50,138	78,676
TOTAL ASSETS	\$ 8,755,145	\$ 11,603,115
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 728,111	\$ 4,951
Accrued liabilities	2,916	706
Total Liabilities	731,027	5,657
Net Assets		
Net assets without donor restriction	4,843,921	5,732,560
Net assets with donor restriction	3,180,197	5,864,898
Total Net Assets	8,024,118	11,597,458
TOTAL LIABILITIES AND NET ASSETS	\$ 8,755,145	\$ 11,603,115

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

PATH FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended March 31, 2021 and 2020

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	2021 Total	2020 Total
Revenues				
Grant and contribution revenue	\$ 3,492,570	\$ 2,386,000	\$ 5,878,570	\$ 10,129,953
Program service fee	539,991	-	539,991	905,827
Interest income	18,806	-	18,806	44,034
Maintenance endowment income	-	-	-	14,567
Investment return, net	342,462	-	342,462	(133,245)
Net assets released from restriction	5,070,701	(5,070,701)	-	-
Total Revenues	9,464,530	(2,684,701)	6,779,829	10,961,136
Expenses				
Program services	9,684,085	-	9,684,085	7,770,465
Supporting services				
General and administrative	552,665	-	552,665	680,148
Fundraising	116,419	-	116,419	139,468
Total Expenses	10,353,169	-	10,353,169	8,590,081
Change in Net Assets	(888,639)	(2,684,701)	(3,573,340)	2,371,055
Net Assets – As Restated (See Note 2 and 14)	5,732,560	5,864,898	11,597,458	9,226,403
Net Assets – End of Year	\$ 4,843,921	\$ 3,180,197	\$ 8,024,118	\$ 11,597,458

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

PATH FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended March 31, 2021 and 2020

	Program Services	General and Administrative	Fundraising Expenses	2021 Total	2020 Total
Trail planning, design, and constructions costs	\$8,449,955	\$ -	\$ -	\$ 8,449,955	\$ 6,780,380
Salaries and wages	1,022,933	346,067	-	1,369,000	1,265,320
Payroll taxes	47,063	14,653	-	61,716	50,524
Employee benefits	41,965	14,197	-	56,162	51,383
Advertising and promotion	-	8,424	-	8,424	4,324
Consulting	784	681	116,419	117,884	141,456
Depreciation	-	28,538	-	28,538	21,605
Financial services	-	14,809	-	14,809	12,116
Insurance	78,089	50,098	-	128,187	93,091
Miscellaneous	-	-	-	-	9,260
Office supplies	-	1,807	-	1,807	3,653
Printing and postage	-	14,489	-	14,489	21,064
Professional fees	-	16,308	-	16,308	28,366
Repairs	-	13,454	-	13,454	4,211
Special events	-	-	-	-	24
Technology	-	23,188	-	23,188	24,712
Telephone	-	3,880	-	3,880	4,659
Trail maintenance	31,336	-	-	31,336	51,993
Travel and auto	11,960	2,072	-	14,032	19,690
Uncollectible grant	-	-	-	-	2,250
Total Expenses	\$9,684,085	\$552,665	\$116,419	\$10,353,169	\$ 8,590,081

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

PATH FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2021 and 2020

	2021	2020
<hr/>		
Cash Flows From Operating Activities		
Changes in net assets	\$(3,573,340)	\$ 2,371,055
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net (gain) loss on investments	(329,852)	128,906
Depreciation	28,538	21,605
(Increase) decrease in assets:		
Grants receivable	(2,415,551)	(1,417,336)
Pledges receivable	2,625,889	(1,060,034)
Prepaid expenses	(1,403)	(5,260)
Increase (decrease) in liabilities:		
Accounts payable	723,160	(268,925)
Accrued liabilities	2,210	(4,207)
<hr/>		
Net Cash Used In Operating Activities	(2,940,349)	(234,196)
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Cash Flows From Investing Activities		
Purchases of property and equipment	-	(41,595)
Proceeds from sales of investments	348,480	659,641
Purchases of investments	(17,546)	(18,360)
<hr/>		
Net Cash Provided by Investing Activities	330,934	599,686
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Net (Decrease) Increase in Cash and Cash Equivalents	(2,609,415)	365,490
Cash and Cash Equivalents – beginning of year	4,670,003	4,304,513
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Cash and Cash Equivalents – End of Year	\$ 2,060,588	\$ 4,670,003
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These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

PATH Foundation, Inc. (“PATH”) was formed in September 1991 for the purpose of developing a regional greenway trail system for use by all citizens, providing them with transportation and recreational opportunities as well as increasing the quality and enjoyment of their daily lives.

