

THE TRUST FOR PUBLIC LAND
AND AFFILIATES
(NOT-FOR PROFIT CORPORATIONS)

MARCH 31, 2016

INDEPENDENT AUDITORS' REPORT,
CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

The Trust for Public Land and Affiliates
(Not-for-Profit Corporations)

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Independent Auditors' Report

THE BOARD OF DIRECTORS
THE TRUST FOR PUBLIC LAND
San Francisco, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **THE TRUST FOR PUBLIC LAND and its Affiliates (Not-for-Profit Corporations) (the Trust)**, which comprise the consolidated statement of financial position as of March 31, 2016, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust'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 consolidated financial statements.

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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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Trust as of March 31, 2016, 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.

Report on Summarized Comparative Information

We have previously audited the Trust's March 31, 2015 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 15, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2015, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information included on pages 29 through 31 is presented for the purpose 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated 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 consolidated financial statements as a whole.

Hood & Shung LLP

San Francisco, California
July 20, 2016

The Trust for Public Land and Affiliates
(Not-for-Profit Corporations)

Consolidated Statement of Financial Position
(dollars in thousands)

March 31, 2016 (with summarized comparative information as of March 31, 2015)

	2016	2015
Assets		
Cash and cash equivalents	\$ 5,017	\$ 3,187
Investments	85,122	102,213
Government grants, contracts and escrow receivables, net	19,255	14,946
Contributions receivable, net	31,699	18,446
Notes receivable, net	3,000	
Deposits on land transactions	981	1,263
Land holdings	85,870	66,461
Charitable trust assets	54,525	60,995
Property, furniture and equipment, net	721	837
Other assets	619	643
Total assets	\$ 286,809	\$ 268,991
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 17,111	\$ 17,537
Option payments received	1,227	2,052
Refundable advances	6,071	5,197
Mitigation advances	10,850	2,090
Notes payable	26,518	23,087
Liabilities to beneficiaries of charitable trusts	34,997	40,534
Total liabilities	96,774	90,497
Net Assets:		
Unrestricted	27,769	27,143
Temporarily restricted	144,631	134,975
Permanently restricted	17,635	16,376
Total net assets	190,035	178,494
Total liabilities and net assets	\$ 286,809	\$ 268,991

See accompanying notes to financial statements.

The Trust for Public Land and Affiliates
(Not-for-Profit Corporations)

Consolidated Statement of Activities and Changes in Net Assets
(dollars in thousands)

Year ended March 31, 2016 (with summarized comparative information for the year ended March 31, 2015)

	2016			2015	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Revenues and Additions to Net Assets:					
Contributions of land and easements:					
Fair market value acquired	\$ 167,386	\$ 2,425		\$ 169,811	\$ 162,311
Less consideration paid	(155,052)			(155,052)	(123,743)
Contributions of land and easement values received	12,334	2,425		14,759	38,568
Contributions and grants - other:					
Restricted		61,477	\$ 1,367	62,844	46,907
Unrestricted	36,354			36,354	28,038
Future interests in charitable trusts		1,346		1,346	90
Change in value of interests in charitable trusts		(2,269)		(2,269)	307
Total contributions and grants - other	36,354	60,554	1,367	98,275	75,342
Total contributions and grants	48,688	62,979	1,367	113,034	113,910
Project fees and other income	21,487			21,487	19,972
Interest income	2,049	246		2,295	2,046
Net realized and unrealized gains on investments	(1,523)	(230)		(1,753)	369
Change in value of land holdings	(6)			(6)	(971)
Allowance for uncollectible grants and restricted grants returned to donor		(642)		(642)	(184)
Total revenues and additions	70,695	62,353	1,367	134,415	135,142
Net assets released from restrictions	52,805	(52,697)	(108)	-	-
Total revenues	123,500	9,656	1,259	134,415	135,142
Expenses and Reductions to Net Assets:					
Program services:					
Contributions of land and easements to public agencies and other nonprofit organizations:					
Fair market value conveyed	146,761			146,761	189,726
Less consideration received	(117,305)			(117,305)	(123,075)
Contributions of land and easement values made	29,456			29,456	66,651
Open space conservation programs	65,470			65,470	60,047
Total program services	94,926	-	-	94,926	126,698
Support services:					
Development	12,725			12,725	11,024
Management and support services	15,223			15,223	15,250
Total support services	27,948	-	-	27,948	26,274
Total expenses	122,874	-	-	122,874	152,972
Change in Net Assets	626	9,656	1,259	11,541	(17,830)
Net Assets, beginning of year	27,143	134,975	16,376	178,494	196,324
Net Assets, end of year	\$ 27,769	\$ 144,631	\$ 17,635	\$ 190,035	\$ 178,494

See accompanying notes to financial statements.

The Trust for Public Land and Affiliates
(Not-for-Profit Corporations)

Consolidated Statement of Cash Flows
(dollars in thousands)

Year ended March 31, 2016 (with summarized comparative information for the year ended March 31, 2015)

	2016	2015
Cash Flows from Operating Activities:		
Change in net assets	\$ 11,541	\$ (17,830)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Fair market value of land and easements acquired	(169,811)	(162,311)
Change in value of land holdings	6	971
Net realized and unrealized gains on investments	1,753	(369)
Imputed interest contribution, net of expense		22
Fair market value of land and easements conveyed to public agencies and other nonprofit organizations	146,761	189,726
Fair market value of land sold to private parties	3,635	1,864
Permanently restricted contributions and income received	(1,367)	(4,413)
Depreciation and amortization	232	217
Contributed stock	(3,062)	(4,260)
Changes in operating assets and liabilities:		
Government grants, contracts and escrow receivables, net	(4,309)	(8,208)
Contributions receivable	(13,253)	(403)
Deposits on land transactions	282	(482)
Charitable trust assets	6,470	2,074
Other assets	24	(168)
Accounts payable and accrued expenses	(426)	4,604
Option payments received	(825)	1,825
Refundable advances	874	36
Mitigation advances	8,799	(874)
Liabilities to beneficiaries of charitable trusts	(5,537)	(2,149)
Net cash used by operating activities	(18,213)	(128)
Cash Flows from Investing Activities:		
Proceeds from maturity and sales of investments	78,285	48,988
Purchases of investments	(59,924)	(53,666)
Payments received from notes receivable	1,500	247
Issuance of notes receivable	(4,500)	
Acquisitions of property and equipment	(116)	(70)
Net cash provided (used) by investing activities	15,245	(4,501)
Cash Flows from Financing Activities:		
Proceeds from borrowings for land acquisitions	37,915	27,739
Repayment of borrowings for land acquisitions	(34,484)	(31,019)
Proceeds from permanently restricted contributions and income	1,367	4,413
Net cash provided by financing activities	4,798	1,133
Net Change in Cash and Cash Equivalents	1,830	(3,496)
Cash and Cash Equivalents, beginning of year	3,187	6,683
Cash and Cash Equivalents, end of year	\$ 5,017	\$ 3,187
Supplemental Information:		
Interest paid during the year	\$ 702	\$ 699

See accompanying notes to financial statements.

