

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

JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT,  
CONSOLIDATED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION

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

**Independent Auditors' Report, Consolidated Financial Statements and  
Supplemental Information**

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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 Affiliate (Not-for-Profit Corporations) (collectively, the Trust for Public Land)**, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, 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 for Public Land'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 for Public Land'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.

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 for Public Land as of June 30, 2020, 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.

### **Other Matter – Report on Summarized Comparative Information**

We have previously audited the Trust for Public Land’s June 30, 2019 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated November 26, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### **Other Matter – 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 30 and 31 is presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated financial statements or to the consolidated 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 & Strong LLP*

San Francisco, California  
November 30, 2020

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

**Consolidated Statement of Financial Position**  
(dollars in thousands)

<i>June 30, 2020 (with comparative totals for 2019)</i>	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 14,649	\$ 11,850
Investments	74,481	74,710
Government grants, contracts and escrow receivables, net	16,234	17,050
Contributions receivable, net	15,853	19,521
Notes receivable		3,423
Deposits on land transactions	400	557
Land holdings	50,543	70,493
Charitable trust assets	59,302	63,332
Property, furniture and equipment, net	352	573
Other assets	681	721
<b>Total assets</b>	<b>\$ 232,495</b>	<b>\$ 262,230</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 13,417	\$ 19,802
Option payments received	3,600	50
Refundable advances	5,576	9,773
Mitigation advances	9,130	12,105
Notes payable	33,938	39,263
Liabilities to beneficiaries of charitable trusts	31,330	33,858
Liabilities to beneficiaries of charitable annuities	2,079	2,231
<b>Total liabilities</b>	<b>99,070</b>	<b>117,082</b>
<b>Net Assets:</b>		
Without donor restrictions	9,827	6,421
With donor restrictions:		
Time and purpose	97,792	113,528
Perpetual restrictions	25,806	25,199
<b>Total net assets with donor restrictions</b>	<b>123,598</b>	<b>138,727</b>
<b>Total net assets</b>	<b>133,425</b>	<b>145,148</b>
<b>Total liabilities and net assets</b>	<b>\$ 232,495</b>	<b>\$ 262,230</b>

See accompanying notes to the consolidated financial statements.

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

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

Year Ended June 30, 2020 (with comparative totals for 2019)

	2020						2019 Total
	Without Donor Restrictions	With Donor Restrictions			Total	Total	
		Time and Purpose	Perpetual Restrictions	Total			
<b>Revenues and Additions to Net Assets:</b>							
Contributions of land and easements:							
Fair market value acquired	\$ 136,704	\$ 292		\$ 292	\$ 136,996	\$ 197,263	
Less consideration paid	(121,107)				(121,107)	(186,102)	
Contributions of land and easement values received	15,597	292		292	15,889	11,161	
Contributions and grants - other:							
Contributions and grants	42,972	41,517	\$ 904	42,421	85,393	91,874	
Future interests in charitable trusts	725	(1,009)	(284)	(1,293)	(568)	265	
Change in value of interests in charitable trusts		17		17	17	1	
Total contributions and grants - other	43,697	40,525	620	41,145	84,842	92,140	
Total contributions and grants	59,294	40,817	620	41,437	100,731	103,301	
Project fees and other income	39,794			-	39,794	35,935	
Interest income	2,212	597		597	2,809	3,607	
Investment income (loss), net	(1,310)	(581)		(581)	(1,891)	(86)	
Change in value of land holdings	2,351	(3,850)		(3,850)	(1,499)	(93)	
Allowance for uncollectible grants and restricted grants returned to donor		(32)	(13)	(45)	(45)	(590)	
Total revenues and additions	102,341	36,951	607	37,558	139,899	142,074	
Net assets released from restrictions	52,687	(52,687)		(52,687)	-	-	
Total revenues	155,028	(15,736)	607	(15,129)	139,899	142,074	
<b>Expenses and Reductions to Net Assets:</b>							
Program services:							
Contributions of land and easements to public agencies and other nonprofit organizations:							
Fair market value conveyed	151,009				151,009	211,327	
Less consideration received	(101,045)				(101,045)	(150,560)	
Contributions of land and easement values made	49,964				49,964	60,767	
Open space conservation programs	74,471				74,471	76,765	
Total program services	124,435	-	-	-	124,435	137,532	
Support services:							
Development	12,885				12,885	13,150	
Management and support services	14,302				14,302	14,640	
Total support services	27,187	-	-	-	27,187	27,790	
Total expenses	151,622	-	-	-	151,622	165,322	
<b>Change in Net Assets from Operations</b>	<b>3,406</b>	<b>(15,736)</b>	<b>607</b>	<b>(15,129)</b>	<b>(11,723)</b>	<b>(23,248)</b>	
<b>Other Change in Net Assets:</b>							
Restructuring cost - severance payments						(1,369)	
<b>Total other change in net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,369)</b>	
<b>Change in Net Assets</b>	<b>3,406</b>	<b>(15,736)</b>	<b>607</b>	<b>(15,129)</b>	<b>(11,723)</b>	<b>(24,617)</b>	
<b>Net Assets, beginning of year</b>	<b>6,421</b>	<b>113,528</b>	<b>25,199</b>	<b>138,727</b>	<b>145,148</b>	<b>169,765</b>	
<b>Net Assets, end of year</b>	<b>\$ 9,827</b>	<b>\$ 97,792</b>	<b>\$ 25,806</b>	<b>\$ 123,598</b>	<b>\$ 133,425</b>	<b>\$ 145,148</b>	

See accompanying notes to the consolidated financial statements.

