

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

JUNE 30, 2021

INDEPENDENT AUDITORS' REPORT,
CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

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

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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) (collectively, the Trust for Public Land)**, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Trust for Public Land as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter – Report on Summarized Comparative Information

We have previously audited the Trust for Public Land’s June 30, 2020 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated November 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter – Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information included on pages 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 17, 2021

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

Consolidated Statement of Financial Position
(dollars in thousands)

<i>June 30, 2021 (with comparative totals for 2020)</i>	2021	2020
Assets		
Cash and cash equivalents	\$ 54,233	\$ 14,649
Investments	92,869	74,481
Government grants, contracts and escrow receivables, net	11,051	16,234
Contributions receivable, net	14,867	15,853
Deposits on land transactions	1,479	400
Land holdings	40,399	50,543
Charitable trust assets	70,381	59,302
Property, furniture and equipment, net	216	352
Other assets	977	681
Total assets	\$ 286,472	\$ 232,495
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 14,990	\$ 13,417
Payments on conditional promises to give	46,883	
Option payments received		3,600
Refundable advances	4,076	5,576
Mitigation advances	225	9,130
Notes payable	11,763	33,938
Liabilities to beneficiaries of charitable trusts	36,427	31,330
Liabilities to beneficiaries of charitable annuities	2,246	2,079
Total liabilities	116,610	99,070
Net Assets:		
Without donor restrictions	27,696	9,827
With donor restrictions:		
Time and purpose	113,781	97,792
Perpetual restrictions	28,385	25,806
Total net assets with donor restrictions	142,166	123,598
Total net assets	169,862	133,425
Total liabilities and net assets	\$ 286,472	\$ 232,495

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, 2021 (with comparative totals for 2020)

	2021					2020 Total
	Without Donor Restrictions	With Donor Restrictions		Total	Total	
		Time and Purpose	Perpetual Restrictions			
Revenues and Additions to Net Assets:						
Contributions of land and easements:						
Fair market value acquired	\$ 109,496	\$ 3,695		\$ 3,695	\$ 113,191	\$ 136,996
Less consideration paid	(101,851)				(101,851)	(121,107)
Contributions of land and easement values received	7,645	3,695		3,695	11,340	15,889
Contributions and grants - other:						
Contributions and grants	30,398	56,263	\$ 1,624	57,887	88,285	85,393
Future interests in charitable trusts	(456)	4,807	955	5,762	5,306	(568)
Change in value of interests in charitable trusts		57		57	57	17
Total contributions and grants - other	29,942	61,127	2,579	63,706	93,648	84,842
Total contributions and grants	37,587	64,822	2,579	67,401	104,988	100,731
Project fees and other income	31,346			-	31,346	39,794
Interest income	1,658	514		514	2,172	2,809
Investment income (loss), net	6,870	3,567		3,567	10,437	(1,891)
Change in value of land holdings	(632)			-	(632)	(1,499)
Allowance for uncollectible grants and restricted grants returned to donor		(104)		(104)	(104)	(45)
Total revenues and additions	76,829	68,799	2,579	71,378	148,207	139,899
Net assets released from restrictions	52,810	(52,810)		(52,810)	-	-
Total revenues	129,639	15,989	2,579	18,568	148,207	139,899
Expenses and Reductions to Net Assets:						
Program services:						
Contributions of land and easements to public agencies and other nonprofit organizations:						
Fair market value conveyed	119,287				119,287	151,009
Less consideration received	(90,529)				(90,529)	(101,045)
Contributions of land and easement values made	28,758				28,758	49,964
Open space conservation programs	60,990				60,990	74,471
Total program services	89,748	-	-	-	89,748	124,435
Support services:						
Development	13,450				13,450	12,885
Management and support services	15,056				15,056	14,302
Total support services	28,506	-	-	-	28,506	27,187
Total expenses	118,254	-	-	-	118,254	151,622
Change in Net Assets from Operations	11,385	15,989	2,579	18,568	29,953	(11,723)
Other Change in Net Assets:						
Gain on extinguishment of debt (PPP loan)	6,484				6,484	
Total other change in net assets	6,484	-	-	-	6,484	-
Change in Net Assets	17,869	15,989	2,579	18,568	36,437	(11,723)
Net Assets, beginning of year	9,827	97,792	25,806	123,598	133,425	145,148
Net Assets, end of year	\$ 27,696	\$ 113,781	\$ 28,385	\$ 142,166	\$ 169,862	\$ 133,425