The Trust for Public Land and Affiliates
(Not-for-Profit Corporations)

Notes to Consolidated Financial Statements

Note 1 - General:

The Trust for Public Land and affiliates (the “Trust”) are charitable, not-for-profit corporations created to serve the public's need for open space preservation in metropolitan, rural and natural areas. The Trust creates parks and protects land for people, ensuring healthy, livable communities for generations to come.

Note 2 - Summary of Significant Accounting Policies:

a. Principles of Consolidation

The consolidated financial statements include all accounts and operations of The Trust for Public Land and organizations in which The Trust for Public Land has both control and an economic interest, which includes Coast Dairies and Land Company, Inc., and The Conservation Campaign (collectively the “Trust”) as of March 31, 2016 and 2015. During fiscal year 2016, Coast Dairies and Land Company, Inc. was legally dissolved. Intercompany accounts and transactions have been eliminated in consolidation.

b. Basis of Presentation and Description of Net Assets

The Trust prepares the financial statements using the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. The Trust reports information regarding its financial position and activities according to their classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted Net Assets

The portion of net assets that is neither temporarily restricted nor permanently restricted by donor-imposed stipulations. The Trust's Board of Directors has internally designated the use of a portion of its unrestricted assets. These funds are used primarily for timely but high-risk responses to purchase opportunities of publicly desirable open space, which would otherwise be lost. Internally designated funds available for use at March 31, 2016 and 2015 are \$11,348,000 and \$10,165,000, respectively.

Temporarily Restricted Net Assets

Temporarily restricted net assets represent contributions whose use by the Trust is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by activities conducted by the Trust pursuant to those stipulations (see Note 9).

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Notes to Consolidated Financial Statements

Permanently Restricted Net Assets

Permanently restricted net assets represent contributions restricted by the donor for investment in perpetuity. The assets consist of both revolving capital funds, which are used for capital investment in land purchases, and endowment funds. The income from the revolving capital funds are generally available for current use, but may also be donor restricted (see Note 10).

The Trust maintains certain revolving funds to be used primarily for direct land acquisition. These funds may be included in either Unrestricted Net Assets (board designated), Temporarily Restricted Net Assets (available for permanent investment in projects), or Permanently Restricted Net Assets (available for temporary use on projects but subject to repayment). Revolving funds are generally restricted to certain geographical areas or types of land.

c. Revenue Recognition

All contributions and grants, whether or not restricted, are recognized as revenue at fair value when received or unconditionally promised to the Trust. The Trust classifies gifts of cash and other assets as temporarily or permanently restricted support if received with donor stipulations that limit the use of the contributions. When such donor restrictions expire, that is, when stipulated or implied time restrictions end or purpose restrictions are accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions. Temporarily restricted landowner donations are reported as unrestricted support when the conservation purpose is achieved at the same time as when the contributions are received.

Conditional promises to give are not recorded as contribution revenue until the conditions are substantially met (see Note 15).

The Trust earns unrestricted project fee and other income from a variety of sources, including contract revenues, mitigation funding for land conservation, project reimbursements, landowner fees, and rents (see Note 12). Project fee and other income is reported when earned based upon the contract terms.

Government grants are primarily cost reimbursement grants and are recognized when allowable costs have been incurred. Funds received in advance of when earned are held in refundable advances. Refundable advances are principally comprised of advances from government agencies for conveyance of land into public ownership.

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Notes to Consolidated Financial Statements

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates included in the Trust's consolidated financial statements are the fair value of investments, land holdings and contributions of land and easements, allowance for uncollectible receivables, and charitable trust assets and liabilities. Actual results could differ from those estimates.

e. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Trust classifies its financial assets and liabilities measured at fair value on a recurring basis based on a fair value hierarchy with three levels of inputs. Level 1 values are based on unadjusted quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Trust's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the assets and liabilities measured at fair value.

f. Cash and Cash Equivalents

Cash and cash equivalents include interest-bearing deposits and short-term investments purchased with maturities of three months or less.

g. Investments

Investments are carried at estimated fair value on the consolidated statement of financial position. Stocks and mutual funds with readily determinable fair value are reported at estimated fair value based on quoted market prices. Debt securities and leveraged loan fund are valued using observable market based inputs or unobservable inputs that are corroborated by market data obtained from pricing services. Investments received through gifts are recorded at estimated fair value at the date of donation.

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Notes to Consolidated Financial Statements

Unrealized gains and losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses resulting from sales or maturities are calculated on an adjusted cost basis. Adjusted cost is the estimated fair value of the security at the beginning of the year, or the cost if purchased during the year. Dividend and interest income are accrued when earned.

h. Government Grants, Contracts and Escrow Receivables

The Trust receives grants and contracts from federal, state and local agencies to be used for open space development projects. The receivables include a grant from a public agency to be paid by developer fees collected over a 20 year period through the year 2027. The balance at March 31, 2016 and 2015 is \$2,650,000 and \$2,835,000, respectively. These amounts have been reduced by an allowance of \$1,077,000 in both years, to cover the present value discount and potential uncollectible amounts.

The balance of the account at March 31, 2016 consists primarily of amounts due for various government grants, project fees and escrow accounts on land transactions, which are expected to be received within the next fiscal year.

i. Contributions Receivable

Contributions receivable represent amounts unconditionally committed by donors, foundations and agencies that have not been received by the Trust. Such receivables are recorded at the present value of their estimated future cash flows. The discounts on contributions receivable are computed using the prime rate applicable to the month in which those promises were made. Amortization of the discounts is included in contribution and grants revenue.

