

Hood & Strong

Advisory, Tax
and Assurance

The Trust for Public Land

June 30, 2025

Financial Statements

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The Trust for Public Land

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Independent Auditors' Report

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

Opinion

We have audited the financial statements of **THE TRUST FOR PUBLIC LAND (TPL)**, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TPL as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited TPL's June 30, 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated December 2, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
December 16, 2025

The Trust for Public Land

Statement of Financial Position (dollars in thousands)

<i>June 30, 2025 (with comparative totals for 2024)</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 41,272	\$ 31,261
Investments	161,468	115,840
Government grants, contracts and escrow receivables, net of allowance of \$1,149 and \$1,890	18,278	28,375
Contributions receivable, net	21,078	26,510
Notes receivable	5,025	4,000
Deposits on land transactions	1,844	2,318
Land holdings	98,871	105,622
Charitable trust assets	72,878	71,278
Property, furniture and equipment, net	160	228
Operating lease assets	9,772	9,162
Other assets	2,054	1,944
Total assets	\$ 432,700	\$ 396,538
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 26,202	\$ 26,461
Option payments received	4,760	200
Refundable advances	12,950	29,223
Mitigation advances	605	479
Notes payable	75,418	58,402
Operating lease liabilities	10,571	9,838
Liabilities to beneficiaries of charitable trusts	36,754	36,551
Liabilities to beneficiaries of charitable annuities	2,064	2,385
Total liabilities	169,324	163,539
Net Assets:		
Without donor restrictions	77,275	53,519
With donor restrictions:		
Time and purpose	149,601	148,796
Perpetual restrictions	36,500	30,684
Total net assets with donor restrictions	186,101	179,480
Total net assets	263,376	232,999
Total liabilities and net assets	\$ 432,700	\$ 396,538

See accompanying notes to the financial statements.

The Trust for Public Land

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

Year Ended June 30, 2025 (with comparative totals for 2024)

	2025						2024 Total
	Without Donor Restrictions	With Donor Restrictions			Total	Total	
		Time and Purpose	Perpetual Restrictions	Total			
Revenues and Additions to Net Assets:							
Contributions of land and easements:							
Fair market value acquired	\$ 288,795			\$ -	\$ 288,795	\$ 179,997	
Less consideration paid	(228,408)			-	(228,408)	(168,426)	
Contributions of land and easement values received	60,387			-	60,387	11,571	
Contributions and grants - other:							
Contributions and grants	99,057	\$ 78,148	\$ 5,565	83,713	182,770	160,748	
Future interests in charitable trusts	10	2,190	250	2,440	2,450	3,866	
Total contributions and grants - other	99,067	80,338	5,815	86,153	185,220	164,614	
Total contributions and grants	159,454	80,338	5,815	86,153	245,607	176,185	
Project fees and other income	48,449			-	48,449	56,732	
Interest income	5,627	527	1	528	6,155	3,793	
Investment income, net	9,351	2,854		2,854	12,205	8,554	
Change in value of land holdings	603			-	603	(215)	
Allowance for uncollectible grants and restricted grants returned to donor		14		14	14	(627)	
Total revenues and additions	223,484	83,733	5,816	89,549	313,033	244,422	
Net assets released from restrictions	82,928	(82,928)		(82,928)	-	-	
Total revenues	306,412	805	5,816	6,621	313,033	244,422	
Expenses and Reductions to Net Assets:							
Program services:							
Contributions of land and easements to public agencies and other nonprofit organizations:							
Fair market value conveyed	296,149			-	296,149	170,534	
Less consideration received	(155,266)			-	(155,266)	(112,575)	
Contributions of land and easement values made	140,883			-	140,883	57,959	
Open space and park programs	98,181			-	98,181	101,305	
Total program services	239,064	-	-	-	239,064	159,264	
Support services:							
Development	19,666			-	19,666	18,699	
Management and support services	23,926			-	23,926	20,537	
Total support services	43,592	-	-	-	43,592	39,236	
Total expenses	282,656	-	-	-	282,656	198,500	
Change in Net Assets from Operations	23,756	805	5,816	6,621	30,377	45,922	
Other Change in Net Assets:							
Gain on sale of property and equipment				-	-	421	
Total other change in net assets	-	-	-	-	-	421	
Change in Net Assets	23,756	805	5,816	6,621	30,377	46,343	
Net Assets, beginning of year	53,519	148,796	30,684	179,480	232,999	186,656	
Net Assets, end of year	\$ 77,275	\$ 149,601	\$ 36,500	\$ 186,101	\$ 263,376	\$ 232,999	

See accompanying notes to the financial statements.

