

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

JUNE 30, 2018

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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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A Century Strong

## 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) (the Trust)**, which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities and changes in net assets, and cash flows for the period from April 1, 2017 to June 30, 2018, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Trust as of June 30, 2018, and the changes in its net assets and its cash flows for the period from April 1, 2017 to June 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

### **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 28 through 30 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 20, 2018

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

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

June 30, 2018

**Assets**

Cash and cash equivalents	\$	3,643
Investments		84,340
Government grants, contracts and escrow receivables, net		14,803
Contributions receivable, net		22,402
Notes receivable		1,147
Deposits on land transactions		521
Land holdings		83,602
Charitable trust assets		65,668
Property, furniture and equipment, net		660
Other assets		623

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Total assets	\$	277,409
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**Liabilities and Net Assets**

**Liabilities:**

Accounts payable and accrued expenses	\$	15,764
Option payments received		20
Refundable advances		4,785
Mitigation advances		13,075
Notes payable		36,089
Liabilities to beneficiaries of charitable trusts		35,521
Liabilities to beneficiaries of charitable annuities		2,390

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Total liabilities		107,644
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**Net Assets:**

Unrestricted	9,950
Temporarily restricted	134,854
Permanently restricted	24,961

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Total net assets	169,765
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Total liabilities and net assets	\$	277,409
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See accompanying notes to 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)

For the period from April 1, 2017 to June 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues and Additions to Net Assets:</b>				
Contributions of land and easements:				
Fair market value acquired	\$ 206,754	\$ 7,030		\$ 213,784
Less consideration paid	(178,021)			(178,021)
Contributions of land and easement values received	28,733	7,030		35,763
Contributions and grants - other:				
Restricted		73,321	\$ 2,478	75,799
Unrestricted	49,898			49,898
Future interests in charitable trusts		1,651	126	1,777
Change in value of interests in charitable trusts		511		511
Total contributions and grants - other	49,898	75,483	2,604	127,985
Total contributions and grants	78,631	82,513	2,604	163,748
Project fees and other income	34,651			34,651
Interest income	2,781	443		3,224
Net realized and unrealized gains on investments	543	443		986
Change in value of land holdings	520			520
Allowance for uncollectible grants and restricted grants returned to donor		(859)		(859)
Total revenues and additions	117,126	82,540	2,604	202,270
Net assets released from restrictions	82,322	(82,322)		-
Total revenues	199,448	218	2,604	202,270
<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	204,292			204,292
Less consideration received	(120,481)			(120,481)
Contributions of land and easement values made	83,811			83,811
Open space conservation programs	92,846			92,846
Total program services	176,657	-	-	176,657
Support services:				
Development	17,472			17,472
Management and support services	20,927			20,927
Total support services	38,399	-	-	38,399
Total expenses	215,056	-	-	215,056
<b>Change in Net Assets</b>	(15,608)	218	2,604	(12,786)
<b>Net Assets, beginning of period</b>	25,558	134,636	22,357	182,551
<b>Net Assets, end of period</b>	\$ 9,950	\$ 134,854	\$ 24,961	\$ 169,765

See accompanying notes to financial statements.

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

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

For the period from April 1, 2017 to June 30, 2018

<b>Cash Flows from Operating Activities:</b>	
Change in net assets	\$ (12,786)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Fair market value of land and easements acquired	(213,784)
Change in value of land holdings	(520)
Net realized and unrealized gains on investments	(986)
Fair market value of land and easements conveyed to public agencies and other nonprofit organizations	204,292
Fair market value of land sold to private parties	207
Permanently restricted contributions and income received	(2,478)
Depreciation and amortization	332
Contributed stock	(2,536)
Allowance for uncollectible grants and contribution receivables	1,582
Changes in operating assets and liabilities:	
Government grants, contracts and escrow receivables, net	(2,354)
Contributions receivable	(2,509)
Deposits on land transactions	147
Charitable trust assets	(2,049)
Other assets	(59)
Accounts payable and accrued expenses	(1,532)
Option payments received	(980)
Refundable advances	165
Mitigation advances	198
Liabilities to beneficiaries of charitable trusts	(198)
<b>Net cash used by operating activities</b>	<b>(35,848)</b>
<b>Cash Flows from Investing Activities:</b>	
Proceeds from maturity and sales of investments	77,653
Purchases of investments	(61,140)
Payments received from notes receivable	623
Issuance of notes receivable	(1,570)
Acquisitions of property and equipment	(174)
<b>Net cash provided by investing activities</b>	<b>15,392</b>
<b>Cash Flows from Financing Activities:</b>	
Proceeds from borrowings for land acquisitions	76,968
Repayment of borrowings for land acquisitions	(61,086)
Permanently restricted contributions and income	2,478
<b>Net cash provided by financing activities</b>	<b>18,360</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(2,096)</b>
<b>Cash and Cash Equivalents, beginning of period</b>	<b>5,739</b>
<b>Cash and Cash Equivalents, end of period</b>	<b>\$ 3,643</b>
<b>Supplemental Information:</b>	
Interest paid during the period	\$ 1,436