The Trust estimates the allowance for uncollectible contributions on an annual basis based on the past collection experience and current economic conditions.

j. Notes Receivable

Notes receivable represents unsecured amounts due from local governmental agencies, non-profits, and other conservation partners. The Trust imputes interest on below-market interest bearing notes with a maturity date of more than one year. The Trust calculates imputed interest income based on the Applicable Federal Rate in effect at the date of issue.

The Trust estimates the allowance for uncollectible notes on an annual basis based on the past collection experience and current conditions. At March 31, 2016, The Trust had \$3,000,000 in outstanding notes receivable, with no allowance for uncollectible notes. At March 31, 2015, The Trust had no outstanding notes receivable.

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Notes to Consolidated Financial Statements

k. Land Holdings

The Trust accounts for its land holdings at fair value at the date of acquisition. Fair value is determined using one of the following valuation procedures:

- Values are primarily based on independent professional appraisals performed for the Trust or on appraised values determined or adopted by public agencies.
- Where a current appraisal is available from a professionally qualified independent appraiser retained by a third party, such value may be adopted when the Trust is satisfied that the appraisal is reasonable.
- Where neither of the foregoing sources is readily available, the Trust may use the full cash value as established by the local tax assessor, cost if the cash value is minimal, or internal estimates based on staff analyses.

When consideration paid by the Trust for conservation lands is less than the fair market value of land acquired, the difference is recorded as contribution revenue.

Land conveyances are recorded at fair value at the date of conveyance, also determined by one of the valuation methods noted above. Any increase in the value at the time of conveyance is recorded as a change in value of land holdings. When the value of the land conveyed exceeds the consideration received at the time of conveyance, the difference is recorded as contributions of land expense.

The Trust evaluates the carrying value of its land holdings at fiscal year end for impairment using a market approach. If and when the decrease in fair value is material and verifiable based upon information about current economic and market conditions, recent appraisals, option agreements signed, and dedicated funding available for project shortfalls, a write-down of the value is recorded in land holdings and change in value of land holdings. Change in value of land holdings includes impairment in value of land holdings in 2016 and 2015 in the amount of \$20,000 and \$2,135,000, respectively.

l. Easements

Easements acquired by the Trust are conservation easements and represent numerous restrictions over the use and development of land not owned by the Trust. These easements generally provide that the land will be maintained unimpaired in its current natural, agricultural, scenic or recreational state. During the year ended March 31, 2016, easements valued at \$44,556,000 were acquired and \$55,631,000 conveyed. During the year ended March 31, 2015, easements valued at \$28,991,000 were acquired and \$61,796,000 conveyed.

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Notes to Consolidated Financial Statements

m. Charitable Trust Assets

Charitable trust assets include the assets of various trusts for which the Trust (TPL) is the trustee, gift annuities and pooled income funds. Charitable trust assets, held by TPL, are invested in a diversified portfolio of mutual funds, stocks, bonds and also an alternative investment. The alternative investment component is comprised of an offshore marketable alternative fund of funds. Mutual funds and stocks with readily determinable fair value are reported at estimated fair value based on quoted market prices. Debt securities are valued using observable market based inputs or unobservable inputs that are corroborated by market data obtained from pricing services. The valuation of the alternative investment is based on the net asset value (“NAV”) per share reported by the fund manager under the “practical expedient” guideline. This guideline allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

The ultimate liquidation of such investment is restricted to certain time periods, and is limited to sale to the fund manager. Due to the inherent uncertainty of valuation of such investment, the estimated value may differ significantly from the value that would have been used had a ready market for the securities existed and the differences could be material.

Charitable trust assets also include the fair value of TPL’s remainder interest receivable in certain trusts where TPL is not the trustee. The fair value of these trusts is measured based upon the estimated net present value of amounts to be received using investment values reported from the trustees less liabilities to beneficiaries calculated using the valuation technique as described in Note 2r.

n. Property, Furniture and Equipment

Property, furniture and equipment are recorded at cost. Depreciation and amortization are computed by the straight-line method over the estimated useful lives of the assets or lease term, whichever is shorter. Useful lives range from 5 to 15 years.

o. Option Payments Received

Option payments received represent option consideration tendered to the Trust, subject to an option agreement or other legal contract to sell the land.

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Notes to Consolidated Financial Statements

p. Mitigation Advances

Mitigation advances include cash received by the Trust generally from court ordered consent decrees, or settlements reached by parties involved in environmental litigation. If the terms of the specific award permit using the mitigation funds to advance the Trust's conservation mission, the advances are recorded as project fees and other income at the time the funds are used to support a Trust project. Until such time as the Trust or another organization utilizes the funds, mitigation advances are reflected as a liability on the accompanying Consolidated Statement of Financial Position.

q. Notes Payable

Notes payable are carried at cost less discount, if any. The Trust imputes interest on below-market interest bearing notes with a maturity date of more than one year. The Trust calculates imputed interest expense based on the Applicable Federal Rate in effect at the date of issue. Imputed interest discount is amortized throughout the term of the note.

r. Liabilities to Beneficiaries of Charitable Trusts

At the time charitable trust assets are received, liabilities to beneficiaries of charitable trusts are recorded at fair value, based on present value of liabilities due to primary beneficiaries and unrelated secondary beneficiaries of the irrevocable trusts for which the Trust is both trustee and a secondary beneficiary (see Note 6). In periods subsequent to initial recognition, the Trust amortizes the discount associated with the obligation and adjusts for changes in life expectancies.

The liabilities are actuarially determined by a third party actuarial specialist using investment returns consistent with the composition of the asset portfolios ranging from 6.64% to 7.65% or the required payout rate, life expectancies from the 1983 Table "a" for gifts prior to July 1, 1998, and life expectancies from the Annuity 2000 Mortality Table for all other trusts, as well as for the pooled income fund and all gift annuities, in the determination of single and joint life expectancies (see Note 6). The discount rate for determining the present value of a remainder interest is determined by the Internal Revenue Service Applicable Federal Rate table for the month during which the gift is received (ranging from 1% - 10%). Management evaluates the reasonableness of the assumptions and inputs used on an annual basis.

s. Tax Exempt Status

The Internal Revenue Service has classified the Trust as a publicly supported, tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Contributions to the Trust are deductible as allowed under Section 170(b)(1)(A)(vi) of the Code. All affiliated organizations of the Trust are also qualified under section 501(c)(3) of the IRS Code with the exception of The Conservation Campaign, which is classified as a 501(c)(4) organization. Contributions to The Conservation Campaign are not tax deductible.