The Trust for Public Land

Statement of Functional Expenses (dollars in thousands)

Year Ended June 30, 2025 (with comparative totals for 2024)

	2025			Total	2024 Total
	Program Services	Development	Management and Support Services		
Contributions of Land and Easement Values Made, net	\$ 140,883			\$ 140,883	\$ 57,959
Other Operating Expenses:					
Salaries and benefits	30,737	\$ 14,059	\$ 14,249	59,045	52,517
Design and construction services	38,603			38,603	52,535
Grants and contributions	10,619	25	66	10,710	4,365
Other professional services	6,634	2,518	5,710	14,862	12,647
Rent and office	3,458	1,581	1,603	6,642	5,880
Other operating expenses	1,358	351		1,709	2,017
Travel and meetings	1,397	824	1,075	3,296	3,502
Interest	3,220			3,220	3,216
Furniture, fixtures and equipment	169	45	844	1,058	1,114
Appraisal services	1,267			1,267	1,591
Insurance	576	263	267	1,106	982
Legal services	143		112	255	175
Total other operating expenses	98,181	19,666	23,926	141,773	140,541
Total expenses	\$ 239,064	\$ 19,666	\$ 23,926	\$ 282,656	\$ 198,500

See accompanying notes to the financial statements.

The Trust for Public Land

Statement of Cash Flows (dollars in thousands)

<i>Year Ended June 30, 2025 (with comparative totals for 2024)</i>	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	\$ 30,377	\$ 46,343
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Fair market value of land and easements acquired	(288,795)	(179,997)
Change in value of land holdings	(603)	215
Net realized and unrealized gains on investments	(12,205)	(8,554)
Imputed interest contribution, net of expense	93	1,126
Contribution revenue from debt forgiveness		10
Fair market value of land and easements conveyed to public agencies and other nonprofit organizations	296,149	170,534
Fair market value of land sold to private parties		6
Contributions with perpetual donor restrictions, net of amounts returned	(5,565)	(1,757)
Depreciation and amortization	68	73
Amortization of operating lease assets	2,772	2,351
Contributed stock	(2,678)	(8,954)
Allowance for uncollectible grants and contribution receivables	(401)	264
Gain on sale of property and equipment		(421)
Changes in operating assets and liabilities:		
Government grants, contracts and escrow receivables, net	10,486	(7,072)
Contributions receivable	5,444	(11,108)
Deposits on land transactions	474	(777)
Charitable trust assets	(1,600)	(10,821)
Other assets	(110)	(617)
Accounts payable and accrued expenses	(259)	7,085
Option payments received	4,560	(100)
Refundable advances	(16,273)	16,845
Mitigation advances	126	(46)
Operating lease liabilities	(2,649)	(2,337)
Liabilities to beneficiaries of charitable trusts and annuities	(118)	7,535
Net cash provided by operating activities	19,293	19,826
Cash Flows from Investing Activities:		
Proceeds from maturity and sales of investments	48,801	99,760
Purchases of investments	(79,546)	(106,700)
Payments received from notes receivable	4,000	
Issuance of notes receivable	(5,025)	
Acquisitions of property and equipment		(42)
Proceeds from sale of property and equipment		421
Net cash used by investing activities	(31,770)	(6,561)
Cash Flows from Financing Activities:		
Proceeds from borrowings for land acquisitions	72,479	26,704
Repayment of borrowings for land acquisitions	(55,556)	(32,294)
Receipts of perpetual donor restricted contributions, net of amounts returned	5,565	1,757
Net cash provided (used) by financing activities	22,488	(3,833)
Net Change in Cash and Cash Equivalents	10,011	9,432
Cash and Cash Equivalents, beginning of year	31,261	21,829
Cash and Cash Equivalents, end of year	\$ 41,272	\$ 31,261
Supplementary Disclosure of Cash Activities:		
Interest paid during the year	\$ 1,815	\$ 1,892
Supplementary Disclosure of Non-Cash Activities:		
Operating lease assets financed by lease liabilities	\$ 3,382	\$ 1,317

See accompanying notes to the financial statements.

