

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

JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT,
CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

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

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

Independent Auditors' Report	1 - 3
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Consolidated Financial Statements

Consolidated Statement of Financial Position	4
Consolidated Statement of Activities and Changes in Net Assets	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 31

Supplementary Information

Consolidating Statements of Financial Position	32
Consolidating Statements of Activities	33



A Century Strong

Independent Auditors' Report

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

Opinion

We have audited the 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, 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Trust for Public Land as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Trust for Public Land and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated 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, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust for Public Land's ability to continue as a going concern for one year from the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust for Public Land's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust for Public Land's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Trust for Public Land's June 30, 2021 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated December 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 32 and 33 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
December 19, 2022

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

Consolidated Statement of Financial Position
(dollars in thousands)

<i>June 30, 2022 (with comparative totals for 2021)</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 62,904	\$ 54,233
Investments	85,371	92,869
Government grants, contracts and escrow receivables, net	17,699	11,051
Contributions receivable, net	21,860	14,867
Deposits on land transactions	1,737	1,479
Land holdings	58,257	40,399
Charitable trust assets	59,063	70,381
Property, furniture and equipment, net	276	216
Other assets	1,037	977
Total assets	\$ 308,204	\$ 286,472
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 15,958	\$ 14,990
Payments on conditional promises to give	49,979	46,883
Option payments received	3,000	
Refundable advances	6,061	4,076
Mitigation advances	225	225
Notes payable	22,570	11,763
Liabilities to beneficiaries of charitable trusts	29,284	36,427
Liabilities to beneficiaries of charitable annuities	2,135	2,246
Total liabilities	129,212	116,610
Net Assets:		
Without donor restrictions	35,752	27,696
With donor restrictions:		
Time and purpose	115,729	113,781
Perpetual restrictions	27,511	28,385
Total net assets with donor restrictions	143,240	142,166
Total net assets	178,992	169,862
Total liabilities and net assets	\$ 308,204	\$ 286,472

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, 2022 (with comparative totals for 2021)

	2022						2021 Total
	Without Donor Restrictions	With Donor Restrictions			Total	Total	
		Time and Purpose	Perpetual Restrictions	Total			
Revenues and Additions to Net Assets:							
Contributions of land and easements:							
Fair market value acquired	\$ 164,677				\$ 164,677		\$ 113,191
Less consideration paid	(131,677)				(131,677)		(101,851)
Contributions of land and easement values received	33,000				33,000		11,340
Contributions and grants - other:							
Contributions and grants	50,547	\$ 71,221	\$ 926	\$ 72,147	122,694		88,285
Future interests in charitable trusts	1	(2,981)	(971)	(3,952)	(3,951)		5,306
Change in value of interests in charitable trusts				-	-		57
Total contributions and grants - other	50,548	68,240	(45)	68,195	118,743		93,648
Total contributions and grants	83,548	68,240	(45)	68,195	151,743		104,988
Project fees and other income	32,639			-	32,639		31,346
Interest income	2,431	848		848	3,279		2,172
Investment (loss) income, net	(7,830)	(3,244)		(3,244)	(11,074)		10,437
Change in value of land holdings	(238)	470		470	232		(632)
Allowance for uncollectible grants and restricted grants returned to donor		(463)	(829)	(1,292)	(1,292)		(104)
Total revenues and additions	110,550	65,851	(874)	64,977	175,527		148,207
Net assets released from restrictions	63,903	(63,903)		(63,903)	-		-
Total revenues	174,453	1,948	(874)	1,074	175,527		148,207
Expenses and Reductions to Net Assets:							
Program services:							
Contributions of land and easements to public agencies and other nonprofit organizations:							
Fair market value conveyed	145,152			-	145,152		119,287
Less consideration received	(78,757)			-	(78,757)		(90,529)
Contributions of land and easement values made	66,395			-	66,395		28,758
Open space and park programs	73,574			-	73,574		60,990
Total program services	139,969	-	-	-	139,969		89,748
Support services:							
Development	14,941			-	14,941		13,450
Management and support services	17,062			-	17,062		15,056
Total support services	32,003	-	-	-	32,003		28,506
Total expenses	171,972	-	-	-	171,972		118,254
Change in Net Assets from Operations	2,481	1,948	(874)	1,074	3,555		29,953
Other Change in Net Assets:							
Gain on sale of property and equipment	5,575			-	5,575		-
Gain on extinguishment of debt (PPP loan)				-	-		6,484
Total other change in net assets	5,575	-	-	-	5,575		6,484
Change in Net Assets	8,056	1,948	(874)	1,074	9,130		36,437
Net Assets, beginning of year	27,696	113,781	28,385	142,166	169,862		133,425
Net Assets, end of year	\$ 35,752	\$ 115,729	\$ 27,511	\$ 143,240	\$ 178,992		\$ 169,862