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

**Consolidated Statement of Functional Expenses**  
(dollars in thousands)

Year Ended June 30, 2020 (with comparative totals for 2019)

	2020				2019 Total
	Program Services	Development	Management and Support Services	Total	
<b>Contributions of Land and Easement Values Made, net</b>	\$ 49,964			\$ 49,964	\$ 60,767
<b>Other Operating Expenses:</b>					
Salaries and benefits	19,182	\$ 9,083	\$ 8,510	36,775	\$ 38,453
Design and construction services	36,301			36,301	37,638
Grants and contributions	8,151	15	21	8,187	3,692
Other professional services	3,574	1,395	2,521	7,490	8,954
Rent and office	3,112	1,467	1,381	5,960	6,160
Other operating expenses	811	183	853	1,847	2,052
Travel and meetings	738	534	148	1,420	2,640
Interest	1,183			1,183	1,860
Furniture, fixtures and equipment	155	19	666	840	846
Appraisal services	808			808	1,118
Insurance	402	189	179	770	851
Legal services	54		23	77	291
<b>Total other operating expenses</b>	<b>74,471</b>	<b>12,885</b>	<b>14,302</b>	<b>101,658</b>	<b>104,555</b>
<b>Total operating expenses</b>	<b>124,435</b>	<b>12,885</b>	<b>14,302</b>	<b>151,622</b>	<b>165,322</b>
<b>Nonoperating Expenses:</b>					
Restructuring cost - severance payments					1,369
<b>Total nonoperating expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,369</b>
<b>Total expenses</b>	<b>\$ 124,435</b>	<b>\$ 12,885</b>	<b>\$ 14,302</b>	<b>\$ 151,622</b>	<b>\$ 166,691</b>

See accompanying notes to the consolidated financial statements.

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

**Consolidated Statement of Cash Flows**  
(dollars in thousands)

<i>Year Ended June 30, 2020 (with comparative totals for 2019)</i>	2020	2019
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (11,723)	\$ (24,617)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Fair market value of land and easements acquired	(136,996)	(197,263)
Change in value of land holdings	1,499	93
Net realized and unrealized losses on investments	1,891	86
Imputed interest contribution, net of expense	(252)	
Fair market value of land and easements conveyed to public agencies and other nonprofit organizations	151,009	211,327
Fair market value of land sold to private parties	733	12
Contributions with perpetual donor restrictions	(904)	(357)
Depreciation and amortization	221	252
Contributed stock	(1,940)	(1,472)
Allowance for uncollectible grants and contribution receivables	410	414
Changes in operating assets and liabilities:		
Government grants, contracts and escrow receivables, net	406	(2,570)
Contributions receivable	3,668	2,790
Deposits on land transactions	157	(36)
Charitable trust assets	4,030	2,336
Other assets	40	(98)
Accounts payable and accrued expenses	(2,680)	2,978
Option payments received	3,550	30
Refundable advances	(4,197)	4,988
Mitigation advances	(2,975)	(970)
Liabilities to beneficiaries of charitable trusts and annuities	(2,680)	(1,822)
Net cash provided (used) by operating activities	3,267	(3,899)
<b>Cash Flows from Investing Activities:</b>		
Proceeds from maturity and sales of investments	25,799	18,982
Purchases of investments	(25,521)	(7,966)
Payments received from notes receivable	3,423	724
Issuance of notes receivable		(3,000)
Acquisitions of property and equipment		(165)
Net cash provided by investing activities	3,701	8,575
<b>Cash Flows from Financing Activities:</b>		
Proceeds from PPP loan payable	6,484	
Proceeds from borrowings for land acquisitions	31,769	96,864
Repayment of borrowings for land acquisitions	(43,326)	(93,690)
Receipts of perpetual donor restricted contributions	904	357
Net cash (used) provided by financing activities	(4,169)	3,531
<b>Net Change in Cash and Cash Equivalents</b>	<b>2,799</b>	<b>8,207</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>11,850</b>	<b>3,643</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 14,649</b>	<b>\$ 11,850</b>
<b>Supplemental Information:</b>		
Interest paid during the year	\$ 1,156	\$ 1,833

See accompanying notes to the consolidated financial statements.



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

## Notes to Consolidated Financial Statements

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### Note 1 - General:

The Trust for Public Land (TPL) and its affiliate, The Trust for Public Land Action Fund (TPLAF), (collectively, the Trust for Public Land), 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 for Public Land 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 TPL and TPLAF, in which TPL has both control and an economic interest as of June 30, 2020 and 2019. Intercompany accounts and transactions have been eliminated in consolidation.

#### b. Basis of Presentation and Description of Net Assets

The Trust for Public Land prepares its consolidated financial statements using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Trust for Public Land reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

##### *Net Assets Without Donor Restrictions*

The portion of net assets that is neither subject to time nor donor-imposed stipulations. The Trust for Public Land's Board of Directors has internally designated the use of a portion of its net assets without donor restrictions. These funds are used for timely but high-risk responses to purchase opportunities of publicly desirable open space, to provide operating reserves, and to function as a board designated (quasi) endowment. Internally designated funds available for use at June 30, 2020 and 2019 are approximately \$8,479,000 and \$7,078,000, respectively.