PATH has development trail master plans for the City of Atlanta and many adjacent jurisdictions which guide development of greenway trail development in the metro area. PATH has entered into public-private partnerships with the state of Georgia and most metro governments to advance trail planning, design, and construction. During the past twenty-nine years, PATH has developed over 290 miles of greenway trails in metro Atlanta and the state of Georgia

Beginning in 1998, PATH expanded outside of metro Atlanta and partnered with the state of Georgia to build the Silver Comet Trail in West Georgia. In addition, PATH has built greenway trails using the public-private partnership model in multiple cities throughout the southeast including Beaufort, South Carolina, the City of Carrollton, Georgia, and along the coast in Glynn and Camden Counties.

PATH continues to extend Silver Comet Trail, the South River Trail, Westside BeltLine, the Westside BeltLine Connector and the Emory PATH Trail in metro Atlanta. Beginning in 2010, PATH began constructing components of the Atlanta BeltLine. As of March 31, 2021, there were 32 trails in progress, and during the year ended March 31, 2021, 10 trails were completed.

Basis of Presentation

Financial statement presentation follows the recommendations of accounting principles generally accepted in the United States of America (“GAAP”). Under GAAP, PATH is required to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction.

Net assets without donor restriction – Net assets available for use in general operations and not subject to donor restrictions. Subject to self-imposed limits by the action of the governing board. Board-designated net assets may be earmarked for future programs, investments, contingencies, purchase or construction of fixed assets, or other uses.

Net assets with donor restriction – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity.

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make significant estimates and assumptions that may affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, PATH considers all highly liquid investments with original maturities of ninety days or less to be cash equivalents.

Pledges Receivable

Pledges receivable are amounts due based on unconditional promises to give made by individuals and entities and are unsecured. Pledges receivable are reported at fair value in the period the promise is made and subsequently carried at their estimated collectible amounts. Pledges receivable are evaluated for collectability based on past collection history with donors. Provisions for losses on pledges receivable are determined on the basis of loss experience, known and inherent risk in the pledge balances, and current economic conditions.

Investments

Marketable equity and debt securities are carried at fair market value. When marketable securities are bought or sold, the transaction is recorded as of the trade date of the transaction.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain expenses have been allocated among the programs and supporting services receiving benefit. The allocation has been made based on management's best estimate of the actual resources used in those areas and is based upon time and effort.

(Continued)

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided on the straight-line method over the assets' estimated useful lives as follows:

<u>Classification</u>	<u>Estimated Lives</u>
Furniture and equipment	3 years
Automobile	5 years

Additions and major improvements to existing assets greater than \$1,000 are capitalized, while minor improvements, maintenance, and repairs are charged to expense as incurred. The fair value of donated property and equipment is also capitalized. Upon retirement or disposal of property and equipment, the costs and related accumulated depreciation amounts are eliminated, and any gain or loss is included in the Statements of Activities.

Donated Goods and Services

Donated goods, such as materials, equipment or other assets, are reported as contributions at their estimated fair values at the date of donation. Donated services that create or enhance nonfinancial assets or that require specialized skills, that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation, are recorded as contributions at their estimated fair values in the period the services are performed.

No amounts have been reflected in the financial statements for donated services for the years ended March 31, 2021 and 2020. PATH receives services from a small number of volunteers who give significant amounts of their time to PATH's programs and fundraising organizations but do not meet the criteria for financial statement recognition.

Income Taxes

PATH is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). However, income from certain activities not directly related to PATH's tax-exempt purpose is subject to taxation as unrelated business income.

PATH only recognizes the tax benefit from an uncertain tax position taken or expected to be taken in a tax return if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position.