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, 2022 (with comparative totals for 2021)

	2022				2021 Total
	Program Services	Development	Management and Support Services	Total	
Contributions of Land and Easement Values Made, net	\$ 66,395			\$ 66,395	\$ 28,758
Other Operating Expenses:					
Salaries and benefits	21,630	\$ 10,128	\$ 10,525	42,283	\$ 38,414
Design and construction services	31,132		5	31,137	22,085
Grants and contributions	7,669	251	61	7,981	8,996
Other professional services	5,930	2,057	3,470	11,457	9,476
Rent and office	3,306	1,552	1,610	6,468	5,896
Other operating expenses	978	357	67	1,402	1,452
Travel and meetings	762	410	196	1,368	329
Interest	479			479	467
Furniture, fixtures and equipment	51	16	787	854	771
Appraisal services	1,003		5	1,008	984
Insurance	362	170	176	708	433
Legal services	272		160	432	193
Total other operating expenses	73,574	14,941	17,062	105,577	89,496
Total expenses	\$ 139,969	\$ 14,941	\$ 17,062	\$ 171,972	\$ 118,254

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, 2022 (with comparative totals for 2021)</i>	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	\$ 9,130	\$ 36,437
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Fair market value of land and easements acquired	(164,677)	(113,191)
Change in value of land holdings	(232)	632
Net realized and unrealized losses (gains) on investments	11,074	(10,437)
Imputed interest contribution, net of expense	(399)	70
Fair market value of land and easements conveyed to public agencies and other nonprofit organizations	145,152	119,287
Fair market value of land sold to private parties	1,899	3,416
Contributions with perpetual donor restrictions, net of amounts returned	(97)	(1,624)
Depreciation and amortization	136	136
Contributed stock	(3,621)	(34,842)
Allowance for uncollectible grants and contribution receivables	(25)	175
Gain on extinguishment of debt (PPP loan)		(6,484)
Gain on sale of property and equipment	(5,575)	
Changes in operating assets and liabilities:		
Government grants, contracts and escrow receivables, net	(6,159)	5,112
Contributions receivable	(7,457)	882
Deposits on land transactions	(258)	(1,079)
Charitable trust assets	11,318	(11,079)
Other assets	(60)	(296)
Accounts payable and accrued expenses	968	1,573
Payments on conditional promises to give	3,096	46,883
Option payments received	3,000	(3,600)
Refundable advances	1,985	(1,500)
Mitigation advances		(8,905)
Liabilities to beneficiaries of charitable trusts and annuities	(7,254)	5,264
Net cash (used) provided by operating activities	(8,056)	26,830
Cash Flows from Investing Activities:		
Proceeds from maturity and sales of investments	21,166	44,127
Purchases of investments	(21,121)	(17,236)
Acquisitions of property and equipment	(196)	
Proceeds from sale of property and equipment	5,575	
Net cash provided by investing activities	5,424	26,891
Cash Flows from Financing Activities:		
Proceeds from borrowings for land acquisitions	36,223	8,280
Repayment of borrowings for land acquisitions	(25,017)	(24,041)
Receipts of perpetual donor restricted contributions, net of amounts returned	97	1,624
Net cash provided (used) by financing activities	11,303	(14,137)
Net Change in Cash and Cash Equivalents	8,671	39,584
Cash and Cash Equivalents, beginning of year	54,233	14,649
Cash and Cash Equivalents, end of year	\$ 62,904	\$ 54,233
Supplemental Information:		
Interest paid during the year	\$ 490	\$ 439

See accompanying notes to the consolidated financial statements.