The Trust for Public Land

Notes to the Financial Statements

Note 1 - General:

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

Note 2 - Summary of Significant Accounting Policies:

Basis of Presentation and Description of Net Assets

TPL prepares its financial statements using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). TPL 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. TPL'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, 2025 and 2024 are approximately \$17,302,000 and \$14,920,000, respectively. These amounts include \$500,000 of funds that are designated by the Board for conservation easement and fee land stewardship and defense.

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

TPL maintains certain revolving funds to be used primarily for direct land acquisition. These funds may be included in either Net Assets Without Donor Restrictions (Board-designated) or Net Assets With Donor Restrictions (available either for perpetual investment in projects or use on projects but subject to repayment). Revolving funds are generally restricted to certain geographical areas or types of land.

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Notes to the Financial Statements

Revenue Recognition

All contributions and grants, whether or not restricted, are recognized as revenue at fair value when received or unconditionally promised to TPL. TPL liquidates contributions of financial assets immediately. TPL 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 Statement of Activities and Changes in Net Assets as net assets released from restrictions. Landowner donations with donor restrictions are reported as support without donor restrictions when the conservation purpose is achieved at the same time as the contributions are received.

Conditional promises to give are not recorded as contribution revenue until the conditions are substantially met (see Note 14).

TPL 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 TPL 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.

Use of Estimates

The preparation of 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates included in TPL's financial statements are the fair value of investments, land holdings and contributions of land and easements, allowance for uncollectible receivables, and charitable trust assets and liabilities. Actual results could differ from those estimates.

The Trust for Public Land

Notes to the Financial Statements

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.

TPL 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 TPL'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.

Cash and Cash Equivalents

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

Investments

Investments are carried at estimated fair value on the accompanying 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 Statement of Activities and Changes in Net Assets in the period such fluctuations occur. Dividend and interest income are accrued when earned.

Government Grants, Contracts and Escrow Receivables

TPL 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.

Grants and contracts receivables are carried at the original invoice amount less an estimate for credit losses, based on a review of all outstanding amounts on a regular basis. TPL makes provisions for credit losses at the time the financial asset is originated or acquired. TPL makes judgments as to its ability to collect outstanding receivables and provides allowances when collection becomes doubtful. Provisions are reviewed regularly, taking into consideration the individual receivables, financial condition, as well as overall current economic conditions and reasonable and supportable forecasts. Government grants, contracts and escrow receivables are reported net of an allowance for credit losses of approximately \$1,149,000 and \$1,890,000 as of June 30, 2025 and 2024, respectively.

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Notes to the Financial Statements

Activity related to the allowance for credit losses was as follows (in thousands):

Balance - June 30, 2024	\$	1,890
Provision for expected credit losses		322
Charge-offs		(300)
Recoveries		(763)
<hr/>		
Balance - June 30, 2025	\$	1,149

Contributions Receivable

Contributions receivable represent amounts unconditionally committed by donors, foundations and agencies that have not been received by TPL. 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.

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

Notes Receivable

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

TPL estimates the allowance for credit losses on an annual basis based on past collection experience, financial condition, as well as overall current economic conditions and reasonable and supportable forecasts. No provision was considered necessary at June 30, 2025. Notes receivable of \$5,025,000 at June 30, 2025 were due within one year.

Land Holdings

TPL 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 TPL or on appraised values determined or adopted by public agencies.

The Trust for Public Land

Notes to the Financial Statements

- Where a current appraisal is available from a professionally qualified independent appraiser retained by a third party, such value may be adopted when TPL is satisfied that the appraisal is reasonable.
- Where neither of the foregoing sources is readily available, TPL 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 TPL 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.

TPL 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. There was no impairment in the value of land holdings for the years ended June 30, 2025 and 2024.

Easements

Easements acquired by TPL are conservation easements and represent numerous restrictions over the use and development of land not owned by TPL. 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, 2025 and 2024, easements valued at approximately \$94,289,000 and \$51,489,000 were acquired and \$86,577,000 and \$53,826,000 conveyed.

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 2.

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Notes to the Financial Statements

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, which range from 5 to 15 years.

Leases

TPL determines whether an arrangement is or includes a lease and categorizes leases as either operating or finance leases at their commencement. TPL does not have any financing leases. Operating right-of-use lease assets represent TPL's right to use an underlying asset during the lease term and operating lease liabilities represent TPL's obligation to make payments arising from the lease. Operating leases are recorded in operating lease assets and operating lease liabilities on the Statement of Financial Position.

