

PATH FOUNDATION, INC.

Financial Statements
And
Independent Auditors' Report

March 31, 2023 and 2022

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
NOTES TO FINANCIAL STATEMENTS	8-18
SUPPLEMENTARY INFORMATION	
Schedule of Trials in Progress	19
Schedule of Completed Trails	20

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
PATH Foundation, Inc.

Opinion

We have audited the financial statements of PATH Foundation, Inc. ("PATH"), which comprise the statements of financial position as of March 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PATH as of March 31, 2023 and 2022, and the changes in its net assets and its cash flows for the year 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PATH, 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 PATH's ability to continue as a going concern for one year after the date that the financial statements are issued.

Other Matter

In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 PATH'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 PATH'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.

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.

Atlanta, Georgia
August 8, 2023

PATH FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
March 31, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 5,115,832	\$ 5,992,779
Investments	827,101	945,331
Grants receivable	2,406,212	421,251
Pledges receivable	339,667	485,167
Prepaid expenses	34,914	54,356
Other receivable	-	20,659
Property and equipment, net	16,830	21,600
TOTAL ASSETS	\$ 8,740,556	\$ 7,941,143
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 1,592,772	\$ 951,103
Deferred revenue	10,000	37,253
Accrued liabilities	69,992	40,650
Total Liabilities	1,672,764	1,029,006
Net Assets		
Net assets without donor restriction	6,283,723	6,396,139
Net assets with donor restriction	784,069	515,998
Total Net Assets	7,067,792	6,912,137
TOTAL LIABILITIES AND NET ASSETS	\$ 8,740,556	\$ 7,941,143

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, 2023 and 2022

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	2023 Total	2022 Total
Revenues				
Grant and contribution revenue	\$ 448,261	\$ 1,610,000	\$ 2,058,261	\$ 6,848,566
Program service fee	7,266,402	-	7,266,402	2,571,641
Interest income	20,272	-	20,272	16,074
Gain on sale of property and equipment	-	-	-	20,659
Investment return, net	(91,337)	-	(91,337)	(6,949)
Net assets released from restriction	1,341,929	(1,341,929)	-	-
Total Revenues	8,985,527	268,071	9,253,598	9,449,991
Expenses				
Program services	8,488,181	-	8,488,181	9,903,587
Supporting services				
General and administrative	544,568	-	544,568	557,509
Fundraising	65,194	-	65,194	100,876
Total Expenses	9,097,943	-	9,097,943	10,561,972
Change in Net Assets	(112,416)	268,071	155,655	(1,111,981)
Net Assets – Beginning of Year	6,396,139	515,998	6,912,137	8,024,118
Net Assets – End of Year	\$ 6,283,723	\$ 784,069	\$ 7,067,792	\$ 6,912,137

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, 2023 and 2022

	Program Services	General and Administrative	Fundraising	2023 Total	2022 Total
Trail planning, design, and constructions costs	\$7,382,054	\$ -	\$ -	\$7,382,054	\$ 8,757,262
Salaries and wages	885,196	299,468	-	1,184,664	1,186,847
Payroll taxes	43,424	13,520	-	56,944	52,083
Employee benefits	43,837	14,830	-	58,667	64,278
Advertising and promotion	-	14,304	-	14,304	15,963
Consulting	439	381	65,194	66,014	102,145
Depreciation	-	8,319	-	8,319	28,538
Financial services	-	18,683	-	18,683	19,410
Insurance	82,130	52,692	-	134,822	143,435
Miscellaneous	-	2,402	-	2,402	7,861
Office supplies	-	6,807	-	6,807	2,849
Printing and postage	-	21,990	-	21,990	21,817
Professional fees	-	35,585	-	35,585	23,257
Repairs	-	2,775	-	2,775	3,357
Special events	-	1,903	-	1,903	1,391
Technology	-	42,163	-	42,163	38,094
Telephone	-	6,296	-	6,296	5,416
Trail maintenance	36,961	-	-	36,961	56,065
Travel and auto	14,140	2,450	-	16,590	28,932
Uncollectible grant	-	-	-	-	2,972
Total Expenses	\$8,488,181	\$544,568	\$65,194	\$9,097,943	\$10,561,972