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, 2021 (with comparative totals for 2020)

	2021				2020 Total
	Program Services	Development	Management and Support Services	Total	
Contributions of Land and Easement Values Made, net	\$ 28,758			\$ 28,758	\$ 49,964
Other Operating Expenses:					
Salaries and benefits	19,424	\$ 9,871	\$ 9,119	38,414	\$ 36,775
Design and construction services	22,076		9	22,085	36,301
Grants and contributions	8,956		40	8,996	8,187
Other professional services	4,676	1,633	3,167	9,476	7,490
Rent and office	2,983	1,513	1,400	5,896	5,960
Other operating expenses	799	217	436	1,452	1,847
Travel and meetings	209	86	34	329	1,420
Interest	467			467	1,183
Furniture, fixtures and equipment	60	18	693	771	840
Appraisal services	984			984	808
Insurance	219	111	103	433	770
Legal services	137	1	55	193	77
Total other operating expenses	60,990	13,450	15,056	89,496	101,658
Total expenses	\$ 89,748	\$ 13,450	\$ 15,056	\$ 118,254	\$ 151,622

See accompanying notes to the consolidated financial statements.

The Trust for Public Land and Affiliate
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Consolidated Statement of Cash Flows
(dollars in thousands)

<i>Year Ended June 30, 2021 (with comparative totals for 2020)</i>	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	\$ 36,437	\$ (11,723)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Fair market value of land and easements acquired	(113,191)	(136,996)
Change in value of land holdings	632	1,499
Net realized and unrealized (gains) losses on investments	(10,437)	1,891
Imputed interest contribution, net of expense	70	(252)
Fair market value of land and easements conveyed to public agencies and other nonprofit organizations	119,287	151,009
Fair market value of land sold to private parties	3,416	733
Contributions with perpetual donor restrictions	(1,624)	(904)
Depreciation and amortization	136	221
Contributed stock	(34,842)	(1,940)
Allowance for uncollectible grants and contribution receivables	175	410
Gain on extinguishment of debt (PPP loan)	(6,484)	
Changes in operating assets and liabilities:		
Government grants, contracts and escrow receivables, net	5,112	406
Contributions receivable	882	3,668
Deposits on land transactions	(1,079)	157
Charitable trust assets	(11,079)	4,030
Other assets	(296)	40
Accounts payable and accrued expenses	1,573	(2,680)
Payments on conditional promises to give	46,883	
Option payments received	(3,600)	3,550
Refundable advances	(1,500)	(4,197)
Mitigation advances	(8,905)	(2,975)
Liabilities to beneficiaries of charitable trusts and annuities	5,264	(2,680)
Net cash provided by operating activities	26,830	3,267
Cash Flows from Investing Activities:		
Proceeds from maturity and sales of investments	44,127	25,799
Purchases of investments	(17,236)	(25,521)
Payments received from notes receivable		3,423
Net cash provided by investing activities	26,891	3,701
Cash Flows from Financing Activities:		
Proceeds from PPP loan payable		6,484
Proceeds from borrowings for land acquisitions	8,280	31,769
Repayment of borrowings for land acquisitions	(24,041)	(43,326)
Receipts of perpetual donor restricted contributions	1,624	904
Net cash used in financing activities	(14,137)	(4,169)
Net Change in Cash and Cash Equivalents	39,584	2,799
Cash and Cash Equivalents, beginning of year	14,649	11,850
Cash and Cash Equivalents, end of year	\$ 54,233	\$ 14,649
Supplemental Information:		
Interest paid during the year	\$ 439	\$ 1,156

See accompanying notes to the consolidated financial statements.

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

Notes to 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, 2021 and 2020. 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, 2021 and 2020 are approximately \$8,400,000 and \$8,479,000, respectively.