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

**Note 2 - Summary of Significant Accounting Policies:**

a. Principles of Consolidation

The Board of Directors approved the changing of the Trust’s fiscal year end from March 31 to June 30 for the period ending June 30, 2018. Accordingly, the 2018 consolidated financial statements include 15 months of activities for the period from April 1, 2017 to June 30, 2018.

The consolidated financial statements include all accounts and operations of The Trust for Public Land and the organization in which The Trust for Public Land has both control and an economic interest, which includes The Trust for Public Land Action Fund (collectively, the “Trust”) as of June 30, 2018. Intercompany accounts and transactions have been eliminated in consolidation.

b. Basis of Presentation and Description of Net Assets

The Trust 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 reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

*Unrestricted Net Assets*

The portion of net assets that is neither temporarily restricted nor permanently restricted by donor-imposed stipulations. The Trust’s Board of Directors has internally designated the use of a portion of its unrestricted assets. These funds are used 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, 2018 are approximately \$6,120,000.



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

**Notes to Consolidated Financial Statements**

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*Temporarily Restricted Net Assets*

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

*Permanently Restricted Net Assets*

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

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

c. Revenue Recognition

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

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

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

# The Trust for Public Land and Affiliate

## (Not-for-Profit Corporations)

### Notes to Consolidated Financial Statements

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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.

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's consolidated financial statements are the fair value of investments, land holdings and contributions of land and easements, allowance for uncollectible receivables, and charitable trust assets and liabilities. Actual results could differ from those estimates.

e. Fair Value Measurements

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

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

f. Cash and Cash Equivalents

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

g. Investments

Investments are carried at estimated fair value on the 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 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.

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

**Notes to Consolidated Financial Statements**

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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 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 \$3,770,000 as of June 30, 2018.

i. Contributions Receivable

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

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

j. Notes Receivable

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

The Trust estimates the allowance for uncollectible notes on an annual basis based on the past collection experience and current conditions. The notes receivable balance at June 30, 2018 is approximately \$1,147,000. There was no allowance for uncollectible notes.

k. Land Holdings

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

- Values are primarily based on independent professional appraisals performed for the Trust or on appraised values determined or adopted by public agencies.
- Where a current appraisal is available from a professionally qualified independent appraiser retained by a third party, such value may be adopted when the Trust is satisfied that the appraisal is reasonable.

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

## Notes to Consolidated Financial Statements

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- Where neither of the foregoing sources is readily available, the Trust may use the full cash value as established by the local tax assessor, cost if the cash value is minimal, or internal estimates based on staff analyses.

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

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

The Trust evaluates the carrying value of its land holdings at fiscal year end for impairment using a market approach. If and when the decrease in fair value is material and verifiable based upon information about current economic and market conditions, recent appraisals, option agreements signed, and dedicated funding available for project shortfalls, a write-down of the value is recorded in land holdings and change in value of land holdings. Change in value of land holdings includes impairment in value of land holdings for the period from April 1, 2017 to June 30, 2018 in the amount of \$0.

### l. Easements

Easements acquired by the Trust are conservation easements and represent numerous restrictions over the use and development of land not owned by the Trust. These easements generally provide that the land will be maintained unimpaired in its current natural, agricultural, scenic or recreational state. During the period from April 1, 2017 to June 30, 2018, easements valued at \$57,011,000 were acquired and \$75,075,000 conveyed.

### m. Charitable Trust Assets

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

# The Trust for Public Land and Affiliate

## (Not-for-Profit Corporations)

### Notes to Consolidated Financial Statements

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

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

n. Property, Furniture and Equipment

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

o. Option Payments Received

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

p. Mitigation Advances

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

q. Notes Payable

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

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

**Notes to Consolidated Financial Statements**

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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 is both trustee and a secondary beneficiary (see Note 6). In periods subsequent to initial recognition, the Trust amortizes the discount associated with the obligation and adjusts for changes in life expectancies.