##### *Net Assets With Donor Restrictions*

The portion of net assets that represents contributions whose use by the Trust for Public Land is limited by donor-imposed stipulations that either expire with the passage of time, can be fulfilled and removed by activities conducted by the Trust for Public Land pursuant to those stipulations, or restricted by the donor for investment in perpetuity (see Note 9). Net assets with perpetual donor restrictions 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.

# The Trust for Public Land and Affiliate

## (Not-for-Profit Corporations)

### Notes to Consolidated Financial Statements

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The Trust for Public Land maintains certain revolving funds to be used primarily for direct land acquisition. These funds may be included in either Net Assets Without Donor Restrictions (board designated) and Net Assets With Donor Restrictions (available either for perpetual investment in projects or 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 for Public Land. The Trust for Public Land classifies gifts of cash and other assets as donor 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions. Landowner donations with donor restrictions are reported as support without donor restrictions 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 13).

The Trust for Public Land earns 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 11). 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. Government grants with donor restrictions are reported as support without donor restrictions when the conservation purpose is achieved at the same time as when the grants are received.

d. Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates included in the Trust for Public Land'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.

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

**Notes to Consolidated Financial Statements**

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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 for Public Land 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 for Public Land'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 accompanying 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 a 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.

Gains and losses that result from market fluctuations are recognized in the Consolidated Statement of Activities and Changes in Net Assets in the period such fluctuations occur. Dividend and interest income are accrued when earned.

h. Government Grants, Contracts and Escrow Receivables

The Trust for Public Land receives grants and contracts from federal, state, and local agencies to be used for open space development projects. Most amounts are expected to be received within the next fiscal year. Government grants, contracts and escrow receivables are reported net of an allowance of approximately \$4,194,000 and \$3,968,000 as of June 30, 2020 and 2019.

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

**Notes to Consolidated Financial Statements**

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i. Contributions Receivable

Contributions receivable represent amounts unconditionally committed by donors, foundations and agencies that have not been received by the Trust for Public Land. 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 for Public Land 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 represent unsecured amounts due from local governmental agencies, non-profits, and other conservation partners. The Trust for Public Land imputes interest on below-market interest bearing notes with a maturity date of more than one year. The Trust for Public Land calculates imputed interest income based on the Applicable Federal Rate in effect at the date of issue.

The Trust for Public Land estimates the allowance for uncollectible notes on an annual basis based on the past collection experience and current conditions. The notes receivable balance at June 30, 2020 and 2019 is approximately \$0 and \$3,423,000, respectively. There was no allowance for uncollectible notes.

k. Land Holdings

The Trust for Public Land 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 for Public Land 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 for Public Land is satisfied that the appraisal is reasonable.
- Where neither of the foregoing sources is readily available, the Trust for Public Land 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 Public Land for conservation lands is less than the fair market value of land acquired, the difference is recorded as contribution revenue.

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

## Notes to Consolidated Financial Statements

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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 for Public Land 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 for the years ended June 30, 2020 and 2019 in the amount of \$4,940,000 and \$550,000, respectively.

l. Easements

Easements acquired by the Trust for Public Land are conservation easements and represent numerous restrictions over the use and development of land not owned by the Trust for Public Land. These easements generally provide that the land will be maintained unimpaired in its current natural, agricultural, scenic, or recreational state. During the years ended June 30, 2020 and 2019, easements valued at \$33,807,000 and \$18,370,000 were acquired and \$36,512,000 and \$45,512,000 conveyed.

m. Charitable Trust Assets

Charitable trust assets include the assets of various trusts for which the Trust for Public Land (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, and bonds. 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.

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.

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

## Notes to Consolidated Financial Statements

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o. Option Payments Received

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

p. Mitigation Advances

Mitigation advances include cash received by the Trust for Public Land 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 for Public Land's conservation mission, the advances are recorded as project fees and other income at the time the funds are used to support a Trust for Public Land project. Until such time as the Trust for Public Land 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 for Public Land imputes interest on below-market interest bearing notes with a maturity date of more than one year. The Trust for Public Land 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 and Annuities

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 for Public Land is both trustee and a secondary beneficiary (see Note 6). In periods subsequent to initial recognition, the Trust for Public Land 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 6.07% to 7.69% 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% to 10%). Management evaluates the reasonableness of the assumptions and inputs used on an annual basis.

# The Trust for Public Land and Affiliate

## (Not-for-Profit Corporations)

### Notes to Consolidated Financial Statements

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s. Tax Exempt Status

The Internal Revenue Service has classified TPL as a publicly supported, tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Contributions to TPL are deductible as allowed under Section 170(b)(1)(A)(vi) of the Code. TPLAF is classified as a 501(c)(4) organization. Contributions to TPLAF are not tax deductible.

Management evaluated the Trust for Public Land's tax positions and concluded that the Trust for Public Land had maintained its tax-exempt status and had not taken uncertain tax positions that required adjustment to the consolidated 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 for Public Land's management.

u. Recent Accounting Pronouncements

*Pronouncement Adopted*

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. The ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. The ASU was adopted as of July 1, 2019. The impact of adopting this guidance is reflected in the consolidated financial statements and did not have a significant impact on the financial statement disclosures.

*Pronouncements Effective in the Future*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The updated standard will be effective for annual reporting periods beginning after December 15, 2019. The Trust for Public Land is currently evaluating the impact of this pronouncement on its financial statements.

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**Notes to Consolidated Financial Statements**

In February 2016, the 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. The guidance is effective for fiscal years beginning after December 15, 2021. The impact of adopting this guidance on subsequent periods has not yet been determined.

v. Subsequent Events

The Trust for Public Land has evaluated subsequent events from June 30, 2020 through November 30, 2020, 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.