Net Assets With Donor Restrictions

The portion of net assets that represents contributions whose use by the Trust for Public Land is limited by donor-imposed stipulations that either expire with the passage of time, can be fulfilled and removed by activities conducted by the Trust for Public Land pursuant to those stipulations, or restricted by the donor for investment in perpetuity (see Note 9). Net assets with perpetual donor restrictions consist of both revolving capital funds, which are used for capital investment in land purchases, and endowment funds. The income from the revolving capital funds are generally available for current use but may also be donor restricted.

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Notes to 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) and Net Assets With Donor Restrictions (available either for perpetual investment in projects or use on projects but subject to repayment). Revolving funds are generally restricted to certain geographical areas or types of land.

c. Revenue Recognition

All contributions and grants, whether or not restricted, are recognized as revenue at fair value when received or unconditionally promised to the Trust for Public Land. The Trust for Public Land classifies gifts of cash and other assets as donor restricted support if received with donor stipulations that limit the use of the contributions. When such donor restrictions expire, that is, when stipulated or implied time restrictions end or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions. Landowner donations with donor restrictions are reported as support without donor restrictions when the conservation purpose is achieved at the same time as when the contributions are received.

Conditional promises to give are not recorded as contribution revenue until the conditions are substantially met (see Note 13).

The Trust for Public Land earns project fee and other income from a variety of sources, including contract revenues, mitigation funding for land conservation, project reimbursements, landowner fees, and rents (see Note 11). Project fee 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.

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Notes to 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 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 \$4,263,000 and \$4,194,000 as of June 30, 2021 and 2020.

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, 2021 and 2020.

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.

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Notes to Consolidated Financial Statements

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

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

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, 2021 and 2020 in the amount of \$584,000 and \$4,940,000, 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, 2021 and 2020, easements valued at \$33,196,000 and \$33,807,000 were acquired and \$34,033,000 and \$36,512,000 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.

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Notes to Consolidated Financial Statements

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 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.

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Notes to Consolidated Financial Statements

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.

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 May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard replaces most existing revenue recognition guidance in U.S. GAAP and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The ASU was adopted as of July 1, 2020. 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.

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Notes to Consolidated Financial Statements

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.

In September 2020, the FASB issued 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 impact of adopting this guidance on subsequent periods has not yet been determined.

v. Subsequent Events

The Trust for Public Land has evaluated subsequent events from June 30, 2021 through December 17, 2021, 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.

The Trust for Public Land and Affiliate
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Notes to Consolidated 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, 2021 and 2020:

<i>(Dollars in thousands)</i>	2021	2020
Mutual funds – domestic stocks	\$ 17,223	\$ 12,214
Mutual funds – international stocks	10,977	8,076
Mutual funds – domestic real estate	5,156	3,539
Mutual funds – international real estate	2,543	1,801
Mutual funds – domestic bonds	11,794	8,961
Mutual funds – international bonds	2,532	1,955
Leveraged loan fund	13,476	12,469
Debt securities:		
U.S. treasury	790	2,212
U.S. government agency	3,763	2,762
Mortgage backed	1,814	924
Asset backed	4,532	4,238
Corporate	9,554	10,474
Municipal	8,715	4,856
Total investments	\$ 92,869	\$ 74,481

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

Notes to 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:

(Dollars in thousands)

	2021			Total
	Level 1	Level 2	Level 3	
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
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Notes to Consolidated Financial Statements

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

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

	Charitable Trust Receivable (Outside Trustee)
Fair value at June 30, 2020	\$ 4,799
Total realized and unrealized gains	854
Fair value at June 30, 2021	\$ 5,653

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

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

Note 4 - Contributions Receivable:

Contributions receivable as of June 30, 2021 and 2020 are due as follows:

<i>(Dollars in thousands)</i>	2021	2020
Less than one year	\$ 10,192	\$ 13,907
One to five years (net of discount of \$340 and \$280)	5,071	3,248
Greater than five years (net of discount of \$7 and \$10)	28	32
	<hr/>	<hr/>
Subtotal	15,291	17,187
Less: allowance for uncollectible amounts	(424)	(1,334)
	<hr/>	<hr/>
Net contributions receivable	\$ 14,867	\$ 15,853