The liabilities are actuarially determined by a third party actuarial specialist using investment returns consistent with the composition of the asset portfolios ranging from 6.65% to 7.65% or the required payout rate, life expectancies from the 1983 Table “a” for gifts prior to July 1, 1998, and life expectancies from the Annuity 2000 Mortality Table for all other trusts, as well as for the pooled income fund and all gift annuities, in the determination of single and joint life expectancies (see Note 6). The discount rate for determining the present value of a remainder interest is determined by the Internal Revenue Service Applicable Federal Rate table for the month during which the gift is received (ranging from 1% - 10%). Management evaluates the reasonableness of the assumptions and inputs used on an annual basis.

s. Tax Exempt Status

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

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

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

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u. Recent Accounting Pronouncements

In May 2014, as part of its ongoing efforts to assist in the convergence of U.S. GAAP and International Financial Reporting Standards (IFRS), the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, related to revenue recognition. The new guidance sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in U.S. GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in the prior accounting guidance. The ASU provides alternative methods of initial adoption and is effective for annual periods beginning after December 15, 2018. Early adoption is permitted. The Trust will evaluate the impact that this standard will have on the 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, 2019. The impact of adopting this guidance on subsequent periods has not yet been determined.

On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this update are designed to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early application is permitted. Amendments should be applied on a retrospective basis in the year the update is first applied. Management is currently evaluating the impact the amendments in this ASU will have on its financial statements.

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**Notes to Consolidated Financial Statements**

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In June 2018, the FASB issued 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 exchange transaction guidance in the revenue recognition and other applicable standards. The ASU does not apply to transfers of assets from governments to businesses. The amendments in the update are effective for fiscal years beginning after December 15, 2018. The Trust is currently evaluating the impact of this pronouncement on its financial statements.

v. Subsequent Events

The Trust has evaluated subsequent events from June 30, 2018 through November 20, 2018, 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, except as discussed in Note 18.

**Note 3 - Investments:**

Investments are reflected at estimated fair value, and consist of the following at June 30, 2018:

*(Dollars in thousands)*

Mutual funds – domestic stocks	\$ 11,757
Mutual funds – international stocks	6,813
Mutual funds – domestic real estate	2,812
Mutual funds – international real estate	1,631
Mutual funds – domestic bonds	7,726
Mutual funds – international bonds	1,660
Leveraged loan fund	11,923
Debt securities:	
U.S. treasury	6,648
Mortgage backed	920
Asset backed	7,183
Corporate	23,150
Municipal	2,117
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Total investments	\$ 84,340



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

**Notes to Consolidated Financial Statements**

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**Note 4 - Contributions Receivable:**

Contributions receivable as of June 30, 2018 are due as follows:

*(Dollars in thousands)*

Less than one year	\$ 15,068
One to five years (net of discount of \$774)	8,836
Greater than five years (net of discount of \$27)	100
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Subtotal	24,004
Less: allowance for uncollectible amounts	(1,602)
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Net contributions receivable	\$ 22,402

**Note 5 - Land Holdings:**

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

Unrestricted and temporarily restricted net assets include donations of land received by the Trust. These donations are realized from outright donations of land to the Trust, as well as from transactions where the fair market value of land received exceeds the cost of land acquired. The fair market value of land acquired and held at June 30, 2018 exceeds the consideration paid for these land holdings by \$13,072,000.

In line with its mission, the Trust intends to convey its land holdings into protective public and not-for-profit ownership. In many cases, land will be conveyed at a price less than fair market value, resulting in a contribution of land value to the grantee. At June 30, 2018, with the exception of properties accounted for using the deposit method, the Trust had no legal obligations to third parties to convey land holdings.

As part of its normal operations, the Trust was involved in various stages of negotiation for the purchase of real property at June 30, 2018. 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.

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

**Notes to Consolidated Financial Statements**

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Occasionally, the Trust acquires or receives real estate and land parcels with minimal conservation or protection value. These are sold in the open market to provide funds for the Trust to carry out its conservation work. The carrying value of these properties included in land holdings at June 30, 2018 was \$690,000.