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PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

Management has analyzed tax positions taken for filings with the Internal Revenue Service and all state jurisdictions where PATH operates. Management believes that income tax filing positions would be sustained upon examination and does not anticipate that any adjustments would result in a material adverse effect on PATH's financial condition, results of operations or cash flows. Accordingly, PATH has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at March 31, 2021.

PATH is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. PATH believes it is no longer subject to income tax examinations for years prior to March 31, 2018.

Compensated Absences

Employees of PATH are entitled to paid vacations, sick days and other time off depending on job classification, length of service and other factors. The information is not available to estimate the amount of compensation for future absences and accordingly, no liability has been recorded in the accompanying financial statements. PATH's policy is to recognize the costs of compensated absences when paid to employees.

Fair Value of Financial Instruments

In accordance with Financial Accounting Standards Codification (FASC) 820, *Fair Value Measurement and Disclosures*, FASC 820-10 defines fair value, establishes a framework for the measurement of fair value, and enhances disclosures about fair value measurements. The carrying amount of PATH's cash approximates fair value due to the short maturity of this instrument. The fair values of investments in securities traded on national securities exchanges are valued at the last reported bid price. Pledges receivable are discounted at an interest rate, which approximates their fair value. Grants receivable are recorded at the net present value of the amounts expected to be collected. For other assets and liabilities, not otherwise carried at fair value, fair value approximates carrying value due to the current nature of such assets and liabilities.

Subsequent Events

PATH has evaluated subsequent events through the filing date of this report. No subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

(Continued)

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers* (“ASC 606”). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. PATH adopted the new standard effective April 1, 2020, the first day of PATH’s fiscal year, using the full retrospective method.

As part of the adoption of the ASU, PATH elected to use the following transition practical expedients: (i) completed contracts that begin and end in the same annual reporting period have not been restated; (ii) PATH used the known transaction price for completed contracts; (iii) to exclude disclosures of transaction prices allocated to remaining performance obligations when PATH expects to recognize such revenue for all periods prior to the date of initial application of the ASU; and (iv) PATH has reflected the aggregate of all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price.

The adoption of this ASU did have a significant impact on PATH’s financial statements, of which the affect is described in Note 14. The majority of PATH’s revenue arrangements generally consist of a single performance obligation to transfer promised services. Based on PATH’s evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. The significant impact of the adoption of this standard was related to the treatment of deferred revenue on the balance sheet. In the new standard, a deferred revenue liability is recorded if a payment has been received in advance.

In June 2018, Financial Accounting Standards Board issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU is intended to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The ASU clarifies that a contribution is conditional if the agreement includes one or more barriers that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets.

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PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

For the year ending March 31, 2021, PATH adopted ASU 2018-08 and has adjusted the presentation in these financial statements accordingly. PATH recognizes contributions and grant income in the accompanying Statements of Activities, in accordance with ASC Topic 958. The adoption of ASU 2018-08 did have an impact on the timing of the revenue recognition of the grants due to barriers related to conditions, of which the affect is described in Note 14.

Grant and Contribution Revenue

PATH recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. A portion of PATH’s revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when PATH has incurred expenditures in compliance with specific grant provisions. PATH received cost-reimbursable grants of \$3,670,200 and \$8,127,975 that have not been recognized at March 31, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred.

Revenue from Contracts with Customers

PATH derives a portion of revenues from path design services and is paid a fee by customers. Revenues are recognized when these services are provided to its customers, in an amount that reflects the consideration PATH expects to be entitled to in exchange for those services. PATH does not have any significant financing components as payment is received at or shortly after the transfer of control. Revenue from performance obligations are satisfied over time.

Performance Obligations

For performance obligations related to the path design services, control transfers to the customer at a point in time; however, PATH records revenue as costs for the plan designs are incurred with profit recorded as the designs are finalized and sent to the customer.

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PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from Contracts with Customers (Continued)

Variable Consideration

The nature of PATH’s business gives rise to variable consideration, including refunds and discounts that generally decrease the transaction price which reduces revenue. These variable amounts are generally credited to the customer, based on circumstances regarding the plan designs.