Note 5 - Land Holdings:

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

Net assets without donor restrictions and net assets with donor restrictions include donations of land received by the Trust for Public Land. These donations are realized from outright donations of land to the Trust for Public Land, as well as from transactions where the fair market value of land received exceeds the cost of land acquired. The consideration paid for land acquired and held at June 30, 2021 exceeds the fair market value for these land acquisitions and holdings by \$930,000. At June 30, 2020, the fair market value of land acquired and held exceeded the consideration paid for these land holdings by \$1,238,000.

The Trust for Public Land and Affiliate
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Notes to 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, 2021 and 2020, 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, 2021 and 2020. 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, 2021 and 2020 was \$813,000 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, 2021 and 2020:

<i>(Dollars in thousands)</i>	2021	2020
Charitable remainder unitrust - TPL as trustee	\$ 60,561	\$ 50,941
Charitable remainder unitrust - outside trustee	5,653	4,799
Charitable remainder annuity trusts - TPL as trustee	858	711
Charitable gift annuities	3,095	2,636
Pooled income funds	214	215
	<hr/>	
Charitable trust assets	\$ 70,381	\$ 59,302

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

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, 2021 and 2020, liabilities to beneficiaries of charitable trusts and annuities approximate \$38,673,000 and \$33,409,000.

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.

Charitable trust assets portfolio consisted of the following as of June 30, 2021 and 2020:

<i>(Dollars in thousands)</i>	2021	2020
Charitable Trust Investments – Held by TPL:		
Cash and cash equivalents	\$ 489	\$ 603
Mutual funds – domestic stocks	27,106	22,318
Mutual funds – international stocks	13,956	12,011
Mutual funds – domestic real estate	1,848	1,363
Mutual funds – international real estate	895	691
Mutual funds – domestic bonds	17,214	14,807
Mutual funds – international bonds	1,093	914
Mutual funds – balanced	1,820	1,477
U.S. treasury notes	307	319
U.S. agency notes		
Charitable Trust Receivable – Outside trustee	5,653	4,799
Charitable trust assets	\$ 70,381	\$ 59,302

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

Note 7 - Property, Furniture and Equipment:

Property, furniture, and equipment as of June 30, 2021 and 2020 consisted of the following:

<i>(Dollars in thousands)</i>	2021	2020
Buildings and leasehold improvements	\$ 3,086	\$ 3,086
Furniture and fixtures	403	403
Office equipment	2,023	2,023
<hr/>		
Total	5,512	5,512
Less: accumulated depreciation and amortization	(5,296)	(5,160)
<hr/>		
Property, furniture and equipment, net	\$ 216	\$ 352

Note 8 - Notes Payable:

At June 30, 2021, the Trust for Public Land had two unsecured bank line of credit agreements for use nationally.

One of the unsecured lines of credit of \$60,000,000 bears interest at either a variable rate of prime rate (3.25% at June 30, 2021), or an optional 1, 3 or 6-month fixed rate based on applicable London Interbank Offered Rate (LIBOR) plus 1.50% (3.25% at June 30, 2021). Additionally, the line incurs an unused commitment fee of 0.25%. The line requires annual renewal and currently expires on April 1, 2022. At June 30, 2021 and 2020, approximately \$0 and \$16,000,000, respectively, 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, 2021 and 2020.

The second unsecured bank line of credit of \$20,000,000 bears interest at either a variable rate of applicable LIBOR plus 1.50% (1.63% at June 30, 2021), or an optional variable rate of prime rate minus 1.00% (2.25% at June 30, 2021). The line requires annual renewal and currently expires on December 30, 2021. It bears an unused commitment fee of 0.25%. At June 30, 2021 and 2020, approximately \$1,798,000 and \$2,828,000 of this line of credit was being utilized.