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, 2023 and 2022

	2023	2022
<hr/>		
Cash Flows From Operating Activities		
Changes in net assets	\$ 155,655	\$(1,111,981)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Gain on sale of property and equipment	-	(20,659)
Net loss on investments	91,337	6,949
Depreciation	8,319	28,538
(Increase) decrease in assets:		
Grants receivable	(1,984,961)	2,068,603
Pledges receivable	145,500	2,657,334
Prepaid expenses	19,442	(33,161)
Other receivables	20,659	(20,659)
Increase (decrease) in liabilities:		
Accounts payable	641,669	222,992
Deferred revenue	(27,253)	37,253
Accrued liabilities	29,342	37,734
<hr/>		
Net Cash (Used In) Provided By Operating Activities	(900,291)	3,872,943
<hr/>		
Cash Flows From Investing Activities		
Proceeds from sales of investments	26,893	38,589
Purchases of property and equipment	(3,549)	20,659
<hr/>		
Net Cash Provided by Investing Activities	23,344	59,248
<hr/>		
Net Increase (Decrease) in Cash and Cash Equivalents	(876,947)	3,932,191
Cash and Cash Equivalents – Beginning of Year	5,992,779	2,060,588
<hr/>		
Cash and Cash Equivalents – End of Year	\$ 5,115,832	\$ 5,992,779
<hr/>		

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, 2023 and 2022

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.

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, 2023 and 2022

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, 2023 and 2022

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

During the year ended March 31, 2023, PATH adopted Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Gifts in Kind)*. 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, 2023 and 2022. 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.

(Continued)

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and 2022

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, 2023.

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, 2021.

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 Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures*, ASC 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, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant and Contribution Revenue

PATH recognizes contributions and grant income in the accompanying Statements of Activities, in accordance with ASC Topic 958: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.

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 \$18,389,797 and \$3,126,565 that have not been recognized at March 31, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred.

Revenue from Contracts with Customers

PATH recognizes exchange revenue in accordance with Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers*. The majority of PATH’s revenue arrangements generally consist of a single performance obligation to transfer promised services.

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.

(Continued)

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2023 and 2022

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, 2023 and 2022, were \$4,626,769 and \$5,742,779, 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, 2023 and 2022:

	2023	2022
Due within one year	\$ 339,667	\$ 325,167
Due within two to five years	-	160,000
Total Pledges Receivable	\$ 339,667	\$ 485,167

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, 2023 and 2022

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, 2026.

PATH had 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 matured on September 1, 2022.

As of March 31, 2023 and 2022, there were no borrowings outstanding against the line 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, 2023, grantors have committed \$18,389,797, 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 at March 31, 2023, are summarized as follows:

	Cost	Fair Market Value	Unrealized Appreciation
Money market funds	\$ 103,753	\$ 103,753	\$ -
Mutual funds and equity funds	683,247	723,348	40,101
	\$ 787,000	\$ 827,101	\$ 40,101

Investment return for the year ended March 31, 2023 and 2022, is summarized as follows:

	2023	2022
Reinvested interest and dividends	\$ 9,421	\$ 12,878
Net realized (loss) gain	(83,955)	46,050
Net unrealized (loss)	(16,803)	(65,887)
Total Investment Return, net	\$ (91,337)	\$ (6,949)

Administrative expenses relating to investment income amounted to approximately \$10,000 for the years ended March 31, 2023 and 2022.

(Continued)

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and 2022

NOTE 7 – INVESTMENTS (Continued)

GAAP 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 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, 2023.

- 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.

(Continued)

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2023 and 2022

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	2023	2022
Mutual funds and equity funds	\$ 723,348	\$ -	\$ -	\$ 723,348	\$ 836,728
Money market funds	103,753	-	-	103,753	108,603
Total Fair Value	\$ 827,101	\$ -	\$ -	\$ 827,101	\$ 945,331

NOTE 8 – PROPERTY AND EQUIPMENT

Major classes of fixed assets consist of the following at March 31, 2023 and 2022:

Vehicles	\$108,146	\$108,146
Office furniture and equipment	46,586	43,037
Subtotal	154,732	151,183
Less: accumulated depreciation	(137,902)	(129,583)
Property and equipment, net	\$ 16,830	\$ 21,600

