



FINANCIAL STATEMENTS

December 31, 2025 and 2024

GREENSBORO DOWNTOWN PARKS, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greensboro Downtown Parks, Inc.
Greensboro, North Carolina

Opinion

We have audited the accompanying financial statements of Greensboro Downtown Parks, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025, and 2024, and the related statements of activities, functional expenses, and cash flows for the year ended 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greensboro Downtown Parks, Inc. as of December 31, 2025, and 2024, and the changes in 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greensboro Downtown Parks, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Greensboro Downtown Parks, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Greensboro Downtown Parks, Inc.'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 Greensboro Downtown Parks, Inc.'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.

Dennis Ashe, P.A.

Greensboro, North Carolina
March 20, 2026

GREENSBORO DOWNTOWN PARKS, INC.
Statements of Financial Position
December 31, 2025 and 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents	\$ 272,745	\$ 62,323
Pledges receivable	3,818	5,804
Total current assets	<u>276,563</u>	<u>68,127</u>
Property and equipment:		
Equipment	6,393	-
Total property and equipment	6,393	-
Less: accumulated depreciation	<u>(852)</u>	<u>-</u>
Net property and equipment	<u>5,541</u>	<u>-</u>
Total assets	<u>\$ 282,104</u>	<u>\$ 68,127</u>
 <u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 153	\$ 4,217
Accrued salaries and wages	9,260	19,624
Deferred revenue	11,609	6,078
Total current liabilities	<u>21,022</u>	<u>29,919</u>
Deposit liabilities:		
Damage deposits - park operations	1,100	1,200
Security deposits - long-term leases	5,882	5,882
Total deposit liabilities	<u>6,982</u>	<u>7,082</u>
Total liabilities	<u>28,004</u>	<u>37,001</u>
Net assets:		
Net assets without donor restrictions	254,100	31,126
Net assets with donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>254,100</u>	<u>31,126</u>
Total liabilities and net assets	<u>\$ 282,104</u>	<u>\$ 68,127</u>

The accompanying notes are an integral part of the financial statements.

GREENSBORO DOWNTOWN PARKS, INC.
Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:						
Support - City of Greensboro (Note 7)	\$ 387,500	-	\$ 387,500	\$ 350,000	-	\$ 350,000
Contributions	134,935	-	134,935	100,263	57,471	157,734
Donations in-kind	397,504	-	397,504	352,110	-	352,110
Programming and events	84,421	-	84,421	80,741	-	80,741
Employee retention credit (Note 5)	149,929	-	149,929	-	-	-
Employee retention credit interest (Note 5)	43,301	-	43,301	-	-	-
Interest income	1,985	-	1,985	-	-	-
Rental revenue	90,043	-	90,043	88,325	-	88,325
Other revenues	-	-	-	1,106	-	1,106
Net assets released from restriction	-	-	-	65,424	(65,424)	-
Total revenues	<u>1,289,618</u>	<u>-</u>	<u>1,289,618</u>	<u>1,037,969</u>	<u>(7,953)</u>	<u>1,030,016</u>
Functional expenses:						
Program services	897,595	-	897,595	857,662	-	857,662
Management and general	169,049	-	169,049	192,143	-	192,143
Fundraising	-	-	-	-	-	-
Total functional expenses	<u>1,066,644</u>	<u>-</u>	<u>1,066,644</u>	<u>1,049,805</u>	<u>-</u>	<u>1,049,805</u>
Change in net assets	222,974	-	222,974	(11,836)	(7,953)	(19,789)
Net assets - beginning of year	<u>31,126</u>	<u>-</u>	<u>31,126</u>	<u>42,962</u>	<u>7,953</u>	<u>50,915</u>
Net assets - end of year	<u>\$ 254,100</u>	<u>-</u>	<u>\$ 254,100</u>	<u>\$ 31,126</u>	<u>-</u>	<u>\$ 31,126</u>

The accompanying notes are an integral part of the financial statements.