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

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, 2021 and 2020:

<i>(Dollars in thousands)</i>	2021	2020
Banks (1.63% to 3.25% interest with maturities through April 2022)	\$ 1,798	\$ 18,828
Living Trust and Foundations (0.5% to 2.5% interest with maturities through December 2023)	4,457	4,896
Small Business Administration		6,484
Other Financial Services (1.51% to 2.46% interest with maturity through September 2024)	5,508	3,730
Total notes payable	\$ 11,763	\$ 33,938

Payments on the notes payable are due as follows:

Year ending		
June 30:		
2022		\$ 3,655
2023		1,733
2024		2,600
2025		3,775
		\$ 11,763

At June 30, 2021 and 2020, notes payable include approximately \$7,806,000 and \$20,434,000, respectively, in recourse loans and \$3,957,000 and \$13,504,000, respectively, in a non-recourse loan. All recourse loans are unsecured. Certain of these loan agreements have debt covenants including minimum cash requirements, liability ratios, and limits on pledged collateral. As of June 30, 2021, management believes the Trust for Public Land was in compliance with the terms of such debt covenants. Interest expense was approximately \$467,000 and \$1,183,000 for the years ended June 30, 2021 and 2020, respectively.

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

In May 2020, the Trust for Public Land was granted a loan from the Small Business Administration in the amount of \$6,484,335 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest may be forgiven as long as the Trust for Public Land uses the loan proceeds for eligible purposes, including payroll, benefits and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if certain requirements are not met. The loan was forgiven in full in June 2021 and is 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.

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

Net assets with donor restrictions as of June 30, 2021 and 2020 were as follows:

<i>(Dollars in thousands)</i>	2021	2020
Time and purpose restrictions:		
Restricted for project and program expenses	\$ 44,227	\$ 31,843
Restricted for acquisition of land	30,271	33,060
With time restrictions	39,283	32,889
<hr/>		
Total time and purpose restrictions	113,781	97,792
Perpetual restrictions:		
Capital revolving funds - income without restrictions	8,041	8,041
Capital revolving funds - income with perpetual restrictions	727	727
Endowment funds - income with time and purpose restrictions	14,404	12,780
Future interest in charitable trust	5,213	4,258
<hr/>		
Total perpetual restrictions	28,385	25,806
<hr/>		
Total net assets with donor restrictions	\$ 142,166	\$ 123,598

Net assets released from restrictions during the years ended June 30, 2021 and 2020 were as follows:

<i>(Dollars in thousands)</i>	2021	2020
Restricted for project and program expenses	\$ 44,010	\$ 45,689
Restricted for acquisition of land	8,783	6,924
With time restrictions	17	74
<hr/>		
Total net assets released from restrictions	\$ 52,810	\$ 52,687

The Trust for Public Land and Affiliate

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Notes to Consolidated Financial Statements

Note 10 - Endowment Funds:

Relevant Law and Standards

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

Interpretation of Relevant Law

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

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

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

\$596,000 and \$484,000 was appropriated for distribution in the years ended June 30, 2021 and 2020, 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
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Notes to Consolidated Financial Statements

Endowment net assets composition by type of fund as of June 30, 2021:

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions Time or Purpose Perpetual		Total
Donor-restricted endowment funds		\$ 4,926	\$ 14,404	\$ 19,330
Board-designated funds	\$ 9,400			9,400
Endowment funds	\$ 9,400	\$ 4,926	\$ 14,404	\$ 28,730

Changes in endowment net assets for the years ended June 30, 2021 and 2020:

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions Time or Purpose Perpetual		Total
Endowment net assets, June 30, 2019	\$ 6,076	\$ 1,359	\$ 11,888	\$ 19,323
Contributions	1,384		892	2,276
Interest and dividends, net of expense	232	507		739
Realized gains	82	47		129
Unrealized losses	(330)	(628)		(958)
Appropriations	(162)	(322)		(484)
Endowment net assets, June 30, 2020	7,282	963	12,780	21,025
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

The Trust for Public Land's endowment funds amount to \$28,730,000 and \$21,025,000 as of June 30, 2021 and 2020, respectively. The Trust for Public Land's endowment funds include \$1,243,000 and \$1,240,000 in pledges receivable as of June 30, 2021 and 2020, respectively.