Depreciation expense for the years ended March 31, 2023 and 2022, was \$8,319 and \$28,538, 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, 2023 and 2022

NOTE 10 – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction at March 31, 2023 and 2022, consisted of the following:

	2023	2022
Construction of trails	\$ 444,402	\$ 30,831
Time-restricted contributions	339,667	485,167
Total Net Assets With Donor Restriction	\$ 784,069	\$ 515,998

The following net assets were released from restriction during the year ended March 31, 2023 and 2022:

	2023	2022
Construction of trails	\$ 1,196,429	\$ 3,541,393
Time-restricted contributions	145,500	5,013,500
Total released from restriction	\$ 1,341,929	\$ 8,554,893

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, 2023, is summarized as follows:

Beginning balance, April 1, 2022	\$ 370,078
Grants approved	(23,708)
Investment returns	(14,996)
Investment fees	(4,241)
Ending balance, March 31, 2023	\$ 327,133

PATH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2023 and 2022

NOTE 12 – 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 \$250,000 limit or investments in a board designated reserve fund of \$827,101. The following represents the financial assets available to meet cash needs within one year as of March 31,

	2023	2022
Cash and cash equivalents	\$ 5,115,832	\$ 5,992,779
Pledges receivable	339,667	485,167
Total Liquid Assets	5,455,499	6,477,946
Less: Net assets with restriction	(784,069)	(515,998)
Financial assets available for general operations	\$ 4,671,430	\$ 5,961,948

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, 2023

Trolley Trail BeltLine to Kirkwood	\$ 1,263,211
PATH400 Wieuca to Loridans	1,216,340
Northwest BeltLine	742,343
Silver Comet Connector - Atlanta Road to Marietta	718,392
Northwest BeltLine Trail Segment 5	502,029
Northwest BeltLine Trail Segment 3	392,396
Northwest BeltLine Trail Segment 1	323,933
Panola to Henry County Spur	246,548
Silver Comet to Plant Atkinson	185,648
Sandy Springs Morgan Falls Connector Phase 2A	152,075
Silver Comet Connector-Plant Atkinson to River	151,333
LaGrange Clock Tower Phase3B	132,319
Westside Connector	132,060
South River Phase 7 (Donzi)	114,373
Northwest BeltLine Trail Segment 4	111,794
Sandy Springs Marsh Creek	96,622
Upper Westside CID Paper Spur	95,498
Bike Depot Centennial Park	92,840
Sandy Springs Morgan Falls - GA Power	88,980
LaGrange George Harris	84,620
Sandy Springs Phase 2E Roswell Road	83,166
Columbus Midtown to Dinglewood	80,550
Woodall Rail Trail	74,393
Chamblee Trail Master Plan	71,354
PATH Parkway to BeltLine	63,563
Firefly Trail - Greene County	55,224
Sagamore Hills Connector	53,673
Spanish Moss Port Royal Connection	47,355
Westside BeltLine to Proctor Creek Greenway	43,641
Dunwoody Trail Master Plan	39,439
Upper Westside CID Woodall Phase 1C	35,080
Silver Comet Upper Westside CID Alignment	33,466
Various Trails under \$30,000	223,740
Total	\$ 7,747,998

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, 2023

Silver Comet Connector - Bridge and Marietta Boulevard to Kudzu Line	\$ 7,009,445
Silver Comet Connector - Marietta Boulevard Sidepath	346,780
South River Phase 5	257,493
Newnan LINC Segment C	196,625
Sagamore Hills Trail Study	115,962
LaGrange Coleman Center	102,138
G3B - Boone to Cook-Mimms Park	83,595
Spanish Moss Trail Downtown Beaufort	50,445
Silver Comet Connector - Tilford Yard	40,499
North Fork Peachtree Plan	33,055
Peachtree Creek V1B	27,510
Southeast Connector Study - Custer to Beltline	18,676
Emory - Haygood to N. Decatur	14,393
Rome Branding	14,400
South River Blackhall Study	11,915
Doraville Connector	11,254
Various Trails under \$10,000	14,208
Total	\$ 8,348,393

The total cost of trails completed through March 31, 2023, is \$150,293,650. 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.