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

Notes to the Consolidated Financial Statements

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, 2022 and 2021. 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, 2022 and 2021 are approximately \$9,110,000 and \$8,400,000, respectively. These amounts include \$500,000 of funds that are designated by the Board for conservation easement and fee land stewardship and defense.

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 have been 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 is generally available for current use but may also be donor restricted.

The Trust for Public Land and Affiliate

(Not-for-Profit Corporations)

Notes to the Consolidated Financial Statements

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) or 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 liquidates contributions of financial assets immediately. 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 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 contract revenue is recorded as revenue over time as the work is performed and the customer consumes the benefits of the project services, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*. The timing for revenue recognition is based on an output measure, which is based on the value transferred to the customer to date. Mitigation funding and landowner fees are recognized at the point in time in which the Trust for Public Land fulfills the conservation purpose through land transactions.

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.

The Trust for Public Land and Affiliate

(Not-for-Profit Corporations)

Notes to the Consolidated Financial Statements

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.

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.

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

Notes to the Consolidated Financial Statements

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 \$3,763,000 and \$4,263,000 as of June 30, 2022 and 2021, respectively.

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. There were no notes receivable at June 30, 2022 and 2021.

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.

The Trust for Public Land and Affiliate

(Not-for-Profit Corporations)

Notes to the Consolidated Financial Statements

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.

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, 2022 and 2021 in the amount of \$89,000 and \$584,000, 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, 2022 and 2021, easements valued at approximately \$39,943,000 and \$33,196,000 were acquired and \$43,587,000 and \$34,033,000 conveyed.

m. Charitable Trust Assets

Charitable trust assets include the assets of various trusts for which 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 the Consolidated Financial Statements

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 the 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 0.6% 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 the Consolidated Financial Statements

s. Tax Exempt Status

The Trust for Public Land is a publicly supported, tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and the California tax 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 September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosure about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for TPL for its fiscal year ending June 30, 2022. The ASU was adopted as of July 1, 2021. 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 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.

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

Notes to the Consolidated Financial Statements

v. Subsequent Events

The Trust for Public Land has evaluated subsequent events from June 30, 2022 through December 19, 2022, 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 consisted of the following at June 30, 2022 and 2021:

<i>(Dollars in thousands)</i>	2022	2021
Mutual funds – domestic stocks	\$ 14,884	\$ 17,223
Mutual funds – international stocks	9,536	10,977
Mutual funds – domestic real estate	4,554	5,156
Mutual funds – international real estate	2,160	2,543
Mutual funds – domestic bonds	10,551	11,794
Mutual funds – international bonds	2,278	2,532
Leveraged loan fund	13,197	13,476
Debt securities:		
U.S. Treasury	6,551	790
U.S. government agency	2,339	3,763
Mortgage backed	953	1,814
Asset backed	2,453	4,532
Corporate	11,054	9,554
Municipal	4,861	8,715
Total investments	\$ 85,371	\$ 92,869

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

Notes to the Consolidated Financial Statements

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:

<i>(Dollars in thousands)</i>	2022			Total
	Level 1	Level 2	Level 3	
Investments				
Mutual funds – domestic stocks	\$ 14,884			\$ 14,884
Mutual funds – international stocks	9,536			9,536
Mutual funds – domestic real estate	4,554			4,554
Mutual funds – international real estate	2,160			2,160
Mutual funds – domestic bonds	10,551			10,551
Mutual funds – international bonds	2,278			2,278
Leveraged loan fund		\$ 13,197		13,197
Debt securities:				
U.S. Treasury	6,551			6,551
U.S. government agency		2,339		2,339
Mortgage backed		953		953
Asset backed		2,453		2,453
Corporate		11,054		11,054
Municipal		4,861		4,861
Charitable Trust Investments (Held by TPL) (Note 6)				
Cash and cash equivalents	682			682
Mutual funds – domestic stocks	23,048			23,048
Mutual funds – international stocks	10,142			10,142
Mutual funds – domestic real estate	1,579			1,579
Mutual funds – international real estate	746			746
Mutual funds – domestic bonds	14,311			14,311
Mutual funds – international bonds	943			943
Mutual funds – balanced	1,502			1,502
U.S. Treasury notes	261			261
Charitable Trust Receivable (Outside Trusts) (Note 6)			\$ 5,849	5,849
Total	\$ 103,728	\$ 34,857	\$ 5,849	\$ 144,434