GREENSBORO DOWNTOWN PARKS, INC.
Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Totals	Program Services	Management and General	Fundraising	Totals
Salaries	\$ 347,001	86,750	-	\$ 433,751	\$ 352,850	101,532	-	\$ 454,382
Employee benefits	43,137	10,784	-	53,921	57,199	16,379	-	73,578
Total salaries and related expenses	390,138	97,534	-	487,672	410,049	117,911	-	527,960
Security services	215,428	-	-	215,428	193,176	-	-	193,176
Landscaping and maintenance	152,310	-	-	152,310	117,741	-	-	117,741
Utilities	60,974	15,243	-	76,217	42,000	28,000	-	70,000
Insurance	38,920	1,331	-	40,251	54,613	1,393	-	56,006
Community experiences	25,112	-	-	25,112	31,861	-	-	31,861
Banking and transaction fees	437	10,855	-	11,292	541	10,505	-	11,046
Rent	8,177	2,043	-	10,220	6,132	4,088	-	10,220
Depreciation expense	852	-	-	852	-	-	-	-
Office supplies	-	8,723	-	8,723	-	8,705	-	8,705
Legal and professional fees	-	8,802	-	8,802	-	8,602	-	8,602
Phone and internet	-	16,649	-	16,649	-	8,029	-	8,029
Meals and entertainment	-	6,051	-	6,051	-	2,552	-	2,552
Memberships and subscriptions	-	1,222	-	1,222	-	1,971	-	1,971
Advertising expenses	5,247	-	-	5,247	1,549	387	-	1,936
Other expenses	-	596	-	596	-	-	-	-
Total functional expenses	\$ 897,595	169,049	-	\$ 1,066,644	\$ 857,662	192,143	-	\$ 1,049,805
	84%	16%	0%	100%	82%	18%	0%	100%

The accompanying notes are an integral part of the financial statements.

GREENSBORO DOWNTOWN PARKS, INC.
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Changes in net assets	\$ 222,974	\$ (19,789)
Adjustments to reconcile change in net assets to net cash provided (used) for operating activities:		
Depreciation expense	852	-
(Increase) decrease in pledges receivable	1,986	(843)
Increase (decrease) in accounts payable	(4,064)	884
Increase (decrease) in accrued expenses	(10,364)	1,780
Increase (decrease) in deferred revenue	5,531	6,078
Increase (decrease) in security deposits	(100)	(700)
	216,815	(12,590)
Net cash provided (used) by operating activities		
Cash flows from investing activities:		
Purchase of equipment	(6,393)	-
	(6,393)	-
Net cash provided (used) by investing activities		
Net increase (decrease) in cash	210,422	(12,590)
Cash and cash equivalents, beginning of year	62,323	74,913
Cash and cash equivalents, end of year	\$ 272,745	\$ 62,323

The accompanying notes are an integral part of the financial statements.

GREENSBORO DOWNTOWN PARKS, INC.
Notes to Financial Statements
December 31, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Greensboro Downtown Parks, Inc. ("GDP" or the "Organization") is a North Carolina non-profit organization in partnership with the City of Greensboro, and serves as the executive management of Center City Park and LeBauer Park with a focus on public activation, maintenance, financial well-being and overall vitality of these parks in downtown Greensboro. GDP was organized on June 8, 2015.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

Cash consists of amounts on deposit with financial institutions. Cash equivalents include highly liquid investments with an original maturity of three months or less at the date of purchase.

Restricted cash consists of amounts that are restricted by donors, grantors, or contractual agreements as to withdrawal or use. Such amounts are included in net assets with donor restrictions when the restriction is donor-imposed.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances based on an annual evaluation of uncollected accounts. Bad debts are provided for using the allowance method. Management's review of outstanding balances as of December 31, 2025 and 2024 indicated that no allowance for doubtful accounts was required.

Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2025 and 2024.

GREENSBORO DOWNTOWN PARKS, INC.
Notes to Financial Statements
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Net Assets without Donor Restrictions

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes.

Net Assets with Donor Restrictions

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Years ended December 31,	<u>2025</u>	<u>2024</u>
Net assets with donor restrictions beginning of year	\$ -	\$ 7,953
Contributions with donor restrictions received for the preventive maintenance of Center City Park equipment and features	28,095	28,074
Contributions with donor restrictions received for the preventive maintenance of LeBauer Park equipment and features	31,991	29,397
Expenditures meeting the requirements to be released from restriction	<u>(60,086)</u>	<u>(65,424)</u>
Net assets with donor restrictions - end of year	<u>\$ -</u>	<u>\$ -</u>

Promises to Give

Pledges receivable are recognized when a donor makes an unconditional promise to give cash or property to the Organization. Promises to give are due within one year and are recorded at their net realizable value. Accordingly, no discount to present value has been recorded. The Organization periodically evaluates outstanding balances to determine whether an allowance for uncollectible amounts is necessary.

Contributions and Other Revenue

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), GDP recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. Program and service fees are recognized as revenue as the services are provided.

GDP recognizes revenue from grants and contracts in accordance with ASC Topic 958, *Not-For-Profit Entities* ("ASC 958"). In accordance with ASC 958, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the

GREENSBORO DOWNTOWN PARKS, INC.
Notes to Financial Statements
December 31, 2025 and 2024

Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions are recorded as without donor restriction or with donor restriction depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Contributions are recorded as revenue when a promise to give is received or the transfer of assets is received.

GDP also features other sources of revenue including special event revenue, restaurant/kiosk rental revenue, sponsorship, and programming. Revenues from these sources are recognized as the events occur.

In-kind Contributions

GDP recognizes in-kind contributions that would typically need to be purchased if not provided by donation. The value of in-kind contributions received during 2025 and 2024, was \$397,504 and \$352,110, respectively. These donations were contributed event and park supplies, as well as office space, utilities, insurance, and labor contributed by the City of Greensboro.

Functional Allocation of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses are allocated based on estimates of time and effort, and other shared costs are allocated based on management's estimate of usage.

Advertising

The Organization's policy is to expense the cost of advertising as it is incurred. Total advertising cost was \$5,247 and \$1,936 for the years ended December 31, 2025 and 2024, respectively.

Income Taxes

GDP is exempt from Federal income tax under Internal Revenue Code Section 501(c)(3) and is not a private foundation under Section 170(b)(1)(A)(vi). The Organization is also exempt from state income tax and, therefore, no provision for income tax has been made in the accompanying financial statements. The Organization's Federal Return of Organization Exempt From Income Tax (Form 990) for 2022 - 2024 are subject to examination by the IRS, generally for three years after they were filed.

The Organization accounts for income taxes in accordance with ASC 740, Accounting for Uncertainty in Income Taxes. ASC 740 requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination.

The Organization has evaluated its tax positions and determined that it does not have any uncertain tax positions that meet the criteria under ASC 740. Accordingly, the provisions of ASC 740 did not have any impact on the accompanying financial statements.

GREENSBORO DOWNTOWN PARKS, INC.
Notes to Financial Statements
December 31, 2025 and 2024

2. CONCENTRATION OF RISK

GDP places deposits with high-quality financial institutions that may be in excess of the federally insured amount of \$250,000. Deposits in excess of the maximum insured amounts were \$23,802 and \$0 at December 31, 2025 and 2024, respectively. Management has deemed the risk with respect to any excess deposits to be minimal.