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

Notes to 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, 2021 and 2020:

<i>(Dollars in thousands)</i>	2021	2020
Project reimbursements	\$ 13,736	\$ 25,587
Landowner fees	4,285	3,868
Contract revenue	2,998	3,770
Mitigation funding	8,905	5,097
Rents	1,002	817
Other sources	420	655
Total project fees and other income	\$ 31,346	\$ 39,794

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, 2021 and 2020 were \$3,416,000 and \$733,000, respectively. Gains associated with these open market sales were \$51,000 and \$73,000 for the years ended June 30, 2021 and 2020, respectively, 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 \$3,526,000 and \$3,605,000 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments under non-cancelable long-term leases are as follows:

Year ending June 30,	<i>(Dollars in thousands)</i>	
	Amount	
2022	\$	3,931
2023		3,175
2024		1,744
2025		1,489
2026		813
Thereafter		2,949
	\$	14,101

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

Notes to Consolidated Financial Statements

Contract Commitments

The Trust for Public Land had future construction contract commitments for parks and playgrounds of approximately \$7,602,000 and \$9,809,000 as of June 30, 2021 and 2020, 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, 2021 and 2020.

<i>(Dollars in thousands)</i>	2021	2020
Conditional promises to give upon identification of land holdings available for acquisition	\$ 64,427	\$ 8,448
Conditional promises to give upon obtaining matching unconditional promises to give	7,222	1,095
Other conditional promises to give	2,890	8,009
Total conditional promises to give	\$ 74,539	\$ 17,552

The Trust for Public Land has received payments on conditional promises to give in advance of meeting the conditions of approximately \$46,883,000 as of June 30, 2021, and this amount is included on the Consolidated Statement of Financial Position as a liability.

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Notes to 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 \$1,261,000 and \$1,072,000 to the Plan during the years ended June 30, 2021 and 2020, 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, 2021, approximately 15% of contributions receivable is due from one donor and 29% of government grants, contracts and escrow receivables is due from two organizations.

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

Notes to Consolidated Financial Statements

Note 16 - Availability of Financial Assets and Liquidity:

The Trust for Public Land's financial assets available for general expenditures are as follows at June 30, 2021 and 2020:

<i>(Dollars in thousands)</i>	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	\$ 54,233	\$ 14,649
Investments	92,869	74,481
Government grants, contracts and escrow receivables, net	11,051	16,234
Contributions receivable, net	14,867	15,853
Charitable trust assets	70,381	59,302
Total financial assets	243,401	180,519
Less amounts not available to be used within one year:		
Long-term government grants, contracts and escrow receivables, net	(1,181)	(3,136)
Payments on conditional promises to give	(46,883)	
Charitable trust liabilities	(38,673)	(33,409)
Board-designated net assets	(8,400)	(8,479)
Net assets with donor restrictions	(142,166)	(123,598)
Plus: net assets with donor restrictions to be met within one year	49,159	41,080
	(188,144)	(127,542)
Financial assets available to meet general expenditures within one year	\$ 55,257	\$ 52,977

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).

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Notes to 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)