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

Notes to the Consolidated Financial Statements

<i>(Dollars in thousands)</i>	2021			
	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds – domestic stocks	\$ 17,223			\$ 17,223
Mutual funds – international stocks	10,977			10,977
Mutual funds – domestic real estate	5,156			5,156
Mutual funds – international real estate	2,543			2,543
Mutual funds – domestic bonds	11,794			11,794
Mutual funds – international bonds	2,532			2,532
Leveraged loan fund		\$ 13,476		13,476
Debt securities:				
U.S. Treasury	790			790
U.S. government agency		3,763		3,763
Mortgage backed		1,814		1,814
Asset backed		4,532		4,532
Corporate		9,554		9,554
Municipal		8,715		8,715
Charitable Trust Investments (Held by TPL) (Note 6)				
Cash and cash equivalents	489			489
Mutual funds – domestic stocks	27,106			27,106
Mutual funds – international stocks	13,956			13,956
Mutual funds – domestic real estate	1,848			1,848
Mutual funds – international real estate	895			895
Mutual funds – domestic bonds	17,214			17,214
Mutual funds – international bonds	1,093			1,093
Mutual funds – balanced	1,820			1,820
U.S. Treasury notes	307			307
Charitable Trust Receivable (Outside Trusts) (Note 6)			\$ 5,653	5,653
Total	\$ 115,743	\$ 41,854	\$ 5,653	\$ 163,250

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

Notes to the Consolidated Financial Statements

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

	Charitable Trust Receivable (Outside Trustee)
Fair value at June 30, 2021	\$ 5,653
Total realized and unrealized gains	196
Fair value at June 30, 2022	\$ 5,849

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

Note 4 - Contributions Receivable:

Contributions receivable are due as follows as of June 30:

<i>(Dollars in thousands)</i>	2022	2021
Less than one year	\$ 17,113	\$ 10,192
One to five years (net of discount of \$374 and \$340)	5,172	5,071
Greater than five years (net of discount of \$59 and \$7)	230	28
Subtotal	22,515	15,291
Less allowance for uncollectible amounts	(655)	(424)
Net contributions receivable	\$ 21,860	\$ 14,867

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. At June 30, 2022, the fair market value of land acquired and held exceeded the consideration paid for these land holdings by \$5,605,819. At June 30, 2021, the fair market value of land acquired and held exceeded the consideration paid for these land holdings by \$930,000.

The Trust for Public Land and Affiliate

(Not-for-Profit Corporations)

Notes to the Consolidated Financial Statements

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, 2022 and 2021, 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, 2022 and 2021. 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, 2022 and 2021 was \$26,750 and \$813,000, respectively.

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 consisted of the following as of June 30, 2022 and 2021:

<i>(Dollars in thousands)</i>	2022	2021
Charitable remainder unitrust - TPL as trustee	\$ 49,712	\$ 60,561
Charitable remainder unitrust - outside trustee	5,849	5,653
Charitable remainder annuity trusts - TPL as trustee	691	858
Charitable gift annuities	2,628	3,095
Pooled income funds	183	214
	<hr/>	<hr/>
Charitable trust assets	\$ 59,063	\$ 70,381

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, 2022 and 2021, liabilities to beneficiaries of charitable trusts and annuities approximate \$31,419,000 and \$38,673,000.

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

Notes to the Consolidated Financial Statements

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.