Operating right-of-use lease assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The discount rate used to derive the present value is based on the rate implicit in the lease or, in absence of a rate implicit in the lease, a risk-free rate which is aligned with the lease term at the lease commencement date. Renewal periods are included in calculating the right-of-use assets and liabilities when they are reasonably certain of exercise. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. TPL made an accounting policy election not to recognize lease assets and liabilities for leases with a term of 12 months or less.

Option Payments Received

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

Mitigation Advances

Mitigation advances include cash received by TPL 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 TPL's conservation mission, the advances are recorded as project fees and other income at the time the funds are used to support a TPL project. Until such time as TPL or another organization utilizes the funds, mitigation advances are reflected as a liability on the accompanying Statement of Financial Position.

Notes Payable

Notes payable are carried at cost less discount, if any. TPL imputes interest on below-market interest bearing notes with a maturity date of more than one year. TPL 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.

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Notes to the Financial Statements

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 TPL is both trustee and a secondary beneficiary (see Note 6). In periods subsequent to initial recognition, TPL 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 6.70% to 7.58% 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.

Tax Exempt Status

TPL is a publicly supported, tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and a similar section under the California Revenue and Taxation Code. Contributions to TPL are deductible as allowed under Section 170(b)(1)(A)(vi) of the Code.

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

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 TPL’s management.

Subsequent Events

TPL has evaluated subsequent events from June 30, 2025 through December 16, 2025, 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

Notes to the 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:

<i>(Dollars in thousands)</i>	2025	2024
Mutual funds - domestic stocks	\$ 13,653	\$ 13,711
Mutual funds - international stocks	9,622	5,478
Mutual funds - domestic bonds	30,331	15,105
Equity securities	69,159	52,891
Debt securities:		
U.S. Treasury	21,802	12,402
U.S. government agency	10	498
Mortgage backed	149	305
Asset backed	742	2,485
Corporate	12,090	8,829
Municipal	3,910	4,136
Total investments	\$ 161,468	\$ 115,840

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Notes to the 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)	2025			
	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds - domestic stocks	\$ 13,653			\$ 13,653
Mutual funds - international stocks	9,622			9,622
Mutual funds - domestic bonds	30,331			30,331
Equity securities	69,159			69,159
Debt securities:				
U.S. Treasury	21,802			21,802
U.S. government agency		\$ 10		10
Mortgage backed		149		149
Asset backed		742		742
Corporate		12,090		12,090
Municipal		3,910		3,910
Charitable Trust Investments (Held by TPL)				
(Note 6)				
Cash and cash equivalents	508			508
Mutual funds - domestic stocks	30,890			30,890
Mutual funds - international stocks	12,369			12,369
Mutual funds - domestic real estate	2,464			2,464
Mutual funds - international real estate	569			569
Mutual funds - domestic bonds	17,285			17,285
Mutual funds - international bonds	1,397			1,397
Mutual funds - balanced	1,625			1,625
U.S. Treasury notes	385			385
Charitable Trust Receivable (Outside Trusts)				
(Note 6)				
			\$ 5,386	5,386
Total	\$ 212,059	\$ 16,901	\$ 5,386	\$ 234,346

The Trust for Public Land

Notes to the Financial Statements

<i>(Dollars in thousands)</i>	2024			
	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds - domestic stocks	\$ 13,711			\$ 13,711
Mutual funds - international stocks	5,478			5,478
Mutual funds - domestic bonds	15,105			15,105
Equity securities	52,891			52,891
Debt securities:				
U.S. Treasury	12,402			12,402
U.S. government agency		\$ 498		498
Mortgage backed		305		305
Asset backed		2,485		2,485
Corporate		8,829		8,829
Municipal		4,136		4,136
Charitable Trust Investments (Held by TPL) (Note 6)				
Cash and cash equivalents	485			485
Mutual funds - domestic stocks	24,666			24,666
Mutual funds - international stocks	10,794			10,794
Mutual funds - domestic real estate	1,643			1,643
Mutual funds - international real estate	810			810
Mutual funds - domestic bonds	15,175			15,175
Mutual funds - international bonds	1,029			1,029
Mutual funds - balanced	1,581			1,581
U.S. Treasury notes	373			373
Charitable Trust Receivable (Outside Trusts) (Note 6)				
			\$ 14,722	14,722
Total	\$ 156,143	\$ 16,253	\$ 14,722	\$ 187,118