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Notes to Consolidated Financial Statements

Management evaluated the Trust's tax positions and concluded that the Trust had maintained its tax exempt status and had not taken uncertain tax positions that required adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements.

t. Functional Expense Allocations

Expenses, such as salaries and benefits, rent and office expense, and general professional services have been allocated among program services, development, and management and support services classifications based primarily on employee ratios and on estimates made by the Trust's management.

u. Comparative Information

The accompanying consolidated financial statements include certain comparative information for which the prior year information is summarized in total. In particular, prior year information is not disclosed by net asset class on the accompanying Consolidated Statement of Activities and Changes in Net Assets. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Trust's consolidated financial statements for the year ended March 31, 2015, from which the summarized information is derived.

v. Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize, at commencement date, a lease liability representing the lessee's obligation to make payments arising from the lease and a right-of-use asset representing the lessee's right to use, or control the use of, a specified asset for the lease term. This guidance is effective for fiscal years beginning after December 15, 2019. The impact of adopting this guidance on subsequent periods has not yet been determined.

w. Subsequent Events

The Trust has evaluated subsequent events from March 31, 2016 through July 20, 2016, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

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Notes to Consolidated Financial Statements

Note 3 - Investments:

Investments are reflected at estimated fair value, and consist of the following at March 31, 2016 and 2015:

<i>(Dollars in thousands)</i>	2016	2015
Mutual funds – domestic stocks	\$ 7,560	\$ 7,013
Mutual funds – international stocks	4,578	3,842
Mutual funds – domestic real estate	1,834	1,834
Mutual funds – international real estate	1,125	1,026
Mutual funds – domestic bonds	5,892	6,033
Mutual funds – international bonds	1,350	1,495
Leveraged loan fund	10,685	10,567
Debt securities:		
U.S. treasury	6,433	14,200
U.S. government agency	554	973
Mortgage backed	3,064	6,401
Asset backed	10,175	11,504
Corporate	28,977	35,483
Municipal	2,895	1,842
Total investments	\$ 85,122	\$ 102,213

Note 4 - Contribution Receivables:

Contributions receivable as of March 31, 2016 and 2015 are due as follows:

<i>(Dollars in thousands)</i>	2016	2015
Less than one year	\$ 21,932	\$ 12,467
One to five years (net of discount of \$753 and \$589, respectively)	11,636	7,316
Greater than five years (net of discount of \$50 and \$27, respectively)	161	51
Subtotal	33,729	19,834
Less: Allowance for uncollectible amounts	(2,030)	(1,388)
Net contributions receivable	\$ 31,699	\$ 18,446

The Trust for Public Land and Affiliates
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Notes to Consolidated Financial Statements

Note 5 - Land Holdings:

The Trust acquires land from willing landowners and then conveys it to public agencies, land trusts, or other groups for protection. In some instances, the Trust helps protect the land through conservation easements, which restrict development but permit traditional uses such as farming and ranching.

Unrestricted and temporarily restricted net assets include donations of land received by the Trust. These donations are realized from outright donations of land to the Trust, as well as from transactions where the fair market value of land received exceeds the cost of land acquired. The fair market value of land acquired and held at March 31, 2016 and 2015 exceeds the consideration paid for these land holdings by \$27,792,000 and \$24,348,000, respectively.

In line with its mission, the Trust intends to convey its land holdings into protective public and not-for-profit ownership. In many cases, land will be conveyed at a price less than fair market value, resulting in a contribution of land value to the grantee. At March 31, 2016, with the exception of properties accounted for using the deposit method, the Trust had no legal obligations to third parties to convey land holdings.

As part of its normal operations, the Trust was involved in various stages of negotiation for the purchase of real property at March 31, 2016. Purchase and Sale Agreements were executed with various contingencies for inspection period, seller requirements, and other conditions for closing. In addition, Purchase Options had been exercised, again dependent on various contingencies. Some of these negotiations resulted in completed acquisitions in the following fiscal year.

Occasionally, the Trust acquires or receives real estate and land parcels with minimal conservation or protection value. These are sold in the open market to provide funds for the Trust to carry out its conservation work. The carrying value of these properties included in land holdings amount to \$935,000 at both March 31, 2016 and 2015.

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Note 6 - Charitable Trust Assets and Liabilities to Beneficiaries of Charitable Trusts:

Charitable trust assets include charitable remainder unitrusts, charitable remainder annuity trusts, assets attributable to a charitable gift annuity program, and assets within a pooled income fund.

Charitable trust assets consist of the following for the years ended March 31, 2016 and 2015:

<i>(Dollars in thousands)</i>	2016	2015
Charitable remainder unitrusts - TPL as Trustee	\$ 46,649	\$ 53,378
Charitable remainder unitrusts - outside Trustees	4,107	3,643
Charitable remainder annuity trusts - TPL as Trustee	763	847
Charitable gift annuities	2,801	2,912
Pooled income funds	205	215
Charitable trust assets	\$ 54,525	\$ 60,995

Each charitable trust requires periodic distributions to designated primary beneficiaries over a period of time. Accordingly, such liabilities to beneficiaries of charitable trusts in which the Trust is both trustee and secondary beneficiary have been reflected as liabilities to beneficiaries of charitable trusts. Such liabilities have been determined based upon an actuarial analysis of the expected income to be generated by the assets of each charitable trust, the life expectancies of the primary beneficiaries of each trust, and the distribution rates established by the charitable trust agreements. As of March 31, 2016 and 2015, liabilities to beneficiaries of charitable trusts approximate \$34,997,000 and \$40,534,000, respectively.

The discounted remainder values of any new interests in charitable trusts are recorded as future interests in charitable trusts. Changes in life expectancies, investment income projections, and other actuarial assumptions are shown as a change in value of interests in charitable trusts.

Various states regulate the issuance of charitable gift annuities. In the state of California, charitable gift annuities are regulated by the Department of Insurance because an annuity is considered an insurance product. California has specific reserve and investment requirements, and it requires reserves to be held in a separate account. Management believes that it is in conformity with compliance requirements in California, and with all of those states where it has established gift annuities.