**Note 3 - Investments and Fair Value Measurements:**

*Investments*

Investments are reflected at estimated fair value, and consist of the following at June 30, 2020 and 2019:

<i>(Dollars in thousands)</i>	2020	2019
Mutual funds – domestic stocks	\$ 12,214	\$ 11,777
Mutual funds – international stocks	8,076	7,598
Mutual funds – domestic real estate	3,539	3,344
Mutual funds – international real estate	1,801	1,696
Mutual funds – domestic bonds	8,961	8,046
Mutual funds – international bonds	1,955	1,716
Leveraged loan fund	12,469	12,376
Debt securities:		
U.S. treasury	2,212	3,442
U.S. government agency	2,762	
Mortgage backed	924	382
Asset backed	4,238	6,292
Corporate	10,474	17,406
Municipal	4,856	635
<b>Total investments</b>	<b>\$ 74,481</b>	<b>\$ 74,710</b>



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*Fair Value Measurement - 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:

(Dollars in thousands)

	2020			Total
	Level 1	Level 2	Level 3	
<b>Investments</b>				
Mutual funds – domestic stocks	\$ 12,214			\$ 12,214
Mutual funds – international stocks	8,076			8,076
Mutual funds – domestic real estate	3,539			3,539
Mutual funds – international real estate	1,801			1,801
Mutual funds – domestic bonds	8,961			8,961
Mutual funds – international bonds	1,955			1,955
Leveraged loan fund		\$ 12,469		12,469
Debt securities:				
U.S. Treasury	2,212			2,212
U.S. government agency		2,762		2,762
Mortgage backed		924		924
Asset backed		4,238		4,238
Corporate		10,474		10,474
Municipal		4,856		4,856
<b>Charitable Trust Investments (Held by TPL) (Note 6)</b>				
Cash and cash equivalents	603			603
Mutual funds – domestic stocks	22,318			22,318
Mutual funds – international stocks	12,011			12,011
Mutual funds – domestic real estate	1,363			1,363
Mutual funds – international real estate	691			691
Mutual funds – domestic bonds	14,807			14,807
Mutual funds – international bonds	914			914
Mutual funds – balanced	1,477			1,477
U.S. Treasury notes	319			319
<b>Charitable Trust Receivable (Outside Trusts) (Note 6)</b>			\$ 4,799	4,799
<b>Total</b>	<b>\$ 93,261</b>	<b>\$ 35,723</b>	<b>\$ 4,799</b>	<b>\$ 133,783</b>

**The Trust for Public Land and Affiliate**  
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<i>(Dollars in thousands)</i>	2019			
	Level 1	Level 2	Level 3	Total
<b>Investments</b>				
Mutual funds – domestic stocks	\$ 11,777			\$ 11,777
Mutual funds – international stocks	7,598			7,598
Mutual funds – domestic real estate	3,344			3,344
Mutual funds – international real estate	1,696			1,696
Mutual funds – domestic bonds	8,046			8,046
Mutual funds – international bonds	1,716			1,716
Leveraged loan fund		\$ 12,376		12,376
Debt securities:				
U.S. Treasury	3,442			3,442
Mortgage backed		382		382
Asset backed		6,292		6,292
Corporate		17,406		17,406
Municipal		635		635
<b>Charitable Trust Investments (Held by TPL) (Note 6)</b>				
Cash and cash equivalents	744			744
Mutual funds – domestic stocks	23,988			23,988
Mutual funds – international stocks	12,900			12,900
Mutual funds – domestic real estate	1,485			1,485
Mutual funds – international real estate	752			752
Mutual funds – domestic bonds	13,773			13,773
Mutual funds – international bonds	959			959
Mutual funds – balanced	3,310			3,310
U.S. treasury notes	92			92
U.S. agency notes		262		262
<b>Charitable Trust Receivable (Outside Trusts) (Note 6)</b>			<b>\$ 5,067</b>	<b>5,067</b>
<b>Total</b>	<b>\$ 95,622</b>	<b>\$ 37,353</b>	<b>\$ 5,067</b>	<b>\$ 138,042</b>

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

	Charitable Trust Receivable (Outside Trustee)
Fair value at June 30, 2019	\$ 5,067
Total realized and unrealized losses	(268)
Fair value at June 30, 2020	\$ 4,799

**The Trust for Public Land and Affiliate**  
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**Notes to Consolidated Financial Statements**

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*Fair Value Measurement - Non-Recurring Measurements*

Non-recurring fair value measurements of financial instruments included in the Trust for Public Land's Consolidated Statement of Financial Position as of June 30, 2020 and 2019 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.

**Note 4 - Contributions Receivable:**

Contributions receivable as of June 30, 2020 and 2019 are due as follows:

<i>(Dollars in thousands)</i>	2020	2019
Less than one year	\$ 13,907	\$ 16,208
One to five years (net of discount of \$280 and \$465)	3,248	4,583
Greater than five years (net of discount of \$10 and \$18)	32	66
	<hr/>	<hr/>
Subtotal	17,187	20,857
Less: allowance for uncollectible amounts	(1,334)	(1,336)
	<hr/>	<hr/>
Net contributions receivable	\$ 15,853	\$ 19,521

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

## Notes to Consolidated Financial Statements

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### Note 5 - Land Holdings:

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

Net assets without donor restrictions and net assets with donor restrictions include donations of land received by the Trust for Public Land. These donations are realized from outright donations of land to the Trust for Public Land, 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 June 30, 2020 and 2019 exceeds the consideration paid for these land holdings by \$1,238,000 and \$8,586,000, respectively.