The Trust for Public Land

Notes to the Financial Statements

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

		Charitable Trust Receivable (Outside Trustee)
Fair value at June 30, 2024	\$	14,722
Transferred to TPL as trustee		(9,557)
Total realized and unrealized gains		221
<hr/>		
Fair value at June 30, 2025	\$	5,386

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

Note 4 - Contributions Receivable:

Contributions receivable are due as follows as of June 30:

<i>(Dollars in thousands)</i>	2025	2024
Less than one year	\$ 16,339	\$ 23,970
One to five years (net of discounts of \$1,050 and \$571)	5,327	3,099
Greater than five years (net of discount of \$0 and \$18)	6	84
<hr/>		
Subtotal	21,672	27,153
Less allowance for uncollectible amounts	(594)	(643)
<hr/>		
Net contributions receivable	\$ 21,078	\$ 26,510

Note 5 - Land Holdings:

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

The Trust for Public Land

Notes to the Financial Statements

Net assets without donor restrictions and net assets with donor restrictions include donations of land received by TPL. These donations are realized from outright donations of land to TPL, as well as from transactions where the fair market value of land received exceeds the cost of land acquired. At June 30, 2025, the fair market value of land acquired and held exceeded the consideration paid for these land holdings by \$13,604,244. At June 30, 2024, the fair market value of land acquired and held exceeded the consideration paid for these land holdings by \$1,746,622.

In line with its mission, TPL 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, 2025 and 2024, with the exception of properties accounted for using the deposit method, TPL had no legal obligations to third parties to convey land holdings.

As part of its normal operations, TPL was involved in various stages of negotiation for the purchase of real property at June 30, 2025 and 2024. 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, TPL 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 TPL to carry out its conservation work. There were no such properties included in land holdings as of June 30, 2025 and 2024.

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:

<i>(Dollars in thousands)</i>	2025	2024
Charitable remainder unitrust - TPL as trustee	\$ 63,768	\$ 52,427
Charitable remainder unitrust - outside trustee	5,386	14,722
Charitable remainder annuity trusts - TPL as trustee	597	582
Charitable gift annuities	3,118	3,470
Pooled income funds	9	77
Charitable assets	\$ 72,878	\$ 71,278

The Trust for Public Land

Notes to the 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 TPL 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, 2025 and 2024, liabilities to beneficiaries of charitable trusts and annuities approximate \$38,818,000 and \$38,936,000.

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:

<i>(Dollars in thousands)</i>	2025	2024
Charitable Trust Investments - Held by TPL		
Cash and cash equivalents	\$ 508	\$ 485
Mutual funds - domestic stocks	30,890	24,666
Mutual funds - international stocks	12,369	10,794
Mutual funds - domestic real estate	2,464	1,643
Mutual funds - international real estate	569	810
Mutual funds - domestic bonds	17,285	15,175
Mutual funds - international bonds	1,397	1,029
Mutual funds - balanced	1,625	1,581
U.S. treasury notes	385	373
Charitable Trust Receivable - Outside trustee	5,386	14,722
Charitable trust assets	\$ 72,878	\$ 71,278

The Trust for Public Land

Notes to the Financial Statements

Note 7 - Property, Furniture and Equipment:

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

<i>(Dollars in thousands)</i>	2025	2024
Buildings and leasehold improvements	\$ 733	\$ 761
Furniture and fixtures	357	357
Office equipment	1,446	1,446
Total	2,536	2,564
Less accumulated depreciation and amortization	(2,376)	(2,336)
Property, furniture and equipment, net	\$ 160	\$ 228

Note 8 - Notes Payable:

At June 30, 2025, TPL 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 (7.50% at June 30, 2025), or an optional 1, 3 or 6-month fixed rate based on applicable Secured Overnight Financing Rate (SOFR) plus 1.60% (5.91% at June 30, 2025). Additionally, the line incurs an unused commitment fee of 0.5%. The line requires annual renewal and currently expires on March 27, 2026. At June 30, 2025 and 2024, approximately \$23,543,000 and \$15,184,000 of this line of credit was being utilized.

The second unsecured bank line of credit of \$20,000,000 bears interest at either a variable rate of applicable SOFR plus 1.50% (5.81% at June 30, 2025), or an optional variable rate of prime rate minus 1.00% (6.50% at June 30, 2025). The line requires annual renewal and currently expires on March 31, 2026. It bears an unused commitment fee of 0.75%. At June 30, 2025 and 2024, approximately \$5,000,000 and \$5,483,000 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.