Variable consideration is estimated at the most likely amount that is expected to be earned. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience and known trends.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

PATH maintains cash deposits in a bank deposit account which at times may exceed FDIC limits. The amount in excess of FDIC insured limits at March 31, 2021 and 2020, were approximately \$1,560,588 and \$4,170,002, respectively.

PATH depends heavily on contributions and grants for its support and revenue. The ability of certain of PATH’s contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions. While the Board of Directors believes PATH has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

NOTE 4 – PLEDGES RECEIVABLE

Unconditional pledges receivable is recorded at net realizable value and consist of the following as of March 31, 2021 and 2020:

	2021	2020
Due within one year	\$ 2,982,501	\$ 3,451,390
Due within two to five years	160,000	2,317,000
Total Pledges Receivable	\$ 3,142,501	\$ 5,768,390

No provision has been made for uncollectible accounts, as management considers all accounts to be currently collectible. Uncollectible accounts are expensed on an individual basis when they are deemed to no longer be collectible.

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021 and 2020

NOTE 5 – LINE OF CREDIT

PATH has an unsecured guidance line of credit with a local bank that allows borrowings up to \$250,000 with interest payable at the bank’s prime rate plus 0.50% per annum. The line of credit is reviewed every five years at which time it is renewed with the next schedule review to be June, 2021.

In March 2021, Path has a line of credit with another bank that allows for borrowings up to \$2,000,000 which is secured by outstanding pledges, with an interest payable at an interest rate of 2% per annum. The line of credit is annually renewable on September 1, 2022.

As of March 31, 2021 and 2020, there were no borrowings outstanding against the lines of credit, and PATH is in compliance with loan covenants.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

PATH has received grants, which require the fulfillment of certain conditions as set forth in the instrument of the grant. As of March 31, 2021, grantors have committed \$4,518,552, which are subject to conditions not yet met by PATH.

NOTE 7 – INVESTMENTS

PATH maintains a Board Designated Reserve Fund investment account. Investments are reported at fair market value. Cost, market value and unrealized appreciation and (depreciation) at March 31, 2021, are summarized as follows:

	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Money market funds	\$ 115,179	\$ 115,179	\$ -
Mutual funds and equity funds	712,506	875,690	163,184
	\$ 827,685	\$ 990,869	\$ 163,184

Investment return for the year ended March 31, 2021 and 2020, is summarized as follows:

	2021	2020
Reinvested interest and dividends	\$ 17,546	\$ 18,985
Net realized gain (loss)	143,151	(678,259)
Net unrealized gain	181,765	526,029
Total Investment Return, net	\$ 342,462	\$(133,245)

Administrative expenses relating to investment income amounted to approximately \$10,000.

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PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 7 – INVESTMENTS (Continued)

GAAP establish 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 and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy under GAAP are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that PATH 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 other than quoted prices that are observable for the asset or liability
- 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 measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used on March 31, 2021.

- *Mutual Funds and Equity Funds*: Valued at the net asset value of shares held by PATH at year end.
- *Money Market Funds*: Valued at the net asset value of money markets held by PATH at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

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PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021 and 2020

NOTE 7 – INVESTMENTS (Continued)

Furthermore, while PATH believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level within the fair value hierarchy, PATH's assets at fair value as of March 31,

	Level 1	Level 2	Level 3	2021	2020
Mutual funds and equity funds	\$ 875,690	\$ -	\$ -	\$ 875,690	\$871,993
Money market funds	115,179	-	-	115,179	119,959
Total Fair Value	\$ 990,869	\$ -	\$ -	\$ 990,869	\$ 991,952

NOTE 8 – PROPERTY AND EQUIPMENT

Major classes of fixed assets consist of the following at March 31, 2021 and 2020:

Vehicles	\$140,711	\$140,711
Office furniture and equipment	43,037	43,037
Subtotal	183,748	183,748
Less: accumulated depreciation	(133,610)	(105,072)
Property and equipment, net	\$ 50,138	\$ 78,676

Depreciation expense for the year ended March 31, 2021 and 2020 was \$28,538 and 21,605, respectively.