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

June 30, 2021 and 2020

	As of June 30, 2021				As of June 30, 2020			
	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	\$ 52,901	\$ 1,332		\$ 54,233	\$ 13,676	\$ 973		\$ 14,649
Investments	92,869			92,869	74,481			74,481
Govt. grants, contracts, & escrow receivables, net	11,758	257	\$ (964)	11,051	16,417	75	\$ (258)	16,234
Contributions receivable, net	14,867			14,867	15,852	1		15,853
Notes receivable	-			-				-
Deposits on land transactions	1,479			1,479	400			400
Land holdings	40,399			40,399	50,543			50,543
Charitable trust assets	70,381			70,381	59,302			59,302
Property, furniture and equipment, net	216			216	352			352
Other assets	975	2		977	680	1		681
Investment in affiliate	609		(609)	-	683		(683)	-
Total assets	\$ 286,454	\$ 1,591	\$ (1,573)	\$ 286,472	\$ 232,386	\$ 1,050	\$ (941)	\$ 232,495
Liabilities and Net Assets								
Liabilities:								
Accounts payable and accrued expenses	\$ 15,209	\$ 745	\$ (964)	\$ 14,990	\$ 13,480	\$ 195	\$ (258)	\$ 13,417
Payments on conditional promises to give	46,883			46,883				-
Option payments received				-	3,600			3,600
Refundable advances	3,839	237		4,076	5,404	172		5,576
Mitigation advances	225			225	9,130			9,130
Notes payable	11,763			11,763	33,938			33,938
Liabilities to beneficiaries of charitable trusts	36,427			36,427	31,330			31,330
Liabilities to beneficiaries of charitable annuities	2,246			2,246	2,079			2,079
Total liabilities	116,592	982	(964)	116,610	98,961	367	(258)	99,070
Net Assets:								
Without donor restrictions	27,696	177	(177)	27,696	9,827	216	(216)	9,827
With donor restrictions:								
Time and purpose	113,781	432	(432)	113,781	97,792	467	(467)	97,792
Perpetual restrictions	28,385			28,385	25,806			25,806
Total net assets with donor restrictions	142,166	432	(432)	142,166	123,598	467	(467)	123,598
Total net assets	169,862	609	(609)	169,862	133,425	683	(683)	133,425
Total liabilities and net assets	\$ 286,454	\$ 1,591	\$ (1,573)	\$ 286,472	\$ 232,386	\$ 1,050	\$ (941)	\$ 232,495

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

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

Years Ended June 30, 2021 and 2020

	2021				2020			
	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	\$ 113,191			\$ 113,191	\$ 136,996			\$ 136,996
Less consideration paid	(101,851)			(101,851)	(121,107)			(121,107)
Contributions of land and easement values received	11,340			11,340	15,889			15,889
Contributions and grants - other:								
With donor restrictions	57,870	\$ 77	\$ (60)	57,887	42,007	\$ 545	\$ (131)	42,421
Without donor restrictions	30,342	228	(172)	30,398	42,823	360	(211)	42,972
Future interests in charitable trusts	5,306			5,306	(568)			(568)
Change in value of interests in charitable trusts	57			57	17			17
Total contributions and grants - other	93,575	305	(232)	93,648	84,279	905	(342)	84,842
Total contributions and grants	104,915	305	(232)	104,988	100,168	905	(342)	100,731
Project fees and other income	31,338	8		31,346	39,783	11		39,794
Interest income	2,172			2,172	2,809			2,809
Investment income (loss), net	10,437			10,437	(1,891)			(1,891)
Change in value of land holdings	(632)			(632)	(1,499)			(1,499)
Allowance for uncollectible grants and restricted grants returned to donor	(104)			(104)	(45)			(45)
Equity in net activities of affiliate	(74)		74	-	287		(287)	
Total revenues	148,052	313	(158)	148,207	139,612	916	(629)	139,899
Expenses and Reductions to Net Assets:								
Program services:								
Contributions of land and easements to public agencies and other nonprofit organizations:								
Fair market value conveyed	119,287			119,287	151,009			151,009
Less consideration received	(90,529)			(90,529)	(101,045)			(101,045)
Contributions of land and easement values made	28,758			28,758	49,964			49,964
Open space conservation programs	60,949	273	(232)	60,990	74,319	494	(342)	74,471
Total program services	89,707	273	(232)	89,748	124,283	494	(342)	124,435
Support services:								
Development	13,379	71		13,450	12,793	92		12,885
Management and support services	15,013	43		15,056	14,259	43		14,302
Total support services	28,392	114		28,506	27,052	135		27,187
Total expenses	118,099	387	(232)	118,254	151,335	629	(342)	151,622
Change in Net Assets from Operations	29,953	(74)	74	29,953	(11,723)	287	(287)	(11,723)
Other Change in Net Assets:								
Gain on extinguishment of debt (PPP loan)	6,484			6,484				-
Total other change in net assets	6,484	-	-	6,484	-	-	-	-
Change in Net Assets	\$ 36,437	\$ (74)	\$ 74	\$ 36,437	\$ (11,723)	\$ 287	\$ (287)	\$ (11,723)