The Trust for Public Land

Notes to the Financial Statements

Notes payable (and current terms) as of June 30:

<i>(Dollars in thousands)</i>	2025	2024
Banks (5.81% to 7.5% interest with maturities through April 2024 through June 2026)	\$ 28,543	\$ 20,667
Living Trust and Foundations (0% to 2% interest with maturities through October 2029)	23,125	20,219
Other Financial Services (0% to 6.13% interest with maturities through December 2029)	23,750	17,516
Total notes payable	\$ 75,418	\$ 58,402

Payments on the notes payable are due as follows as of June 30, 2025:

Year Ending	<i>(Dollars in thousands)</i>
June 30:	
2026	\$ 28,543
2027	-
2028	17,009
2029	4,127
2030	25,739
	\$ 75,418

At June 30, 2025 and 2024, notes payable included approximately \$39,956,000 and \$35,902,000, respectively, in recourse loans and \$35,462,000 and \$22,500,000, respectively, in non-recourse loans. All recourse loans are unsecured. Certain of these loan agreements have debt covenants including minimum cash requirements, liability ratios, and limits on pledged collateral. As of June 30, 2025, management believes TPL was in compliance with the terms of such debt covenants. Interest expense was approximately \$3,220,000 and \$3,216,000 for the years ended June 30, 2025 and 2024, respectively.

The Trust for Public Land

Notes to the Financial Statements

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

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

<i>(Dollars in thousands)</i>	2025	2024
Time and purpose restrictions:		
Restricted for project and program expenses	\$ 70,480	\$ 54,400
Restricted for acquisition of land	28,781	40,090
With time restrictions	50,340	54,306
<hr/>		
Total time and purpose restrictions	149,601	148,796
<hr/>		
Perpetual restrictions:		
Capital revolving funds	7,941	7,940
Endowment funds - income with time and purpose restrictions	23,857	18,292
Future interest in charitable trust	4,702	4,452
<hr/>		
Total perpetual restrictions	36,500	30,684
<hr/>		
Total net assets with donor restrictions	\$ 186,101	\$ 179,480

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

<i>(Dollars in thousands)</i>	2025	2024
Restricted for project and program expenses	\$ 65,110	\$ 62,165
Restricted for acquisition of land	17,818	9,380
<hr/>		
Total net assets released from restrictions	\$ 82,928	\$ 71,545

Note 10 - Endowment Funds:

Relevant Law and Standards

The State of California adopted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as its State Prudent Management of Institutional Funds Act (SPMIFA).

The Trust for Public Land

Notes to the Financial Statements

Interpretation of Relevant Law

The Board of Directors of TPL 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, TPL 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, TPL considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the funds
- the purpose of TPL 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 TPL
- the investment policies of TPL

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 TPL 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

Notes to the Financial Statements

Endowment Investment and Spending Policies

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

TPL appropriated \$676,000 and \$622,000 for distribution in the years ended June 30, 2025 and 2024, 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"). TPL currently has no such deficiencies in its endowment funds.

The Trust for Public Land

Notes to the Financial Statements

Endowment net assets composition by type of fund as of June 30, 2025 was:

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	Perpetual	Total
Donor-restricted endowment funds		\$ 6,768	\$ 23,857	\$ 30,625
Board-designated funds	\$ 16,802			16,802
Endowment funds	\$ 16,802	\$ 6,768	\$ 23,857	\$ 47,427

Changes in endowment net assets were as follows for the years ended June 30, 2025 and 2024:

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	Perpetual	Total
Endowment net assets, June 30, 2023	\$ 10,813	\$ 2,567	\$ 16,535	\$ 29,915
Contributions	2,663		1,757	4,420
Interest and dividends, net of expense	204	391		595
Realized gains	364	801		1,165
Unrealized gains	672	1,010		1,682
Appropriations	(296)	(622)		(918)
Endowment net assets, June 30, 2024	14,420	4,147	18,292	36,859
Contributions	980		5,565	6,545
Interest and dividends, net of expense	284	443		727
Realized gains	266	736		1,002
Unrealized gains	1,197	2,118		3,315
Appropriations	(345)	(676)		(1,021)
Endowment net assets, June 30, 2025	\$ 16,802	\$ 6,768	\$ 23,857	\$ 47,427

The Trust for Public Land

Notes to the Financial Statements

TPL's endowment funds amount to \$47,427,000 and \$36,859,000 as of June 30, 2025 and 2024, respectively. TPL's endowment funds include \$2,564,000 and \$3,322,000 in pledges receivable as of June 30, 2025 and 2024, respectively.