Charitable trust assets portfolio consisted of the following as of June 30, 2022 and 2021:

<i>(Dollars in thousands)</i>	2022	2021
Charitable Trust Investments – Held by TPL:		
Cash and cash equivalents	\$ 682	\$ 489
Mutual funds – domestic stocks	23,048	27,106
Mutual funds – international stocks	10,142	13,956
Mutual funds – domestic real estate	1,579	1,848
Mutual funds – international real estate	746	895
Mutual funds – domestic bonds	14,311	17,214
Mutual funds – international bonds	943	1,093
Mutual funds – balanced	1,502	1,820
U.S. treasury notes	261	307
Charitable Trust Receivable – Outside trustee	5,849	5,653
Charitable trust assets	\$ 59,063	\$ 70,381

Note 7 - Property, Furniture and Equipment:

Property, furniture, and equipment as of June 30, 2022 and 2021 consisted of the following:

<i>(Dollars in thousands)</i>	2022	2021
Buildings and leasehold improvements	\$ 1,702	\$ 3,086
Furniture and fixtures	557	403
Office equipment	2,059	2,023
Total	4,318	5,512
Less accumulated depreciation and amortization	(4,042)	(5,296)
Property, furniture and equipment, net	\$ 276	\$ 216

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

Notes to the Consolidated Financial Statements

Note 8 - Notes Payable:

At June 30, 2022, 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 (4.75% at June 30, 2022), or an optional 1, 3 or 6-month fixed rate based on applicable Secured Overnight Financing Rate (SOFR) plus 1.60% (2.34% at June 30, 2022). Additionally, the line incurs an unused commitment fee of 0.25%. The line requires annual renewal and currently expires on April 1, 2023. At June 30, 2022 and 2021, the line of credit was not 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, 2022 and 2021.

The second unsecured bank line of credit of \$20,000,000 bears interest at either a variable rate of applicable SOFR plus 1.50% (2.24% at June 30, 2022), or an optional variable rate of prime rate minus 1.00% (4.75% at June 30, 2022). The line requires annual renewal and currently expires on March 31, 2023. It bears an unused commitment fee of 0.50%. At June 30, 2022 and 2021, approximately \$0 and \$1,798,000 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:

<i>(Dollars in thousands)</i>	2022	2021
Banks (2.24% to 2.34% interest with maturities through April 2023)		\$ 1,798
Living Trust and Foundations (0% to 2.5% interest with maturities through September 2027)	\$ 9,519	4,457
Other Financial Services (0% to 2.46% interest with maturity through March 2027)	13,051	5,508
Total notes payable	\$ 22,570	\$ 11,763

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

Notes to the Consolidated Financial Statements

Payments on the notes payable are due as follows as of June 30, 2022:

Year Ending	
June 30:	
2023	\$ 3,660
2024	120
2025	14,406
2026	-
2027	3,384
Thereafter	1,000
	<hr/>
	\$ 22,570

At June 30, 2022 and 2021, notes payable include approximately \$12,859,000 and \$7,806,000, respectively, in recourse loans and \$9,711,000 and \$3,957,000, respectively, in non-recourse loans. 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, 2022, management believes the Trust for Public Land was in compliance with the terms of such debt covenants. Interest expense was approximately \$479,000 and \$467,000 for the years ended June 30, 2022 and 2021, respectively.

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), provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the business. The loan and accrued interest could be forgiven as long as the Trust for Public Land used the loan proceeds for eligible purposes, including payroll, benefits and utilities, and maintains its payroll levels. The amount of loan forgiveness would be reduced if certain requirements were not met. The loan was forgiven in full during the year ended June 30, 2021 and was recognized in other changes in net assets as a gain on extinguishment of debt in the Consolidated Statement of Activities and Changes in Net Assets.