The Trust for Public Land and Affiliates
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Notes to Consolidated Financial Statements

Charitable trust assets portfolio consists of the following:

<i>(Dollars in thousands)</i>	2016	2015
Charitable Trust Investments – Held by TPL:		
Cash and cash equivalents	\$ 2,817	\$ 523
Mutual funds – domestic stocks	13,212	14,650
Mutual funds – international stocks	12,705	14,920
Mutual funds – domestic real estate	1,801	1,795
Mutual funds – international real estate	415	379
Mutual funds – domestic bonds	5,802	10,556
Mutual funds – international bonds	648	638
Mutual funds – balanced	2,879	
Mutual funds – commodities		2,931
Stocks – small cap	1,819	2,036
U.S. treasury	98	489
U.S. agency	395	
Alternative investments:		
Multi-strategy fund of funds	7,827	8,435
Charitable Trust Receivable – Outside Trustee	4,107	3,643
Charitable trust assets	\$ 54,525	\$ 60,995

At March 31, 2016 and 2015, the alternative investment consists of a multi-strategy fund of funds, which is an off-shore feeder fund that invests in a master fund to employ various strategies including long/short equity, event driven, relative value, and global asset allocation. Redemptions are permitted on a quarterly basis with a 65-day redemption notice period. The Trust has no unfunded commitments to the alternative investment as of March 31, 2016.

Note 7 - Property, Furniture and Equipment:

Property, furniture and equipment as of March 31 consist of the following:

<i>(Dollars in thousands)</i>	2016	2015
Buildings and leasehold improvements	\$ 3,048	\$ 3,109
Furniture and fixtures	257	240
Office equipment	1,800	1,805
Total	5,105	5,154
Less accumulated depreciation and amortization	(4,384)	(4,317)
Property, furniture and equipment, net	\$ 721	\$ 837

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Notes to Consolidated Financial Statements

Note 8 - Notes Payable:

At March 31, 2016, the Trust has two \$40,000,000 unsecured bank line of credit agreements for use nationally. One of the lines of credit bears interest at either a variable rate of prime rate plus 0.75% (4.25% at March 31, 2016), or an optional 1, 3 or 6-month fixed rate based on applicable London Interbank Offered Rate (LIBOR) plus 1.50% (1.93% at March 31, 2016). As of March 31, 2016, the fixed rate based LIBOR plus 1.5% (1.93%) was utilized for \$13,000,000 of funds drawn on the line of credit, and the variable rate of prime plus 0.75% (4.25%) was utilized for \$1,429,000 of funds drawn on the line of credit. Additionally, the line incurs an unused commitment fee of 0.25%. The line requires annual renewal and currently expires on April 1, 2017. At March 31, 2016, \$1,429,000 of the line of credit was being utilized. The line also includes a Letter of Credit sub-feature wherein the bank agrees to issue Letters of Credits not to exceed \$10,000,000 in the aggregate. No Letters of Credit were utilized during the year ended March 31, 2016.

The second \$40,000,000 unsecured bank line of credit bears interest at either a variable rate of applicable LIBOR plus 1.5% (1.94% at March 31, 2016), or an optional variable rate of prime rate minus 1.00% (2.5% at March 31, 2016). The line requires annual renewal and currently expires on December 31, 2016. It bears an unused commitment fee of 0.25%. At March 31, 2016, \$7,024,000 of this line of credit was being utilized.

All of the above mentioned borrowings are included in the table below as notes payable to banks.

Notes payable (and current terms):

<i>(Dollars in thousands)</i>	2016	2015
Banks (1.93% to 4.25% with maturities through April, 2020) \$	21,453	\$ 17,269
Foundations and trusts (0.5% to 2% interest with maturities through October 2018)	4,417	5,070
Unamortized discount		(1)
Loan from seller of land (1% interest with maturity January 2017)	648	49
Private lender		700
Total notes payable	\$ 26,518	\$ 23,087

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Notes to Consolidated Financial Statements

The notes are payable as follows:

Year ending March 31,	<i>(Dollars in thousands)</i> Amount
2017	\$ 23,725
2018	1,195
2019	1,543
2020	51
2021	4
Total notes payable	\$ 26,518

At March 31, 2016, notes payable include \$24,453,000 in recourse loans and \$2,065,000 in non-recourse loans. Of the non-recourse loans, \$1,417,000 are secured, collateralized by land valued at \$1,417,000 at March 31, 2016. All recourse loans are unsecured. Certain of these loan agreements have debt covenants including minimum cash requirements, liability ratios, and limits on pledged collateral. As of March 31, 2016, management believes the Trust was in compliance with the terms of such debt covenants. Interest expense was \$641,000 and \$724,000 for the years ended March 31, 2016 and 2015, respectively.

Note 9 - Temporarily Restricted Net Assets and Net Assets Released from Restrictions:

Temporarily restricted net assets and temporarily restricted net assets released from restrictions consist of the following:

Temporarily restricted net assets as of March 31 were as follows:

<i>(Dollars in thousands)</i>	2016	2015
Restricted for project and program expenses	\$ 32,251	\$ 30,413
Restricted for acquisition of land	67,497	69,175
With time restrictions	44,883	35,387
Total temporarily restricted net assets at end of year	\$ 144,631	\$ 134,975

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Notes to Consolidated Financial Statements

Temporarily restricted net assets released from restrictions during the year ended March 31 were as follows:

<i>(Dollars in thousands)</i>	2016	2015
Restricted for project and program expenses	\$ (38,509)	\$ (35,923)
Restricted for acquisition of land	(14,045)	(47,757)
With time restrictions	(143)	(343)
Total net assets released from restrictions	\$ (52,697)	\$ (84,023)

Note 10 - Permanently Restricted Net Assets:

Permanently restricted net assets consist of the following:

<i>(Dollars in thousands)</i>	2016	2015
Capital revolving funds - income unrestricted	\$ 8,041	\$ 8,149
Capital revolving funds - income permanently restricted	726	726
Endowment funds - income temporarily restricted	8,868	7,501
Total permanently restricted net assets	\$ 17,635	\$ 16,376

In 2016 and 2015, donors removed permanent restrictions on previously capital revolving funds resulting in a release of \$108,000 and \$1,220,000, respectively, of permanently restricted net assets.

Note 11 – Endowment Funds:

Relevant Law and Standards

The Trust has adopted FASB ASC Topic 958-205-50-1A and 1B, *Reporting Endowment Funds*. The state of California adopted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as its State Prudent Management of Institutional Funds Act (SPMIFA).