NOTE 9 – RELATED PARTY TRANSACTIONS

PATH receives materials and/or services pro-bono from entities whose employees are on PATH's Board of Directors. PATH received legal services from a law firm and is furnished office space from WSB-Television. The value associated with these services are not significant for disclosure.

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021 and 2020

NOTE 10 – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction at March 31, 2021 and 2020, consisted of the following:

	2021	2020
Construction of trails	\$ 37,696	\$ 96,508
Time-restricted contributions	3,142,501	5,768,390
Total Net Assets With Donor Restriction	\$ 3,180,197	\$ 5,864,898

The following net assets were released from restriction during the year ended March 31, 2021 and 2020:

	2021	2020
Construction of trails	\$ 68,811	\$ 618,769
Time-restricted contributions	5,001,890	4,973,131
Total released from restriction	\$ 5,070,701	\$ 5,591,900

NOTE 11 – THE PATH FOUNDATION ENDOWMENT FUND

PATH entered into a restricted fund agreement with The Community Foundation for Greater Atlanta, Inc. (“the Community Foundation”) on November 28, 1995. The purpose of the agreement was to create a restricted fund (“the Fund”) named The Path Foundation Endowment Fund of the Community Foundation under which persons and organizations could make contributions to the Fund to benefit PATH.

Per terms of the agreement, the net income from the Fund will be distributed to PATH at least annually. The net income is to be used for maintenance of the trails established in metropolitan Atlanta or elsewhere in Georgia. The Community Foundation has the ultimate authority and control over distribution from the Fund. The Fund is the property of the Community Foundation and therefore is not included in the accompanying financial statements. The Community Foundation investment fund is the long-term equity/fixed income investment vehicle of the Community Foundation. The activity of the Fund during the year ended March 31, 2021, is summarized as follows:

Beginning balance, April 1, 2020	\$ 266,358
Grants approved	-
Investment returns	98,183
Investment fees	(3,804)
Ending balance, March 31, 2021	\$ 360,737

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021 and 2020

NOTE 12 – COVID-19

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that occurred may have an impact on the operations of PATH. The extent of the impact to the financial performance of PATH will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be predicted. If the financial performance of PATH is impacted because of these things for an extended period, PATH’s financial results may be adversely affected. In order to reduce the possible impact as described above, PATH has updated operations to include employees’ ability to work from home and added safety precautions to visitors and/or staff who enter the building. Final results of the relief measures are not currently known.

NOTE 13 – LIQUIDITY AND AVAILABILITY OF RESOURCES

PATH’s liquidity management is designed to ensure financial assets are available as its trail and general expenditures and other liabilities come due. The receivables are subject to restriction and are expected to be collected within one to three years. PATH has the ability to fund general operations through the use of either the lines of credit with a combined \$2,250,000 limit or investments in a board designated reserve fund of \$990,869. The following represents the financial assets available to meet cash needs within one year as of March 31,

	2021	2020
Cash and cash equivalents	\$ 2,060,588	\$ 4,670,003
Pledges receivable	3,142,501	5,768,390
 Total Liquid Assets	 5,203,089	 10,438,393
Less: Net assets with restriction	(3,180,197)	(3,180,197)
 Financial assets available for general operations	 \$ 2,022,892	 \$ 7,258,196

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE 14 – RESTATEMENT RELATED TO CHANGE IN ACCOUNTING PRINCIPLES

PATH has adopted Topic 958 and ASC 606, as amended with retrospective application to the prior periods presented in Note 2. Accordingly, the financial statements for the year ended March 31, 2020 have been adjusted to be in accordance with the provisions of Topic 958 and ASC 606. The adoption of Topic 958 resulted in a decrease to grants receivable, grant income, and related totals, which is related to the barriers associated with the cost-reimbursable grants. These grants are no longer recognized as grant income and grants receivable upon receipt, but are recognized when costs are expended. The adoption of ASC 606 resulted in a decrease to deferred revenue, grants receivable, net assets and related totals, which is related to the treatment of contracts for master plan designs. These contracts are no longer recognized as grants receivable and deferred revenue at the receipt of contract, but are recognized when earned and billed. The changes from the above adoptions are noted in the table below.