In line with its mission, the Trust for Public Land 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 June 30, 2020 and 2019, with the exception of properties accounted for using the deposit method, the Trust for Public Land had no legal obligations to third parties to convey land holdings.

As part of its normal operations, the Trust for Public Land was involved in various stages of negotiation for the purchase of real property at June 30, 2020 and 2019. 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 for Public Land 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 for Public Land to carry out its conservation work. The carrying value of these properties included in land holdings at June 30, 2020 and 2019 was \$813,000 and \$690,000.

**The Trust for Public Land and Affiliate**  
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**Notes to Consolidated Financial Statements**

**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 as of June 30, 2020 and 2019:

<i>(Dollars in thousands)</i>	2020	2019
Charitable remainder unitrust - TPL as trustee	\$ 50,941	\$ 54,386
Charitable remainder unitrust - outside trustee	4,799	5,076
Charitable remainder annuity trusts - TPL as trustee	711	773
Charitable gift annuities	2,636	2,883
Pooled income funds	215	214
Charitable trust assets	\$ 59,302	\$ 63,332

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 for Public Land 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 June 30, 2020 and 2019, liabilities to beneficiaries of charitable trusts and annuities approximate \$33,409,000 and \$36,089,000.

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.

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**Notes to Consolidated Financial Statements**

Charitable trust assets portfolio consists of the following as of June 30, 2020 and 2019:

<i>(Dollars in thousands)</i>	2020	2019
Charitable Trust Investments – Held by TPL:		
Cash and cash equivalents	\$ 603	\$ 744
Mutual funds – domestic stocks	22,318	23,988
Mutual funds – international stocks	12,011	12,900
Mutual funds – domestic real estate	1,363	1,485
Mutual funds – international real estate	691	752
Mutual funds – domestic bonds	14,807	13,773
Mutual funds – international bonds	914	959
Mutual funds – balanced	1,477	3,310
U.S. treasury notes	319	92
U.S. agency notes		262
Charitable Trust Receivable – Outside trustee	4,799	5,067
	<hr/>	<hr/>
Charitable trust assets	\$ 59,302	\$ 63,332
	<hr/>	<hr/>

**Note 7 - Property, Furniture and Equipment:**

Property, furniture, and equipment as of June 30, 2020 and 2019 consist of the following:

<i>(Dollars in thousands)</i>	2020	2019
Buildings and leasehold improvements	\$ 3,086	\$ 3,086
Furniture and fixtures	403	403
Office equipment	2,023	2,023
	<hr/>	<hr/>
Total	5,512	5,512
Less: accumulated depreciation and amortization	(5,160)	(4,939)
	<hr/>	<hr/>
Property, furniture and equipment, net	\$ 352	\$ 573
	<hr/>	<hr/>

**The Trust for Public Land and Affiliate**  
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**Notes to Consolidated Financial Statements**

**Note 8 - Notes Payable:**

At June 30, 2020, the Trust for Public Land had two unsecured bank line of credit agreements for use nationally.

One of the unsecured lines of credit of \$60,000,000 bears interest at either a variable rate of prime rate (3.25% at June 30, 2020), or an optional 1, 3 or 6-month fixed rate based on applicable London Interbank Offered Rate (LIBOR) plus 1.50% (3.25% at June 30, 2020). Additionally, the line incurs an unused commitment fee of 0.25%. The line requires annual renewal and currently expires on April 1, 2021. At June 30, 2020 and 2019, approximately \$16,000,000 and \$17,000,000 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 at June 30, 2020 and 2019.

The second unsecured bank line of credit of \$20,000,000 bears interest at either a variable rate of applicable LIBOR plus 1.50% (1.69% at June 30, 2020), or an optional variable rate of prime rate minus 1.00% (2.25% at June 30, 2020). The line requires annual renewal and currently expires on December 30, 2020. It bears an unused commitment fee of 0.25%. At June 30, 2020 and 2019, approximately \$2,828,000 and \$16,812,000 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) as of June 30, 2020 and 2019:

<i>(Dollars in thousands)</i>	2020	2019
Banks (1.69% to 3.25% interest with maturities through April 2021)	\$ 18,828	\$ 33,812
Living Trust and Foundations (1.0% to 3.0% interest with maturities through June 2023)	4,896	5,451
Small Business Administration (1.0% interest with maturity in May 2022)	6,484	
Other Financial Services (1.51% interest with maturity in September 2024)	3,730	
<b>Total notes payable</b>	<b>\$ 33,938</b>	<b>\$ 39,263</b>

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

**Notes to Consolidated Financial Statements**

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Payments on the notes payable are due as follows:

Year ending		
June 30:		
2021	\$	20,685
2022		7,833
2023		1,690
2024		-
2025		3,730
		<hr/>
		\$ 33,938

At June 30, 2020 and 2019, notes payable include approximately \$20,434,000 and \$37,899,000 in recourse loans and \$13,504,000 and \$1,364,000 in a non-recourse loan. 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 June 30, 2020, management believes the Trust for Public Land was in compliance with the terms of such debt covenants. Interest expense was approximately \$1,183,000 and \$1,860,000 for the years ended June 30, 2020 and 2019.

In May 2020, the Trust for Public Land was granted a loan from the Small Business Administration in the amount of \$6,484,335 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest may be forgiven as long as the Trust for Public Land uses the loan proceeds for eligible purposes, including payroll, benefits and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if certain requirements are not met.