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Notes to Consolidated Financial Statements

Interpretation of Relevant Law

The Board of Directors of the Trust has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Trust classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Trust considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the funds
- the purpose of the Trust and donor-restricted endowment funds
- general economic conditions
- the possible effects of inflation and deflation
- the expected total return from income and the appreciation of investments
- other resources of the Trust
- the investment policies of the Trust

The management and Board of Directors do not consider the permanently restricted capital revolving funds to be endowment because the use of the principal of these funds is at the direction of the Trust and capital flows in and out for program related purposes.

Endowment Investment and Spending Policies

The Trust has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Trust must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a diversified portfolio to preserve the long-term purchasing power of endowed funds and to earn an average annual real return, after inflation and expense that produces spendable income of at least 4 percent each year. To satisfy its long-term objectives, the Trust relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust assets are diversified among asset classes and among sectors and industries, quality, market capitalization, and investment strategy with each class to achieve its long-term return objectives within prudent risk constraints.

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Notes to Consolidated Financial Statements

It is the policy of the Trust to pool its endowment funds for purposes of investment and management. For pooled endowment funds, gains and losses are shared equally on a unit basis (allocated per pro-rated percentages), recalculated quarterly.

The amount of endowment income appropriated for distribution each year is established by the Finance Committee of the Board through its adoption of an annual endowment spending rate and spending rate base to be included in the Trust’s budget proposal submitted to the Board. In establishing this spending policy, the Trust considers the long-term expected return on its endowment. Accordingly, over the long-term, the Trust expects the spending policy to allow its endowment to grow at a rate exceeding expected inflation. This is consistent with the Trust’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

\$184,000 was appropriated for distribution in the year ending March 31, 2016. Due to the low endowment value excluding outstanding pledges at the end of the previous fiscal year, no accumulated earnings were appropriated for current operations in the year ending March 31, 2015.

Disclosures for Deficiencies in Endowment Funds

SPMIFA requires disclosure of any deficiencies in permanently restricted endowment funds for which the fair market value is less than the amount stipulated by donor or applicable law (“underwater funds”). The Trust currently has such deficiencies in two of its permanently restricted endowment funds. The combined total of the deficiencies is less than one thousand dollars. It is the policy of the Trust to reduce Unrestricted Net Assets to the extent necessary to maintain the fund balance as stipulated by donor or applicable law.

Endowment net assets composition by type of fund as of March 31, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		\$ 170	\$ 8,868	\$ 9,038
Board designated funds	\$ 3,253			3,253
Endowment funds	\$ 3,253	\$ 170	\$ 8,868	\$ 12,291

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Notes to Consolidated Financial Statements

Changes in endowment net assets for the year ended March 31, 2016 and 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, March 31, 2014	\$ 2,546	\$ 109	\$ 3,140	\$ 5,795
Contributions	85		4,361	4,446
Interest and dividends, net of expense	124	120		244
Realized gains	7	2		9
Unrealized gains	44	51		95
Net assets, March 31, 2015	\$ 2,806	282	7,501	10,589
Contributions	607		1,367	1,974
Interest and dividends, net of expense	140	220		360
Realized losses	(27)	(53)		(80)
Unrealized losses	(177)	(191)		(368)
Appropriations	(96)	(88)		(184)
Net assets, March 31, 2016	\$ 3,253	\$ 170	\$ 8,868	\$ 12,291

The Trust's endowment funds amount to \$12,291,000 and \$10,589,000 as of March 31, 2016 and 2015, respectively. The Trust's endowment funds include \$3,344,000 and \$3,442,000 in pledges receivable as of March 31, 2016 and 2015, respectively.

Note 12 - Project Fees and Other Income:

Project fees and other income consist of the following:

<i>(Dollars in thousands)</i>	2016	2015
Project reimbursements	\$ 9,859	\$ 12,389
Landowner fees	4,484	3,391
Contract revenue	5,662	3,131
Mitigation funding	420	185
Rents	588	521
Other sources	474	355
Total project fees and other income	\$ 21,487	\$ 19,972

Project fees and other income also include proceeds from the sale of non-conservation properties on the open market. Open market sales for 2016 and 2015 were \$3,645,000 and \$1,859,000, respectively. Losses associated with these open market sales were \$66,000 in fiscal year 2016.

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Notes to Consolidated Financial Statements

Note 13 - Fair Value Measurements:

Recurring Measurements:

The valuation methodologies used for instruments measured at fair value on a recurring basis are described in Note 2. The table below summarizes assets measured at fair value on a recurring basis:

<i>(Dollars in thousands)</i>	2016			Total
	Level 1	Level 2	Level 3	
Investments (Note 3)				
Mutual funds – domestic stocks	\$ 7,560			\$ 7,560
Mutual funds – international stocks	4,578			4,578
Mutual funds – domestic real estate	1,834			1,834
Mutual funds – international real estate	1,125			1,125
Mutual funds – domestic bonds	5,892			5,892
Mutual funds – international bonds	1,350			1,350
Leveraged loan fund		\$ 10,685		10,685
Debt securities:				
U.S. treasury	6,433			6,433
Government and agency		554		554
Mortgage backed		3,064		3,064
Asset backed		10,175		10,175
Corporate		28,977		28,977
Municipal		2,895		2,895
Charitable Trust Investments (Held by TPL) (Note 6)				
Cash and cash equivalents	2,817			2,817
Mutual funds – domestic stocks	13,212			13,212
Mutual funds – international stocks	12,705			12,705
Mutual funds – domestic real estate	1,801			1,801
Mutual funds – international real estate	415			415
Mutual funds – domestic bonds	5,802			5,802
Mutual funds – international bonds	648			648
Mutual funds – balanced	2,879			2,879
Stocks – small cap	1,819			1,819
U.S. treasury notes	98			98
U.S. agency	395			395
Alternative investments:				
Multi-strategy fund of funds			\$ 7,827	7,827
Charitable Trust Receivable (Outside Trustee) (Note 6)				
			4,107	4,107
Total	\$ 71,363	\$ 56,350	\$ 11,934	\$ 139,647

The Trust for Public Land and Affiliates
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Notes to Consolidated Financial Statements