**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, 2018:

*(Dollars in thousands)*

Charitable remainder unitrusts - TPL as Trustee	\$ 56,411
Charitable remainder unitrusts - outside Trustee	5,244
Charitable remainder annuity trusts - TPL as Trustee	793
Charitable gift annuities	3,013
Pooled income funds	207
<hr/>	
Charitable trust assets	\$ 65,668

Each charitable trust requires periodic distributions to designated primary beneficiaries over a period of time. Accordingly, such liabilities to beneficiaries of charitable trusts in which the Trust is both trustee and secondary beneficiary have been reflected as liabilities to beneficiaries of charitable trusts. Such liabilities have been determined based upon an actuarial analysis of the expected income to be generated by the assets of each charitable trust, the life expectancies of the primary beneficiaries of each trust, and the distribution rates established by the charitable trust agreements. As of June 30, 2018, liabilities to beneficiaries of charitable trusts and annuities approximate \$37,911,000.

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.

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

**Notes to Consolidated Financial Statements**

Charitable trust assets portfolio consists of the following:

*(Dollars in thousands)*

Charitable Trust Investments – Held by TPL:	
Cash and cash equivalents	\$ 464
Mutual funds – domestic stocks	24,696
Mutual funds – international stocks	13,121
Mutual funds – domestic real estate	1,423
Mutual funds – international real estate	825
Mutual funds – domestic bonds	14,540
Mutual funds – international bonds	1,036
Mutual funds – balanced	3,446
U.S. treasury notes	101
U.S. agency notes	324
Alternative investments:	
Multi-strategy fund of funds	448
Charitable Trust Receivable – Outside Trustee	5,244
<hr/>	
Charitable trust assets	\$ 65,668

At June 30, 2018, the alternative investment consists of a multi-strategy fund of funds, which is an off-shore feeder fund that invests in a master fund to employ various strategies including long/short equity, event driven, relative value, and global asset allocation. Redemptions are permitted on a quarterly basis with a 65-day redemption notice period. The Trust has no unfunded commitments to the alternative investment as of June 30, 2018.

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

Property, furniture and equipment as of June 30, 2018 consist of the following:

*(Dollars in thousands)*

Buildings and leasehold improvements	\$ 3,054
Furniture and fixtures	342
Office equipment	2,129
<hr/>	
Total	5,525
Less: accumulated depreciation and amortization	(4,865)
<hr/>	
Property, furniture and equipment, net	\$ 660

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

**Notes to Consolidated Financial Statements**

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**Note 8 - Notes Payable:**

At June 30, 2018 the Trust has two \$40,000,000 unsecured bank line of credit agreements for use nationally. One of the lines of credit bears interest at either a variable rate of prime rate plus 0.75% (5.75% at June 30, 2018), or an optional 1, 3 or 6-month fixed rate based on applicable London Interbank Offered Rate (LIBOR) plus 1.50% (3.48% at June 30, 2018). Additionally, the line incurs an unused commitment fee of 0.25%. The line requires annual renewal and currently expires on April 1, 2019. At June 30, 2018, approximately \$19,981,000 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, 2018.

The second \$40,000,000 unsecured bank line of credit bears interest at either a variable rate of applicable LIBOR plus 1.50% (3.63% at June 30, 2018), or an optional variable rate of prime rate minus 1.00% (4.00% at June 30, 2018). The line requires annual renewal and currently expires on December 28, 2018. It bears an unused commitment fee of 0.25%. At June 30, 2018, approximately \$12,021,000 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, 2018:

*(Dollars in thousands)*

Banks (3.63% to 5.75% interest with maturities through April 2019)	\$ 32,002
Living trust (1.52% interest with maturity in December 2018)	4,087
	<hr/>
Total notes payable (all payable in the year ended June 30, 2019)	\$ 36,089

At June 30, 2018, notes payable include approximately \$36,089,000 in recourse loans and no 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, 2018, management believes the Trust was in compliance with the terms of such debt covenants. Interest expense was approximately \$1,443,000 for the period from April 1, 2017 to June 30, 2018.