Note 11 - Project Fees and Other Income:

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

<i>(Dollars in thousands)</i>	2025	2024
Project reimbursements	\$ 35,842	\$ 47,966
Landowner fees	6,138	2,364
Contract revenue	5,771	5,539
Mitigation funding	39	46
Rents	506	621
Other sources, net	153	196
Total project fees and other income	\$ 48,449	\$ 56,732

Project fees and other income also include the gains from the sale of non-conservation properties on the open market. There were no open market sales for the year ended June 30, 2025. Open market sales for the year ended June 30, 2024 were approximately \$6,000. There was a loss of approximately \$171 associated with these open market sales during the year ended June 30, 2024, and are included above as other sources.

Note 12 - Leases:

TPL leases office space for the operation of a national headquarters office, and twenty four field or project offices. Lease commitments expire at various dates through January 31, 2032. Lease costs were approximately \$3,396,000 and \$3,198,000 for the years ended June 30, 2025 and 2024, respectively.

The Trust for Public Land

Notes to the Financial Statements

Maturities of the operating lease liabilities were as follows as of June 30, 2025:

Year Ending		(Dollars in thousands)
June 30:		
2026	\$	2,867
2027		2,839
2028		2,400
2029		1,679
2030		1,407
Thereafter		1,181
<hr/>		
Total lease payments		12,373
Less discount to present value		(1,802)
<hr/>		
Present value of lease liabilities	\$	10,571

The weighted average remaining lease term as of June 30, 2025 was approximately 3.72 years. The weighted average discount rate as of June 30, 2025 was approximately 5.57%.

Note 13 - Commitments and Contingencies:

Contract Commitments

TPL had future construction contract commitments for parks and playgrounds of approximately \$13,886,000 and \$8,655,000 as of June 30, 2025 and 2024, respectively. TPL 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

TPL 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 TPL.

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

The Trust for Public Land

Notes to the Financial Statements

Note 14 - Conditional Promises to Give:

TPL had received the following conditional promises to give that are not recognized as contribution revenue in the accompanying financial statements as of June 30:

<i>(Dollars in thousands)</i>	2025	2024
Conditional promises to give upon identification of land holdings available for acquisition	\$ 2,510	\$ 5,252
Conditional promises to give upon obtaining matching unconditional promises to give	3,622	5,822
Other conditional promises to give	2,632	4,931
Total conditional promises to give	\$ 8,764	\$ 16,005

Note 15 - Retirement Plan:

TPL 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 TPL provides matching employer contributions for eligible employees who contribute a certain minimum percentage of their compensation. TPL contributed approximately \$2,764,000 and \$2,351,000 to the Plan during the years ended June 30, 2025 and 2024, respectively.

Note 16 - Concentration of Credit Risk:

Financial instruments that potentially subject TPL to credit risk consist primarily of cash equivalents, investments, federal grants, contracts and escrow receivables, contributions receivable, and notes receivable. TPL maintains cash equivalents and investments with commercial banks and other major financial institutions. TPL 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, 2025, approximately 50% of government grants and contracts receivables are due from two organizations and approximately 52% of contributions receivable are due from two donors.

The Trust for Public Land

Notes to the Financial Statements

Note 17 - Availability of Financial Assets and Liquidity:

TPL's financial assets available for general expenditures are as follows at June 30:

<i>(Dollars in thousands)</i>	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 41,272	\$ 31,261
Investments	161,468	115,840
Government grants, contracts and escrow receivables, net	18,278	28,375
Contributions Receivable, net	21,078	26,510
Notes receivable	5,025	4,000
Charitable trust assets	72,878	71,278
<hr/>		
Total financial assets	319,999	277,264
<hr/>		
Less amounts not available to be used within one year:		
Charitable trust liabilities	(38,818)	(38,936)
Board-designated net assets	(17,302)	(14,920)
Net assets with donor restrictions	(186,101)	(179,480)
Plus net assets with donor restrictions to be met within one year	65,225	76,557
<hr/>		
	(176,996)	(156,779)
<hr/>		
Financial assets available to meet general expenditures within one year	\$ 143,003	\$ 120,485

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).