<i>(Dollars in thousands)</i>	2015			Total
	Level 1	Level 2	Level 3	
Investments (Note 3)				
Mutual funds – domestic stocks	\$ 7,013			\$ 7,013
Mutual funds – international stocks	3,842			3,842
Mutual funds – domestic real estate	1,834			1,834
Mutual funds – international real estate	1,026			1,026
Mutual funds – domestic bonds	6,033			6,033
Mutual funds – international bonds	1,495			1,495
Leveraged loan fund		\$ 10,567		10,567
Debt securities:				
U.S. treasury	14,200			14,200
Government and agency		973		973
Mortgage backed		11,504		11,504
Asset backed		6,401		6,401
Corporate		35,483		35,483
Municipal		1,842		1,842
Charitable Trust Investments (Held by TPL) (Note 6)				
Cash and cash equivalents	523			523
Mutual funds – domestic stocks	14,650			14,650
Mutual funds – international stocks	14,920			14,920
Mutual funds – domestic real estate	1,795			1,795
Mutual funds – international real estate	379			379
Mutual funds – domestic bonds	10,556			10,556
Mutual funds – international bonds	638			638
Mutual funds – commodities	2,931			2,931
Stocks – small cap	2,036			2,036
U.S. treasury notes	489			489
Alternative investments:				
Multi-strategy fund of funds			\$ 8,435	8,435
Charitable Trust Receivable (Outside Trustee) (Note 6)			3,643	3,643
Total	\$ 84,360	\$ 66,770	\$ 12,078	\$ 163,208

The Trust for Public Land and Affiliates
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Notes to Consolidated Financial Statements

The following is a rollforward of the Level 3 assets (in thousands):

	Charitable Trust Investments (Held by TPL)	Charitable Trust Receivable (Outside Trustee)	Total
Fair value at March 31, 2014	\$ 7,877	\$ 3,564	\$ 11,441
New charitable trust gifts			
Total realized and unrealized gains	558	79	637
Fair value at March 31, 2015	8,435	3,643	12,078
New charitable trust gifts		593	593
Total realized and unrealized losses	(608)	(129)	(737)
Fair value at March 31, 2016	\$ 7,827	\$ 4,107	\$ 11,934

Non-Recurring Measurements:

Non-recurring fair value measurements of financial instruments included in the Trust's Consolidated Statement of Financial Position as of March 31, 2016 relate to cash equivalents, government grants, contracts and escrow receivables, contributions receivable, notes receivable, accounts payable, notes payable, and liabilities to beneficiaries of charitable trusts. For cash equivalents, government grants, contracts and escrow receivables, contributions receivable and accounts payable, the carrying amounts represent a reasonable estimate of the corresponding fair values.

Liabilities to beneficiaries of charitable trusts approximate fair value at initial recognition using methodologies described in Note 2 and are amortized in subsequent periods. Management believes that the carrying values of the notes receivable and notes payable are not materially different from estimates of the corresponding fair values.

See Land Holdings (Note 2) regarding fair value measurement of assets on a non-recurring basis.

The Trust for Public Land and Affiliates
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Notes to Consolidated Financial Statements

Note 14 - Commitments and Contingencies:

Commitments

The Trust leases office space and equipment for the operation of a national headquarters office, and thirty-three field or project offices. Lease commitments expire at various dates through July 31, 2025. Lease costs were \$2,845,000 and \$2,977,000 for the years ended March 31, 2016 and 2015, respectively. Future minimum lease payments under non-cancelable long-term leases are as follows:

Year ending March 31,	<i>(Dollars in thousands)</i> Amount
2017	\$ 2,892
2018	2,473
2019	2,352
2020	2,294
2021	2,061
Thereafter	5,316
	<hr/>
	\$ 17,388

Contract Commitments

The Trust had future construction contract commitments for parks and playgrounds of approximately \$6,451,000 and \$3,895,000 as of March 31, 2016 and 2015, respectively. The Trust funds its park and playground work through cost reimbursement contracts and restricted operating grants.

See Land Holdings (Note 5) regarding real property transaction commitments at year end.

Contingencies

The Trust is a party to various litigations arising out of the normal conduct of its operations. Management believes the ultimate resolution of these matters will not materially affect the financial position, changes in net assets, or cash flows of the Trust.

In addition, the Trust receives funds from various federal and state government funded programs, which are subject to audit by government agencies. Management believes that the Trust has complied with the terms of all agreements and that the results of such audit will not have a significant effect on the consolidated financial position or consolidated changes in net assets of the Trust.

The Trust for Public Land and Affiliates
(Not-for-Profit Corporations)

Notes to Consolidated Financial Statements

Note 15 - Conditional Promises to Give:

The Trust has received the following conditional promises to give that are not recognized as contribution revenue in the accompanying consolidated financial statements as of March 31:

<i>(Dollars in thousands)</i>	2016	2015
Conditional promises to give upon identification of land holdings available for acquisition	\$ 12,971	\$ 16,655
Conditional promises to give upon obtaining matching unconditional promises to give	674	1,497
Other conditional promises to give	12,046	9,316
	<hr/>	
Total conditional promises to give	\$ 25,691	\$ 27,468

Note 16 - Retirement Plan:

The Trust maintains a defined contribution retirement plan (the “Plan”) under Section 403(b) of the Internal Revenue Code. The Plan covers all employees who normally work twenty or more hours per week. The Plan provides for voluntary salary deferrals within certain limits and, after one year of service, the Trust provides matching employer contributions for eligible employees who contribute a certain minimum percentage of their compensation. The Trust contributed \$766,000 and \$746,000 to the Plan during the years ended March 31, 2016 and 2015, respectively.

Note 17 - Concentration of Credit Risk

Financial instruments that potentially subject the Trust to credit risk consist primarily of cash equivalents, investments, federal grants, contracts and escrow receivables, contributions receivable, and notes receivable. The Trust maintains cash equivalents and investments with commercial banks and other major financial institutions. The Trust manages credit risk by establishing minimum credit standards for financial institutions and limiting the amount of credit exposure with any one institution. The Trust’s investments have been placed with major institutions.