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

**Notes to Consolidated Financial Statements**

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

Temporarily restricted net assets as of June 30, 2018 were as follows:

*(Dollars in thousands)*

Restricted for project and program expenses	\$ 41,676
Restricted for acquisition of land	49,775
With time restrictions	43,403
<hr/>	
Total temporarily restricted net assets at end of year	\$ 134,854

Temporarily restricted net assets released from restrictions during the period from April 1, 2017 to June 30, 2018 were as follows:

*(Dollars in thousands)*

Restricted for project and program expenses	\$ 50,742
Restricted for acquisition of land	31,551
With time restrictions	29
<hr/>	
Total net assets released from restrictions	\$ 82,322

**Note 10 - Permanently Restricted Net Assets:**

Permanently restricted net assets consist of the following:

*(Dollars in thousands)*

Capital revolving funds - income unrestricted	\$ 8,040
Capital revolving funds - income permanently restricted	727
Endowment funds - income temporarily restricted	11,610
Future interest in charitable trust	4,584
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Total permanently restricted net assets	\$ 24,961

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

**Notes to Consolidated Financial Statements**

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**Note 11 - Endowment Funds:**

*Relevant Law and Standards*

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

*Interpretation of Relevant Law*

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

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

The management and Board of Directors do not consider the permanently restricted capital revolving funds to be endowment because the use of the principal of these funds is at the discretion of the Trust 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 has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Trust must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a diversified portfolio to preserve the long-term purchasing power of endowed funds and to earn an average annual real return, after inflation and expense, that produces spendable income of at least 4 percent each year. To satisfy its long-term objectives, the Trust relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust assets are diversified among asset classes and among sectors and industries, quality, market capitalization, and investment strategy with each class to achieve its long-term return objectives within prudent risk constraints.

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

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

\$359,000 was appropriated for distribution in the period from April 1, 2017 to June 30, 2018.

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

SPMIFA requires disclosure of any deficiencies in permanently restricted endowment funds for which the fair market value is less than the amount stipulated by donor or applicable law ("underwater funds"). The Trust currently has no such deficiencies in its endowment funds. Were the Trust to have any such deficiencies, it is the policy of the Trust to reduce Unrestricted Net Assets to the extent necessary to maintain the fund balance as stipulated by donor or applicable law.

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

**Notes to Consolidated Financial Statements**

Endowment net assets composition by type of fund as of June 30, 2018:

*(Dollars in thousands)*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		\$ 1,263	\$ 11,610	\$ 12,873
Board designated funds	\$ 5,044			5,044
<b>Endowment funds</b>	<b>\$ 5,044</b>	<b>\$ 1,263</b>	<b>\$ 11,610</b>	<b>\$ 17,917</b>

Changes in endowment net assets for the period from April 1, 2017 to June 30, 2018:

*(Dollars in thousands)*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, March 31, 2017	\$ 4,187	\$ 650	\$ 9,132	\$ 13,969
Contributions	579		2,478	3,057
Interest and dividends, net of expense	185	382		567
Realized gains	40	57		97
Unrealized gains	200	386		586
Appropriations	(147)	(212)		(359)
<b>Endowment net assets, June 30, 2018</b>	<b>\$ 5,044</b>	<b>\$ 1,263</b>	<b>\$ 11,610</b>	<b>\$ 17,917</b>

The Trust's endowment funds amount to \$17,917,000 as of June 30, 2018. The Trust's endowment funds include \$1,907,000 in pledges receivable as of June 30, 2018.



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

**Notes to Consolidated Financial Statements**

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**Note 12 - Project Fees and Other Income:**

Project fees and other income consist of the following for the period from April 1, 2017 to June 30, 2018:

*(Dollars in thousands)*

Project reimbursements	\$ 21,098
Landowner fees	4,579
Contract revenue	5,151
Mitigation funding	2,046
Rents	731
Other sources	1,046
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Total project fees and other income	\$ 34,651

Project fees and other income also include proceeds from the sale of non-conservation properties on the open market. Open market sales for the period from April 1, 2017 to June 30, 2018 were \$207,000. Gains associated with these open market sales were \$164,000 for the period from April 1, 2017 to June 30, 2018.

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

**Notes to Consolidated Financial Statements**

**Note 13 - Fair Value Measurements:**

*Recurring Measurements:*

The valuation methodologies used for instruments measured at fair value on a recurring basis are described in Note 2. The table below summarizes assets measured at fair value on a recurring basis as of June 30, 2018:

*(Dollars in thousands)*

	Level 1	Level 2	Level 3	Total
<b>Investments (Note 3)</b>				
Mutual funds – domestic stocks	\$ 11,757			\$ 11,757
Mutual funds – international stocks	6,813			6,813
Mutual funds – domestic real estate	2,812			2,812
Mutual funds – international real estate	1,631			1,631
Mutual funds – domestic bonds	7,726			7,726
Mutual funds – international bonds	1,660			1,660
Leveraged loan fund		\$ 11,923		11,923
Debt securities:				
U.S. treasury	6,648			6,648
Mortgage backed		920		920
Asset backed		7,183		7,183
Corporate		23,150		23,150
Municipal		2,117		2,117
<b>Charitable Trust Investments (Held by TPL) (Note 6)</b>				
Cash and cash equivalents	464			464
Mutual funds – domestic stocks	24,696			24,696
Mutual funds – international stocks	13,121			13,121
Mutual funds – domestic real estate	1,423			1,423
Mutual funds – international real estate	825			825
Mutual funds – domestic bonds	14,540			14,540
Mutual funds – international bonds	1,036			1,036
Mutual funds – balanced	3,446			3,446
U.S. treasury notes	101			101
U.S. agency notes		324		324
<b>Charitable Trust Receivable (Outside Trustee) (Note 6)</b>			<b>\$ 5,244</b>	<b>5,244</b>
<b>Total</b>	<b>\$ 98,699</b>	<b>\$ 45,617</b>	<b>\$ 5,244</b>	<b>\$ 149,560</b>

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

**Notes to Consolidated Financial Statements**

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

	Charitable Trust Receivable (Outside Trustee)
Fair value at March 31, 2017	\$ 4,427
Total realized and unrealized gains	817
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Fair value at June 30, 2018	\$ 5,244

*Non-Recurring Measurements:*

Non-recurring fair value measurements of financial instruments included in the Trust's Consolidated Statement of Financial Position as of June 30, 2018 relate to cash equivalents, government grants, contracts and escrow receivables, contributions receivable, notes receivable, accounts payable, notes payable, and liabilities to beneficiaries of charitable trusts. For cash equivalents, government grants, contracts and escrow receivables, contributions receivable and accounts payable, the carrying amounts represent a reasonable estimate of the corresponding fair values.

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

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

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

**Notes to Consolidated Financial Statements**

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**Note 14 - Commitments and Contingencies:**

Commitments

The Trust leases office space and equipment for the operation of a national headquarters office, and twenty-seven field or project offices. Lease commitments expire at various dates through March 31, 2027. Lease costs were \$4,086,000 for the period from April 1, 2017 to June 30, 2018. Future minimum lease payments under non-cancelable long-term leases are as follows:

Year ending June 30,	<i>(Dollars in thousands)</i> Amount
2019	\$ 3,302
2020	3,015
2021	2,647
2022	2,661
2023	2,044
Thereafter	2,360
	<hr/>
	\$ 16,029

Contract Commitments

The Trust had future construction contract commitments for parks and playgrounds of approximately \$10,830,000 as of June 30, 2018. The Trust funds its park and playground work through cost reimbursement contracts and restricted operating grants.

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

Contingencies

The Trust is a party to various 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.

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

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

**Notes to Consolidated Financial Statements**

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**Note 15 - Conditional Promises to Give:**

The Trust has received the following conditional promises to give that are not recognized as contribution revenue in the accompanying consolidated financial statements as of June 30, 2018:

*(Dollars in thousands)*

Conditional promises to give upon identification of land holdings available for acquisition	\$ 11,280
Conditional promises to give upon obtaining matching unconditional promises to give	1,310
Other conditional promises to give	5,614
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Total conditional promises to give	\$ 18,204

**Note 16 - Retirement Plan:**

The Trust maintains a defined contribution retirement plan (the “Plan”) under Section 403(b) of the Internal Revenue Code. The Plan covers all employees who normally work twenty or more hours per week. The Plan provides for voluntary salary deferrals within certain limits and, after one year of service, the Trust provides matching employer contributions for eligible employees who contribute a certain minimum percentage of their compensation. The Trust contributed approximately \$1,008,000 to the Plan during the period from April 1, 2017 to June 30, 2018.

**Note 17 - Concentration of Credit Risk:**

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

**Note 18 - Reorganization:**

On July 11, 2018, the Trust restructured the organization to enable growth and catalytic leadership. The Trust incurred restructuring costs of approximately \$2,367,000 subsequent to year-end and estimates an additional approximately \$643,000 through the end of the fiscal year ending June 30, 2019.