	Amounts Previously Stated	Change From Topic 958	Change From ASC 606	Amounts After Restatement
Statements of Financial Position				
Grants receivable	\$ 8,544,048	\$ (8,127,975)	\$ (341,770)	\$ 74,303
Total Assets	20,072,860	(8,127,975)	(341,770)	11,603,115
Deferred revenue	341,770	-	(341,770)	-
Total Liabilities	347,427	-	(341,770)	5,657
Net assets without donor restriction	13,860,535	(8,127,975)	-	5,732,560
Total Liabilities and Net Assets	20,072,860	(8,127,975)	(341,770)	11,603,115
Statements of Activities				
Grant and contribution revenue	16,640,751	(6,510,798)	-	10,129,953
Total Revenues	17,471,934	(6,510,798)	-	10,961,136
Change in Net Assets	8,881,853	(6,510,798)	-	2,371,055
Net Assets – Beginning of Year	10,843,580	(1,617,177)	-	9,226,403
Net Assets – End of Year	19,725,433	(6,510,798)	-	11,597,458
Statements of Cash Flows				
Changes in net assets	8,881,853	(6,510,798)	-	2,371,055
Grants receivable	(7,524,662)	6,510,798	(403,472)	(1,417,336)
Deferred revenue	(403,472)	-	403,472	-

These notes should only be read in connection with the accompanying financial statements and independent auditors' report.

PATH FOUNDATION, INC.
SCHEDULE OF TRAILS IN PROGRESS
As of March 31, 2021

PATH400 -Gordon Bynum to Miami Cir	\$ 3,372,115
Silver Comet Connector - Church Line to Centennial Olympic Park	2,300,635
Silver Comet Connector - Bridge and Marietta to Kudzu	408,138
Silver Comet Connector - Atlanta Road to Marietta	261,865
South River Phase 5	257,493
Panola to Henry County Spur	246,548
Newnan LINC Segment C	181,281
Trolley Tail BeltLine to Kirkwood	152,826
Newnan LINC Segment B	133,179
Newnan LINC Segment A	130,948
Columbus Dragonfly Trail - Riverwalk to Martin Luther King Jr. Boulevard	125,534
LaGrange Clock Tower Phase 3B	110,679
Chastain Park to Wieuca	105,189
Silver Comet Connector -Plant Atkinson to River	92,876
South River Phase 7 (Donzi)	89,335
South Fork Conservancy Creek Walk Connector	77,930
Bike Depot Centennial Park	72,931
Winder to Fort Yargo Connect	70,032
PATH Parkway to BeltLine	63,563
Sandy Springs Marsh Creek	52,364
Silver Comet to Plant Atkinson	49,840
Spanish Moss Trail - Downtown Beaufort	48,724
Sandy Springs Morgan Falls Connector PH 2A	43,700
Silver Comet Connector -Tilford Yard	40,499
Peachtree Creek Greenway Phase V1B	27,510
Woodall Rail Trail	24,860
Sandy Springs Morgan Falls - GA Power	23,160
Westside to Proctor Creek Greenway	22,157
Custer to BeltLine	18,676
LauderTrail	14,994
Emory - Haygood to North Decatur	14,393
Oconee County Rail Trail Study	11,709
Various other trails under \$10,000	37,335
Total	\$ 8,683,018

This supplementary schedule should be read only in connection with
the accompanying auditors' report and notes to financial statements.

PATH FOUNDATION, INC.
SCHEDULE OF COMPLETED TRAILS
During the year ended March 31, 2021

Columbus Dragonfly MLK to Dinglewood	\$ 30,990
Covington Turner Lake	33,903
Decatur Commerce Drive Cycle Track	631,845
East Point PATH Model Mile	154,446
LaGrange Panther Park	49,805
Newnan LINC Segment D	197,924
Tucker PATH Tier 1	10,264
Upper Westside Trail Study	11,370
Westside BeltLine Connector Segment 2	5,239,341
Various other trails under \$10,000	3,690
Total	\$6,363,578

The total cost of trails completed through March 31, 2021, is \$133,173,995. Various trails include partially designed trails that will not be constructed.

This supplementary schedule should be read only in connection with the accompanying auditors' report and notes to financial statements.