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

Notes to the Consolidated Financial Statements

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

Net assets with donor restrictions were as follows as of June 30:

<i>(Dollars in thousands)</i>	2022	2021
Time and purpose restrictions:		
Restricted for project and program expenses	\$ 38,663	\$ 44,227
Restricted for acquisition of land	31,882	30,271
With time restrictions	45,184	39,283
Total time and purpose restrictions	115,729	113,781
Perpetual restrictions:		
Capital revolving funds - income without restrictions	7,212	8,041
Capital revolving funds - income with perpetual restrictions	727	727
Endowment funds - income with time and purpose restrictions	15,330	14,404
Future interest in charitable trust	4,242	5,213
Total perpetual restrictions	27,511	28,385
Total net assets with donor restrictions	\$ 143,240	\$ 142,166

Net assets released from restrictions were as follows for the years ended June 30:

<i>(Dollars in thousands)</i>	2022	2021
Restricted for project and program expenses	\$ 50,338	\$ 44,010
Restricted for acquisition of land	13,565	8,783
With time restrictions		17
Total net assets released from restrictions	\$ 63,903	\$ 52,810

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).

The Trust for Public Land and Affiliate

(Not-for-Profit Corporations)

Notes to the Consolidated Financial Statements

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 future interest in charitable trust is also not a part of the endowment.

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

Notes to the Consolidated Financial Statements

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.

\$729,000 and \$596,000 was appropriated for distribution in the years ended June 30, 2022 and 2021, 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.

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

Notes to the Consolidated Financial Statements

Endowment net assets composition by type of fund as of June 30, 2022:

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	Perpetual	
Donor-restricted endowment funds		\$ 1,942	\$ 15,330	\$ 17,272
Board-designated funds	\$ 9,346			9,346
Endowment funds	\$ 9,346	\$ 1,942	\$ 15,330	\$ 26,618

Changes in endowment net assets were as follows for the years ended June 30, 2022 and 2021:

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	Perpetual	
Endowment net assets, June 30, 2020	\$ 7,282	\$ 963	\$ 12,780	\$ 21,025
Contributions	555		1,624	2,179
Interest and dividends, net of expense	70	540		610
Realized gains	107	336		443
Unrealized gains	1,576	3,493		5,069
Appropriations	(190)	(406)		(596)
Endowment net assets, June 30, 2021	9,400	4,926	14,404	28,730
Contributions	1,492		926	2,418
Interest and dividends, net of expense	396	754		1,150
Realized gains	85	144		229
Unrealized losses	(1,792)	(3,388)		(5,180)
Appropriations	(235)	(494)		(729)
Endowment net assets, June 30, 2022	\$ 9,346	\$ 1,942	\$ 15,330	\$ 26,618

The Trust for Public Land's endowment funds amount to \$26,618,000 and \$28,730,000 as of June 30, 2022 and 2021, respectively. The Trust for Public Land's endowment funds include \$2,606,000 and \$1,243,000 in pledges receivable as of June 30, 2022 and 2021, respectively.

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

Notes to the Consolidated Financial Statements

Note 11 - Project Fees and Other Income:

Project fees and other income consisted of the following for the years ended June 30:

<i>(Dollars in thousands)</i>	2022	2021
Project reimbursements	\$ 25,692	\$ 13,736
Landowner fees	2,350	4,285
Contract revenue	3,728	2,998
Mitigation funding		8,905
Rents	1,069	1,002
Other sources, net	(200)	420
Total project fees and other income	\$ 32,639	\$ 31,346

Project fees and other income also include the gains from the sale of non-conservation properties on the open market. Open market sales for the years ended June 30, 2022 and 2021 were \$1,875,000 and \$3,466,000, respectively. There was a loss of \$23,000 associated with these open market sales during the year ended June 30, 2022, and a gain of \$51,000 for the year ended June 30, 2021, and are included above as other sources.

Note 12 - Commitments and Contingencies:

Lease 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 January 31, 2032. Lease costs were \$3,863,000 and \$3,526,000 for the years ended June 30, 2022 and 2021, respectively. Future minimum lease payments under non-cancelable long-term leases are as follows:

Year Ending	<i>(Dollars in thousands)</i>	
June 30,	Amount	
2023	\$	3,236
2024		2,056
2025		1,798
2026		1,134
2027		1,049
Thereafter		2,983
	\$	12,256

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

Notes to the Consolidated Financial Statements

Contract Commitments

The Trust for Public Land had future construction contract commitments for parks and playgrounds of approximately \$7,433,000 and \$7,602,000 as of June 30, 2022 and 2021, 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.