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

**Supplemental Schedule of Functional Expenses**  
(dollars in thousands)

**See Independent Auditors' Report**

*For the period from April 1, 2017 to June 30, 2018*

	Program Services	Development	Management and Support Services	Total
<b>Contributions of Land and Easement Values Made, net</b>	\$ 83,811			\$ 83,811
<b>Operating Expenses:</b>				
Salaries and benefits	29,432	\$ 11,445	\$ 11,585	52,462
Design and construction services	38,272			38,272
Other professional services	6,392	2,115	2,709	11,216
Rent and office	4,406	1,719	1,735	7,860
Grants and contributions	7,432	87	40	7,559
Travel and meetings	2,228	1,542	984	4,754
Other operating expenses	734	285	2,474	3,493
Appraisal services	1,585			1,585
Interest	1,443			1,443
Furniture, fixtures and equipment	133	16	1,071	1,220
Insurance	674	263	265	1,202
Legal services	115		64	179
<b>Total operating expenses</b>	<b>92,846</b>	<b>17,472</b>	<b>20,927</b>	<b>131,245</b>
<b>Total</b>	<b>\$ 176,657</b>	<b>\$ 17,472</b>	<b>\$ 20,927</b>	<b>\$ 215,056</b>

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

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

For the period from April 1, 2017 to June 30, 2018

	Trust for Public Land	Trust for Public Land Action Fund	Eliminating Entries	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 3,348	\$ 295		\$ 3,643
Investments	84,340			84,340
Govt. grants, contracts, & escrow receivables	14,870	318	\$ (385)	14,803
Contributions receivable, net	22,352	50		22,402
Notes receivable	1,147			1,147
Deposits on land transactions	521			521
Land holdings	83,602			83,602
Charitable trust assets	65,668			65,668
Property, furniture and equipment, net	660			660
Other assets	623			623
Investment in affiliate	518		(518)	-
<b>Total assets</b>	<b>\$ 277,649</b>	<b>\$ 663</b>	<b>\$ (903)</b>	<b>\$ 277,409</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 16,072	\$ 77	\$ (385)	\$ 15,764
Option payments received	20			20
Refundable advances	4,717	68		4,785
Mitigation advances	13,075			13,075
Notes payable	36,089			36,089
Liabilities to beneficiaries of charitable trusts	35,521			35,521
Liabilities to beneficiaries of charitable annuities	2,390			2,390
<b>Total liabilities</b>	<b>107,884</b>	<b>145</b>	<b>(385)</b>	<b>107,644</b>
<b>Net Assets:</b>				
Unrestricted	9,950	224	(224)	9,950
Temporarily restricted	134,854	294	(294)	134,854
Permanently restricted	24,961			24,961
<b>Total net assets</b>	<b>169,765</b>	<b>518</b>	<b>(518)</b>	<b>169,765</b>
<b>Total liabilities and net assets</b>	<b>\$ 277,649</b>	<b>\$ 663</b>	<b>\$ (903)</b>	<b>\$ 277,409</b>

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

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

For the period from April 1, 2017 to June 30, 2018

	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	\$ 213,784			\$ 213,784
Less consideration paid	(178,021)			(178,021)
Contributions of land and easement values received	35,763			35,763
Contributions and grants - other:				
Restricted	74,901	\$ 1,055	\$ (157)	75,799
Unrestricted	49,828	455	(385)	49,898
Future interests in charitable trusts	1,777			1,777
Change in value of interests in charitable trusts	511			511
Total contributions and grants - other	127,017	1,510	(542)	127,985
Total contributions and grants	162,780	1,510	(542)	163,748
Project fees and other income	34,498	153		34,651
Interest income	3,224			3,224
Net realized and unrealized gains on investments	986			986
Change in value of land holdings	520			520
Allowance for uncollectible grants and restricted grants returned to donor	(859)			(859)
Equity in net activities of affiliate	283		(283)	-
Total revenues	201,432	1,663	(825)	202,270
<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	204,292			204,292
Less consideration received	(120,481)			(120,481)
Contributions of land and easement values made	83,811			83,811
Open space conservation programs	92,075	1,313	(542)	92,846
Total program services	175,886	1,313	(542)	176,657
Support services:				
Development	17,464	8		17,472
Management and support services	20,868	59		20,927
Total support services	38,332	67	-	38,399
Total expenses	214,218	1,380	(542)	215,056
<b>Change in Net Assets</b>	<b>\$ (12,786)</b>	<b>\$ 283</b>	<b>\$ (283)</b>	<b>\$ (12,786)</b>