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**Notes to Consolidated Financial Statements**

**Note 9 - Net Assets With Donor Restrictions and Net Assets Released from Restrictions:**

Net assets with donor restrictions as of June 30, 2020 and 2019 were as follows:

<i>(Dollars in thousands)</i>	2020	2019
Time and purpose restrictions:		
Restricted for project and program expenses	\$ 31,843	\$ 35,589
Restricted for acquisition of land	33,060	38,796
With time restrictions	32,889	39,143
<hr/>		
Total time and purpose restrictions	97,792	113,528
Perpetual restrictions:		
Capital revolving funds - income without restrictions	8,041	8,041
Capital revolving funds - income with perpetual restrictions	727	727
Endowment funds - income with time and purpose restrictions	12,780	11,888
Future interest in charitable trust	4,258	4,543
<hr/>		
Total perpetual restrictions	25,806	25,199
<hr/>		
<b>Total net assets with donor restrictions</b>	<b>\$ 123,598</b>	<b>\$ 138,727</b>

Net assets released from restrictions during the years ended June 30, 2020 and 2019 were as follows:

<i>(Dollars in thousands)</i>	2020	2019
Restricted for project and program expenses	\$ 45,689	\$ 47,230
Restricted for acquisition of land	6,924	16,108
With time restrictions	74	722
<hr/>		
<b>Total net assets released from restrictions</b>	<b>\$ 52,687</b>	<b>\$ 64,060</b>

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

## Notes to Consolidated Financial Statements

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### Note 10 - Endowment Funds:

#### *Relevant Law and Standards*

The Trust for Public Land 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).

#### *Interpretation of Relevant Law*

The Board of Directors of the Trust for Public Land 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 for Public Land classifies as net assets with perpetual donor restrictions: (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with time or purpose restrictions 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 for Public Land considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the funds
- the purpose of the Trust for Public Land 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 for Public Land
- the investment policies of the Trust for Public Land

The management and Board of Directors do not consider the capital revolving funds with perpetual restrictions to be endowment because the use of the principal of these funds is at the discretion of the Trust for Public Land and capital flows in and out for program related purposes.

# **The Trust for Public Land and Affiliate**

## **(Not-for-Profit Corporations)**

### **Notes to Consolidated Financial Statements**

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#### *Endowment Investment and Spending Policies*

The Trust for Public Land 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 for Public Land 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 for Public Land 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 for Public Land 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.

It is the policy of the Trust for Public Land 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 for Public Land's budget proposal submitted to the Board. In establishing this spending policy, the Trust for Public Land considers the long-term expected return on its endowment. Accordingly, over the long-term, the Trust for Public Land expects the spending policy to allow its endowment to grow at a rate exceeding expected inflation. This is consistent with the Trust for Public Land'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.

\$484,000 and \$352,000 was appropriated for distribution in the years ended June 30, 2020 and 2019, respectively.

#### *Disclosures for Deficiencies in Endowment Funds*

SPMIFA requires disclosure of any deficiencies in endowment funds for which the fair market value is less than the amount stipulated by donor or applicable law ("underwater funds"). The Trust for Public Land currently has no such deficiencies in its endowment funds.

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**Notes to Consolidated Financial Statements**

Endowment net assets composition by type of fund as of June 30, 2020:

*(Dollars in thousands)*

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	Perpetual	Total
Donor-restricted endowment funds		\$ 963	\$ 12,780	\$ 13,743
Board designated funds	\$ 7,282			7,282
<b>Endowment funds</b>	<b>\$ 7,282</b>	<b>\$ 963</b>	<b>\$ 12,780</b>	<b>\$ 21,025</b>

Changes in endowment net assets for the years ended June 30, 2020 and 2019:

*(Dollars in thousands)*

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	Perpetual	Total
Endowment net assets, June 30, 2018	\$ 5,044	\$ 1,263	\$ 11,610	\$ 17,917
Contributions	915		278	1,193
Interest and dividends, net of expense	299	435		734
Realized gains	110	126		236
Unrealized losses	(160)	(245)		(405)
Appropriations	(132)	(220)		(352)
Endowment net assets, June 30, 2019	6,076	1,359	11,888	19,323
Contributions	1,384		892	2,276
Interest and dividends, net of expense	232	507		739
Realized gains	82	47		129
Unrealized losses	(330)	(628)		(958)
Appropriations	(162)	(322)		(484)
Endowment net assets, June 30, 2020	\$ 7,282	\$ 963	\$ 12,780	\$ 21,025

**The Trust for Public Land and Affiliate**  
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**Notes to Consolidated Financial Statements**

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The Trust for Public Land's endowment funds amount to \$21,025,000 and \$19,323,000 as of June 30, 2020 and 2019, respectively. The Trust for Public Land's endowment funds include \$1,240,000 and \$948,000 in pledges receivable as of June 30, 2020 and 2019, respectively.

**Note 11 - Project Fees and Other Income:**

Project fees and other income consist of the following for the years ended June 30, 2020 and 2019:

<i>(Dollars in thousands)</i>	2020	2019
Project reimbursements	\$ 25,587	\$ 26,145
Landowner fees	3,868	4,687
Contract revenue	3,770	2,816
Mitigation funding	5,097	989
Rents	817	643
Other sources	655	655
<b>Total project fees and other income</b>	<b>\$ 39,794</b>	<b>\$ 35,935</b>

Project fees and other income also include proceeds from the sale of non-conservation properties on the open market. Open market sales for the years ended June 30, 2020 and 2019 were \$733,000 and \$12,000, respectively. Gains associated with these open market sales were \$73,000 and \$12,000 for the years ended June 30, 2020 and 2019, respectively.