3. AVAILABILITY AND LIQUIDITY

GDP's financial assets available within one year of December 31, 2025 and 2024 for general expenditures are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 272,745	\$ 62,323
Accounts and pledges receivable	<u>3,818</u>	<u>5,804</u>
Total financial assets available within one year	276,563	68,127
Less: Refundable deposits	<u>(6,982)</u>	<u>(7,082)</u>
Total amounts available for general expenditures within one year	<u>\$ 269,581</u>	<u>\$ 61,045</u>

GDP is primarily supported by the City of Greensboro and private donations. As some of the private donations restrict the use of the donation for use in a specific manner, the Organization maintains sufficient resources to meet those responsibilities. As part of the Organization's liquidity management, it invests in cash or similar liquid assets that can be available as its operating expenditures, liabilities, and other obligations become due.

4. PROPERTY AND EQUIPMENT

Property and equipment at December 31 were:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 6,393	\$ -
Less: accumulated depreciation	<u>(852)</u>	<u>-</u>
Net	<u>\$ 5,541</u>	<u>\$ -</u>

5. EMPLOYEE RETENTION CREDIT

Greensboro Downtown Parks recognized revenue related to the Employee Retention Credit (ERC), a refundable federal payroll tax credit, for qualified wages incurred during 2020 through 2021. As of December 31, 2025, the Organization has received a total of \$193,230 related to the ERC and associated interest.

GREENSBORO DOWNTOWN PARKS, INC.
Notes to Financial Statements
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6. LEASES

The Organization is the lessee for only one contract, the office space leased from the City of Greensboro, which is provided as in-kind valued at \$10,220 annually for both years ended December 31, 2025 and 2024. Upon review of the contract terms, the Organization determined that it did not have any lease obligations requiring capitalization as the lease has a 12-month term and is renewable annually.

The Organization receives income from the rental of a restaurant and two kiosks, all owned by the City of Greensboro, with leases expiring between 2030 through 2033, including optional lease renewal periods, which the Organization believes are reasonably certain to be executed. In accordance with ASC 853-10 Service Concession Arrangements, the infrastructure that is the subject of a service concession arrangement is not recognized as an asset of the Organization and is not within the scope of Topic 842 on leases. Rather, the Organization recognizes this income in accordance with Topic 606 on revenue from contracts with customers. In applying Topic 606, the Organization considers the grantor (the City of Greensboro) to be the customer of its operating services.

Years ending December 31,	Scheduled future lease receipts
2026	\$ 93,453
2027	93,886
2028	95,764
2029	96,810
2030	81,955
Thereafter	<u>143,369</u>
	<u>\$ 605,237</u>

7. CONCENTRATION OF REVENUE

During the years ended December 31, 2025 and 2024, GDP received significant direct support and in-kind from the City of Greensboro amounting to 61% and 68% of total receipts, respectively. The ability of the Organization to continue operations at the current level is dependent upon continuing future support from the City of Greensboro.

	<u>2025</u>	<u>2024</u>
City of Greensboro - direct support	\$ 387,500	\$ 350,000
City of Greensboro - in-kind	<u>397,504</u>	<u>350,753</u>
	<u>\$ 785,004</u>	<u>\$ 700,753</u>

8. DONATIONS IN-KIND

For years ended December 31, donated goods and services in the financial statements were:

	<u>2025</u>	<u>2024</u>
Administration:		
IT - phone, cost of calls, computer	\$ 12,455	\$ 5,417
Office rent	10,220	10,220

GREENSBORO DOWNTOWN PARKS, INC.
Notes to Financial Statements
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Parking	-	2,100
Utilities	76,136	70,000
Operations:		
Landscaping	62,100	50,298
Security	215,428	193,176
Tools and equipment	20,518	-
Insurance	<u>647</u>	<u>20,899</u>
	<u>\$ 397,504</u>	<u>\$ 352,110</u>

9. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These changes had no impact on previously reported net assets or cash flows.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 20, 2026 when these financial statements were available to be issued and is not aware of any other significant events that occurred subsequent to December 31, 2025, but prior to the issuance of this report, that would have a material impact on the financial statements.