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:

<i>(Dollars in thousands)</i>	2022	2021
Conditional promises to give upon identification of land holdings available for acquisition	\$ 60,428	\$ 64,427
Conditional promises to give upon obtaining matching unconditional promises to give	6,671	7,222
Other conditional promises to give	5,051	2,890
Total conditional promises to give	\$ 72,150	\$ 74,539

The Trust for Public Land has received payments on conditional promises to give in advance of meeting the conditions of approximately \$49,979,000 and \$46,883,000 as of June 30, 2022 and 2021, respectively. These payments have been recorded as a liability on the Consolidated Statement of Financial Position until such time as the conditions are met, at which time they will be recognized as revenue.

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

Notes to the Consolidated Financial Statements

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 \$1,801,000 and \$1,261,000 to the Plan during the years ended June 30, 2022 and 2021, 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. As of June 30, 2022, approximately 34% of contributions receivable is due from two donors and 48% of government grants, contracts and escrow receivables is due from three organizations.

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

Notes to the 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:

<i>(Dollars in thousands)</i>	2022	2021
Financial assets at year end:		
Cash and cash equivalents	\$ 62,904	\$ 54,233
Investments	85,371	92,869
Government grants, contracts and escrow receivables, net	17,699	11,051
Contributions receivable, net	21,860	14,867
Charitable trust assets	59,063	70,381
Total financial assets	246,897	243,401
Less amounts not available to be used within one year:		
Long-term government grants, contracts and escrow receivables, net	-	(1,181)
Payments on conditional promises to give	(49,979)	(46,883)
Charitable trust liabilities	(31,419)	(38,673)
Board-designated net assets	(9,110)	(8,400)
Net assets with donor restrictions	(143,240)	(142,166)
Plus net assets with donor restrictions to be met within one year	53,261	49,159
	(180,487)	(188,144)
Financial assets available to meet general expenditures within one year	\$ 66,410	\$ 55,257

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 the Consolidated Financial Statements

Note 17 - COVID-19 Pandemic:

On March 11, 2020, the World Health Organization publicly characterized COVID-19 as a pandemic. States of emergency were declared in many federal, state, and local jurisdictions and shelter-in-place orders were instituted in many cities and states, impacting business operations in most industries and sectors. There has been no significant impact on the Trust for Public Land's operations. Staff are currently working remote with business travel and events resuming in accordance with federal, state, and city mandates. As discussed in Note 8, the Trust for Public Land received a PPP loan to mitigate the impact of COVID-19 on its operations, and the loan was forgiven during the year ended June 30, 2021.

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

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

June 30, 2022 and 2021

	As of June 30, 2022				As of June 30, 2021			
	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
Assets								
Cash and cash equivalents	\$ 61,620	\$ 1,284		\$ 62,904	\$ 52,901	\$ 1,332		\$ 54,233
Investments	85,371			85,371	92,869			92,869
Govt. grants, contracts, & escrow receivables, net	18,285	213	\$ (799)	17,699	11,758	257	\$ (964)	11,051
Contributions receivable, net	21,860			21,860	14,867			14,867
Deposits on land transactions	1,737			1,737	1,479			1,479
Land holdings	58,257			58,257	40,399			40,399
Charitable trust assets	59,063			59,063	70,381			70,381
Property, furniture and equipment, net	276			276	216			216
Other assets	1,035	2		1,037	975	2		977
Investment in affiliate	678		(678)	-	609		(609)	-
Total assets	\$ 308,182	\$ 1,499	\$ (1,477)	\$ 308,204	\$ 286,454	\$ 1,591	\$ (1,573)	\$ 286,472
Liabilities and Net Assets								
Liabilities:								
Accounts payable and accrued expenses	\$ 16,154	\$ 603	\$ (799)	\$ 15,958	\$ 15,209	\$ 745	\$ (964)	\$ 14,990
Payments on conditional promises to give	49,979			49,979	46,883			46,883
Option payments received	3,000			3,000				-
Refundable advances	5,843	218		6,061	3,839	237		4,076
Mitigation advances	225			225	225			225
Notes payable	22,570			22,570	11,763			11,763
Liabilities to beneficiaries of charitable trusts	29,284			29,284	36,427			36,427
Liabilities to beneficiaries of charitable annuities	2,135			2,135	2,246			2,246
Total liabilities	129,190	821	(799)	129,212	116,592	982	(964)	116,610
Net Assets:								
Without donor restrictions	35,752	177	(177)	35,752	27,696	177	(177)	27,696
With donor restrictions:								
Time and purpose	115,729	501	(501)	115,729	113,781	432	(432)	113,781
Perpetual restrictions	27,511		-	27,511	28,385			28,385
Total net assets with donor restrictions	143,240	501	(501)	143,240	142,166	432	(432)	142,166
Total net assets	178,992	678	(678)	178,992	169,862	609	(609)	169,862
Total liabilities and net assets	\$ 308,182	\$ 1,499	\$ (1,477)	\$ 308,204	\$ 286,454	\$ 1,591	\$ (1,573)	\$ 286,472