**The Trust for Public Land and Affiliate**  
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**Notes to Consolidated Financial Statements**

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**Note 12 - Commitments and Contingencies:**

Commitments

The Trust for Public Land leases office space and equipment for the operation of a national headquarters office, and twenty-five field or project offices. Lease commitments expire at various dates through August 31, 2027. Lease costs were \$3,605,000 and \$3,542,000 for the years ended June 30, 2020 and 2019, respectively. Future minimum lease payments under non-cancelable long-term leases are as follows:

Year ending June 30,	<i>(Dollars in thousands)</i> Amount
2021	\$ 3,184
2022	2,878
2023	2,262
2024	1,118
2025	925
Thereafter	655
	<hr/> <b>\$ 11,022</b> <hr/>

Contract Commitments

The Trust for Public Land had future construction contract commitments for parks and playgrounds of approximately \$9,809,000 and \$12,697,000 as of June 30, 2020 and 2019, respectively. The Trust for Public Land 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 for Public Land is a party to various litigation 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 for Public Land.

In addition, the Trust for Public Land receives funds from various federal and state government funded programs, which are subject to audit by government agencies. Management believes that the Trust for Public Land 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 for Public Land.

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**Notes to Consolidated Financial Statements**

**Note 13 - Conditional Promises to Give:**

The Trust for Public Land has received the following conditional promises to give that are not recognized as contribution revenue in the accompanying consolidated financial statements as of June 30, 2020 and 2019:

<i>(Dollars in thousands)</i>	2020	2019
Conditional promises to give upon identification of land holdings available for acquisition	\$ 8,448	\$ 1,762
Conditional promises to give upon obtaining matching unconditional promises to give	1,095	1,404
Other conditional promises to give	8,009	9,511
<hr/>		
Total conditional promises to give	\$ 17,552	\$ 12,677

**Note 14 - Retirement Plan:**

The Trust for Public Land 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 the Trust for Public Land provides matching employer contributions for eligible employees who contribute a certain minimum percentage of their compensation. The Trust for Public Land contributed approximately \$1,072,000 and \$839,000 to the Plan during the years ended June 30, 2020 and 2019, respectively.

**Note 15 - Concentration of Credit Risk:**

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

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

**Notes to Consolidated Financial Statements**

**Note 16 - Availability of Financial Assets and Liquidity:**

The Trust for Public Land's financial assets available for general expenditures are as follows at June 30, 2020 and 2019:

<i>(Dollars in thousands)</i>	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 14,649	\$ 11,850
Investments	74,481	74,710
Government grants, contracts and escrow receivables, net	16,234	17,050
Contributions receivable, net	15,853	19,521
Notes receivable		3,423
Charitable trust assets	59,302	63,332
Total financial assets	180,519	189,886
Less amounts not available to be used within one year:		
Long-term government grants, contracts and escrow receivables, net	(3,136)	(1,163)
Charitable trust liabilities	(33,409)	(36,089)
Board-designated net assets	(8,479)	(7,078)
Net assets with donor restrictions	(123,598)	(138,727)
Plus: net assets with donor restrictions to be met within one year	41,080	44,305
	(127,542)	(138,752)
Financial assets available to meet general expenditures within one year	\$ 52,977	\$ 51,134

In addition to the liquidity balances shown above, the Board has the option to undesignate the Board-designated funds and make available for general operations (Note 2). To help manage transitory liquidity needs, management has excess capacity on its \$80,000,000 bank credit lines (Note 8). In addition, management has the option of using proceeds from surplus land holdings (Note 5).



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

**Notes to Consolidated Financial Statements**

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**Note 17 - COVID-19 Pandemic:**

On March 11, 2020, the World Health Organization publicly characterized COVID-19 as a pandemic. States of emergency have been declared in many federal, state, and local jurisdictions and shelter-in-place orders have been instituted in many cities and states, impacting business operations in most industries and sectors. There has been increased volatility in major financial markets, owing to the negative impact of COVID-19 on the global economy, which may negatively impact net investment income. Other financial impacts could occur, though such potential impact is unknown at this time. As discussed in Note 8, the Trust for Public Land received a PPP loan to mitigate the impact of COVID-19 on its operations.