The Trust for Public Land and Affiliates
(Not-for-Profit Corporations)

Supplemental Schedule of Functional Expenses
(dollars in thousands)
See Independent Auditors' Report

Year ended March 31, 2016 (with summarized comparative information for the year ended March 31, 2015)

	2016			2015	
	Program Services	Development	Management and Support Services	Total	Total
Contributions of Land and Easement Values Made, net	\$ 29,456			\$ 29,456	\$ 66,651
Operating Expenses:					
Salaries and benefits	22,766	\$ 8,544	\$ 8,607	39,917	37,572
Design and construction services	18,911			18,911	16,660
Other professional services	6,084	1,487	2,731	10,302	9,375
Rent and office	3,602	1,345	1,366	6,313	6,660
Grants and contributions	8,302	42	7	8,351	8,142
Travel and meetings	2,300	900	647	3,847	2,689
Other operating expense	858	227	948	2,033	1,569
Appraisal services	1,310			1,310	1,073
Furniture, fixtures and equipment	94	9	699	802	814
Interest	641			641	725
Insurance	454	171	171	796	812
Legal services	148		47	195	230
Total operating expenses	65,470	12,725	15,223	93,418	86,321
Total	\$ 94,926	\$ 12,725	\$ 15,223	\$ 122,874	\$ 152,972

The Trust for Public Land and Affiliates
(Not-for-Profit Corporations)

Supplemental Consolidating Statement of Financial Position
(dollars in thousands)
See Independent Auditors' Report

March 31, 2016 and 2015

	As of March 31, 2016					As of March 31, 2015				
	Trust for Public Land	Coast Dairies	The Conservation Campaign	Eliminating Entries	Total	Trust for Public Land	Coast Dairies	The Conservation Campaign	Eliminating Entries	Total
Assets										
Cash and cash equivalents	\$ 4,619		\$ 398		\$ 5,017	\$ 1,455	\$ 1,401	\$ 331		\$ 3,187
Investments	85,122				85,122	102,213				102,213
Govt. grants, contracts, & escrow receivables	19,849		660	\$ (1,254)	19,255	16,917		492	\$ (2,463)	14,946
Contributions receivable, net	31,699				31,699	18,446				18,446
Notes receivable	3,000				3,000					-
Deposits on land transactions	981				981	1,263				1,263
Land holdings	85,870				85,870	64,421	2,040			66,461
Charitable trust assets	54,525				54,525	60,995				60,995
Property, furniture and equipment, net	721				721	837				837
Other assets	615		4		619	639		4		643
Investment in affiliates	300			(300)	-	2,091			(2,091)	-
Total assets	\$ 287,301	\$ -	\$ 1,062	\$ (1,554)	\$ 286,809	\$ 269,277	\$ 3,441	\$ 827	\$ (4,554)	\$ 268,991
Liabilities and Net Assets										
Liabilities:										
Accounts payable and accrued expenses	\$ 17,756		\$ 609	\$ (1,254)	\$ 17,111	\$ 17,935	\$ 1,577	\$ 488	\$ (2,463)	\$ 17,537
Option payments received	1,227				1,227	2,052				2,052
Refundable advances	5,918		153		6,071	5,085	27	85		5,197
Mitigation advances	10,850				10,850	2,090				2,090
Notes payable	26,518				26,518	23,087				23,087
Liabilities to beneficiaries of charitable trusts	34,997				34,997	40,534				40,534
Total liabilities	97,266	-	762	(1,254)	96,774	90,783	1,604	573	(2,463)	90,497
Net Assets:										
Unrestricted	27,769		148	(148)	27,769	27,143	(1,124)	67	1,057	27,143
Temporarily restricted	144,631		152	(152)	144,631	134,975	2,961	187	(3,148)	134,975
Permanently restricted	17,635				17,635	16,376				16,376
Total net assets	190,035	-	300	(300)	190,035	178,494	1,837	254	(2,091)	178,494
Total liabilities and net assets	\$ 287,301	\$ -	\$ 1,062	\$ (1,554)	\$ 286,809	\$ 269,277	\$ 3,441	\$ 827	\$ (4,554)	\$ 268,991

The Trust for Public Land and Affiliates
(Not-for-Profit Corporations)

Supplemental Consolidating Statement of Activities
(dollars in thousands)

See Independent Auditors' Report

Years Ended March 31, 2016 and 2015

	2016					2015				
	Trust for Public Land	Coast Dairies	The Conservation Campaign	Eliminating Entries	Total	Trust for Public Land	Coast Dairies	The Conservation Campaign	Eliminating Entries	Total
Revenues and Additions to Net Assets:										
Contributions of land and easements:										
Fair market value acquired	\$ 169,811				\$ 169,811	\$ 162,311				\$ 162,311
Less consideration paid	(155,052)				(155,052)	(123,743)				(123,743)
Contributions of land and easement values received	14,759				14,759	38,568				38,568
Contributions and grants - other:										
Restricted	62,601		\$ 438	\$ (195)	62,844	45,558	\$ 265	\$ 1,363	\$ (279)	46,907
Unrestricted	36,314		502	(462)	36,354	27,857		322	(141)	28,038
Future interests in charitable trusts	1,346				1,346	90				90
Change in value of interests in charitable trusts	(2,269)				(2,269)	307				307
Total contributions and grants - other	97,992	-	940	(657)	98,275	73,812	265	1,685	(420)	75,342
Total contributions and grants	112,751	-	940	(657)	113,034	112,380	265	1,685	(420)	113,910
Project fees and other income	21,216	\$ 157	114		21,487	19,810	67	95		19,972
Interest income	2,294	1			2,295	2,045	1			2,046
Net realized and unrealized gains on investments	(1,753)				(1,753)	369				369
Change in value of land holdings	(6)				(6)	(1,153)	182			(971)
Allowance for uncollectible grants and restricted grants returned to donor	(642)				(642)	(184)				(184)
Equity in net activities of affiliates	(1,791)			1,791	-	(34,689)			34,689	-
Total revenues	132,069	158	1,054	1,134	134,415	98,578	515	1,780	34,269	135,142
Expenses and Reductions to Net Assets:										
Program services:										
Contributions of land and easements to public agencies and other nonprofit organizations:										
Fair market value conveyed	146,761				146,761	155,066	34,660			189,726
Less consideration received	(117,305)				(117,305)	(123,075)				(123,075)
Contributions of land and easement values made	29,456	-			29,456	31,991	34,660			66,651
Open space conservation programs	63,206	1,979	942	(657)	65,470	58,536	69	1,862	(420)	60,047
Total program services	92,662	1,979	942	(657)	94,926	90,527	34,729	1,862	(420)	126,698
Support services:										
Development	12,719	5	1		12,725	11,007	1	16		11,024
Management and support services	15,147	11	65		15,223	14,874	32	344		15,250
Total support services	27,866	16	66	-	27,948	25,881	33	360	-	26,274
Total expenses	120,528	1,995	1,008	(657)	122,874	116,408	34,762	2,222	(420)	152,972
Change in Net Assets	\$ 11,541	\$ (1,837)	\$ 46	\$ 1,791	\$ 11,541	\$ (17,830)	\$ (34,247)	\$ (442)	\$ 34,689	\$ (17,830)