The Trust for Public Land and Affiliate
(Not-for-Profit Corporations)
Supplementary Consolidating Statements of Activities
(dollars in thousands)
(See Independent Auditors' Report)

Years Ended June 30, 2022 and 2021

	2022				2021			
	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
Revenues and Additions to Net Assets:								
Contributions of land and easements:								
Fair market value acquired	\$ 164,677			\$ 164,677	\$ 113,191			\$ 113,191
Less consideration paid	(131,677)			(131,677)	(101,851)			(101,851)
Contributions of land and easement values received	33,000			33,000	11,340			11,340
Contributions and grants - other:								
With donor restrictions	71,996	\$ 274	\$ (123)	72,147	57,870	\$ 77	\$ (60)	57,887
Without donor restrictions	50,529	154	(136)	50,547	30,342	228	(172)	30,398
Future interests in charitable trusts	(3,951)			(3,951)	5,306			5,306
Change in value of interests in charitable trusts				-	57			57
Total contributions and grants - other	118,574	428	(259)	118,743	93,575	305	(232)	93,648
Total contributions and grants	151,574	428	(259)	151,743	104,915	305	(232)	104,988
Project fees and other income	32,615	24		32,639	31,338	8		31,346
Interest income	3,279			3,279	2,172			2,172
Investment (loss) income, net	(11,074)			(11,074)	10,437			10,437
Change in value of land holdings	232			232	(632)			(632)
Allowance for uncollectible grants and restricted grants returned to donor	(1,292)			(1,292)	(104)			(104)
Equity in net activities of affiliate	69		(69)	-	(74)		74	-
Total revenues	175,403	452	(328)	175,527	148,052	313	(158)	148,207
Expenses and Reductions to Net Assets:								
Program services:								
Contributions of land and easements to public agencies and other nonprofit organizations:								
Fair market value conveyed	145,152			145,152	119,287			119,287
Less consideration received	(78,757)			(78,757)	(90,529)			(90,529)
Contributions of land and easement values made	66,395			66,395	28,758			28,758
Open space conservation programs	73,499	334	(259)	73,574	60,949	273	(232)	60,990
Total program services	139,894	334	(259)	139,969	89,707	273	(232)	89,748
Support services:								
Development	14,941			14,941	13,379	71		13,450
Management and support services	17,013	49		17,062	15,013	43		15,056
Total support services	31,954	49	-	32,003	28,392	114	-	28,506
Total expenses	171,848	383	(259)	171,972	118,099	387	(232)	118,254
Change in Net Assets from Operations	3,555	69	(69)	3,555	29,953	(74)	74	29,953
Other Change in Net Assets:								
Gain on sale of property and equipment	5,575			5,575				5,575
Gain on extinguishment of debt (PPP loan)				-	6,484			6,484
Total other change in net assets	5,575	-	-	5,575	6,484	-	-	6,484
Change in Net Assets	\$ 9,130	\$ 69	\$ (69)	\$ 9,130	\$ 36,437	\$ (74)	\$ 74	\$ 36,437