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

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

June 30, 2020 and 2019

	As of June 30, 2020				As of June 30, 2019			
	Trust for Public Land	Trust for Public Land Action Fund	Eliminating Entries	Total	Trust for Public Land	Trust for Public Land Action Fund	Eliminating Entries	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 13,676	\$ 973		\$ 14,649	\$ 11,359	\$ 491		\$ 11,850
Investments	74,481			74,481	74,710			74,710
Govt. grants, contracts, & escrow receivables	16,417	75	\$ (258)	16,234	17,167	115	\$ (232)	17,050
Contributions receivable, net	15,852	1		15,853	19,521			19,521
Notes receivable					3,423			3,423
Deposits on land transactions	400			400	557			557
Land holdings	50,543			50,543	70,493			70,493
Charitable trust assets	59,302			59,302	63,332			63,332
Property, furniture and equipment, net	352			352	573			573
Other assets	680	1		681	720	1		721
Investment in affiliate	683		(683)	-	396		(396)	-
<b>Total assets</b>	<b>\$ 232,386</b>	<b>\$ 1,050</b>	<b>\$ (941)</b>	<b>\$ 232,495</b>	<b>\$ 262,251</b>	<b>\$ 607</b>	<b>\$ (628)</b>	<b>\$ 262,230</b>
<b>Liabilities and Net Assets</b>								
<b>Liabilities:</b>								
Accounts payable and accrued expenses	\$ 13,480	\$ 195	\$ (258)	\$ 13,417	\$ 19,886	\$ 148	\$ (232)	\$ 19,802
Option payments received	3,600			3,600	50			50
Refundable advances	5,404	172		5,576	9,710	63		9,773
Mitigation advances	9,130			9,130	12,105			12,105
Notes payable	33,938			33,938	39,263			39,263
Liabilities to beneficiaries of charitable trusts	31,330			31,330	33,858			33,858
Liabilities to beneficiaries of charitable annuities	2,079			2,079	2,231			2,231
<b>Total liabilities</b>	<b>98,961</b>	<b>367</b>	<b>(258)</b>	<b>99,070</b>	<b>117,103</b>	<b>211</b>	<b>(232)</b>	<b>117,082</b>
<b>Net Assets:</b>								
Without donor restrictions	9,827	216	(216)	9,827	6,421	163	(163)	6,421
With donor restrictions:								
Time and purpose	97,792	467	(467)	97,792	113,528	233	(233)	113,528
Perpetual restrictions	25,806			25,806	25,199			25,199
<b>Total net assets with donor restrictions</b>	<b>123,598</b>	<b>467</b>	<b>(467)</b>	<b>123,598</b>	<b>138,727</b>	<b>233</b>	<b>(233)</b>	<b>138,727</b>
<b>Total net assets</b>	<b>133,425</b>	<b>683</b>	<b>(683)</b>	<b>133,425</b>	<b>145,148</b>	<b>396</b>	<b>(396)</b>	<b>145,148</b>
<b>Total liabilities and net assets</b>	<b>\$ 232,386</b>	<b>\$ 1,050</b>	<b>\$ (941)</b>	<b>\$ 232,495</b>	<b>\$ 262,251</b>	<b>\$ 607</b>	<b>\$ (628)</b>	<b>\$ 262,230</b>

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

**Supplemental Consolidating Statements of Activities**  
(dollars in thousands)  
(See Independent Auditors' Report)

Years Ended June 30, 2020 and 2019

	2020				2019			
	Trust for Public Land	Trust for Public Land Action Fund	Eliminating Entries	Total	Trust for Public Land	Trust for Public Land Action Fund	Eliminating Entries	Total
<b>Revenues and Additions to Net Assets:</b>								
Contributions of land and easements:								
Fair market value acquired	\$ 136,996			\$ 136,996	\$ 197,263			\$ 197,263
Less consideration paid	(121,107)			(121,107)	(186,102)			(186,102)
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Contributions of land and easement values received	15,889			15,889	11,161			11,161
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Contributions and grants - other:								
With donor restrictions	42,007	\$ 545	\$ (131)	42,421	42,744	\$ 80	\$ (59)	42,765
Without donor restrictions	42,823	360	(211)	42,972	49,085	227	(203)	49,109
Future interests in charitable trusts	(568)			(568)	265			265
Change in value of interests in charitable trusts	17			17	1			1
<hr/>								
Total contributions and grants - other	84,279	905	(342)	84,842	92,095	307	(262)	92,140
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Total contributions and grants	100,168	905	(342)	100,731	103,256	307	(262)	103,301
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Project fees and other income	39,783	11		39,794	35,768	167		35,935
Interest income	2,809			2,809	3,607			3,607
Investment loss, net	(1,891)			(1,891)	(86)			(86)
Change in value of land holdings	(1,499)			(1,499)	(93)			(93)
Allowance for uncollectible grants and restricted grants returned to donor	(45)			(45)	(590)			(590)
Equity in net activities of affiliate	287		(287)		(122)		122	-
<hr/>								
Total revenues	139,612	916	(629)	139,899	141,740	474	(140)	142,074
<hr/>								
<b>Expenses and Reductions to Net Assets:</b>								
Program services:								
Contributions of land and easements to public agencies and other nonprofit organizations:								
Fair market value conveyed	151,009			151,009	211,327			211,327
Less consideration received	(101,045)			(101,045)	(150,560)			(150,560)
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Contributions of land and easement values made	49,964			49,964	60,767			60,767
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Open space conservation programs	74,319	494	(342)	74,471	76,492	535	(262)	76,765
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Total program services	124,283	494	(342)	124,435	137,259	535	(262)	137,532
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Support services:								
Development	12,793	92		12,885	13,123	27		13,150
Management and support services	14,259	43		14,302	14,606	34		14,640
<hr/>								
Total support services	27,052	135		27,187	27,729	61	-	27,790
<hr/>								
Total expenses	151,335	629	(342)	151,622	164,988	596	(262)	165,322
<hr/>								
<b>Change in Net Assets from Operations</b>	(11,723)	287	(287)	(11,723)	(23,248)	(122)	122	(23,248)
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<b>Other Change in Net Assets:</b>								
Restructuring cost - severance payments					(1,369)			(1,369)
<hr/>								
Total other change in net assets	-	-	-	-	(1,369)	-	-	(1,369)
<hr/>								
<b>Change in Net Assets</b>	\$ (11,723)	\$ 287	\$ (287)	\$ (11,723)	\$ (24,617)	\$ (122)	\$ 122	\$ (24,617)