

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

JUNE 30, 2023

INDEPENDENT AUDITORS' REPORT,
CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

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

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

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A Century Strong

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of **THE TRUST FOR PUBLIC LAND and its Affiliate (Not-for-Profit Corporations) (collectively, the Trust for Public Land)**, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Trust for Public Land as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited the Trust for Public Land's June 30, 2022 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated December 19, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 31 and 32 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 20, 2023

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

Consolidated Statement of Financial Position
(dollars in thousands)

<i>June 30, 2023 (with comparative totals for 2022)</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 21,829	\$ 62,904
Investments	91,392	85,371
Government grants, contracts and escrow receivables, net	21,316	17,699
Contributions receivable, net	15,653	21,860
Notes receivable	4,000	
Deposits on land transactions	1,541	1,737
Land holdings	96,380	58,257
Charitable trust assets	60,457	59,063
Property, furniture and equipment, net	259	276
Operating lease assets	10,196	
Other assets	1,327	1,037
Total assets	\$ 324,350	\$ 308,204
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 19,376	\$ 15,958
Payments on conditional promises to give		49,979
Option payments received	300	3,000
Refundable advances	12,378	6,061
Mitigation advances	525	225
Notes payable	62,856	22,570
Operating lease liabilities	10,858	
Liabilities to beneficiaries of charitable trusts	29,072	29,284
Liabilities to beneficiaries of charitable annuities	2,329	2,135
Total liabilities	137,694	129,212
Net Assets:		
Without donor restrictions	36,843	35,752
With donor restrictions:		
Time and purpose	121,077	115,729
Perpetual restrictions	28,736	27,511
Total net assets with donor restrictions	149,813	143,240
Total net assets	186,656	178,992
Total liabilities and net assets	\$ 324,350	\$ 308,204

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, 2023 (with comparative totals for 2022)

	2023					2022 Total
	Without Donor Restrictions	With Donor Restrictions			Total	
		Time and Purpose	Perpetual Restrictions	Total		
Revenues and Additions to Net Assets:						
Contributions of land and easements:						
Fair market value acquired	\$ 339,744	\$ 17,260		\$ 17,260	\$ 357,004	\$ 164,677
Less consideration paid	(302,664)			-	(302,664)	(131,677)
Contributions of land and easement values received	37,080	17,260		17,260	54,340	33,000
Contributions and grants - other:						
Contributions and grants	81,983	112,635	\$ 1,205	113,840	195,823	122,694
Future interests in charitable trusts	102	1,543	20	1,563	1,665	(3,951)
Change in value of interests in charitable trusts				-	-	-
Total contributions and grants - other	82,085	114,178	1,225	115,403	197,488	118,743
Total contributions and grants	119,165	131,438	1,225	132,663	251,828	151,743
Project fees and other income	42,293			-	42,293	32,639
Interest income	4,049	696		696	4,745	3,279
Investment income (loss), net	1,080	583		583	1,663	(11,074)
Change in value of land holdings	1			-	1	232
Allowance for uncollectible grants and restricted grants returned to donor		90		90	90	(1,292)
Total revenues and additions	166,588	132,807	1,225	134,032	300,620	175,527
Net assets released from restrictions	127,459	(127,459)		(127,459)	-	-
Total revenues	294,047	5,348	1,225	6,573	300,620	175,527
Expenses and Reductions to Net Assets:						
Program services:						
Contributions of land and easements to public agencies and other nonprofit organizations:						
Fair market value conveyed	318,874			-	318,874	145,152
Less consideration received	(142,814)			-	(142,814)	(78,757)
Contributions of land and easement values made	176,060			-	176,060	66,395
Open space and park programs	80,862			-	80,862	73,574
Total program services	256,922	-	-	-	256,922	139,969
Support services:						
Development	16,890			-	16,890	14,941
Management and support services	19,144			-	19,144	17,062
Total support services	36,034	-	-	-	36,034	32,003
Total expenses	292,956	-	-	-	292,956	171,972
Change in Net Assets from Operations	1,091	5,348	1,225	6,573	7,664	3,555
Other Change in Net Assets:						
Gain on sale of property and equipment				-	-	5,575
Total other change in net assets	-	-	-	-	-	5,575
Change in Net Assets	1,091	5,348	1,225	6,573	7,664	9,130
Net Assets, beginning of year	35,752	115,729	27,511	143,240	178,992	169,862
Net Assets, end of year	\$ 36,843	\$ 121,077	\$ 28,736	\$ 149,813	\$ 186,656	\$ 178,992

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, 2023 (with comparative totals for 2022)

	2023				2022 Total
	Program Services	Development	Management and Support Services	Total	
Contributions of Land and Easement Values Made, net	\$ 176,060			\$ 176,060	\$ 66,395
Other Operating Expenses:					
Salaries and benefits	25,032	\$ 11,796	\$ 11,691	48,519	42,283
Design and construction services	31,965	7		31,972	31,137
Grants and contributions	5,983	102	38	6,123	7,981
Other professional services	7,436	1,665	3,646	12,747	11,457
Rent and office	3,358	1,589	1,573	6,520	6,468
Other operating expenses	1,197	366	130	1,693	1,402
Travel and meetings	1,227	1,123	833	3,183	1,368
Interest	2,753			2,753	479
Furniture, fixtures and equipment	51	10	881	942	854
Appraisal services	1,075			1,075	1,008
Insurance	490	232	230	952	708
Legal services	295		122	417	432
Total other operating expenses	80,862	16,890	19,144	116,896	105,577
Total expenses	\$ 256,922	\$ 16,890	\$ 19,144	\$ 292,956	\$ 171,972

See accompanying notes to the consolidated financial statements.

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

Consolidated Statement of Cash Flows
(dollars in thousands)

<i>Year Ended June 30, 2023 (with comparative totals for 2022)</i>	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	\$ 7,664	\$ 9,130
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Fair market value of land and easements acquired	(357,004)	(164,677)
Change in value of land holdings	(1)	(232)
Net realized and unrealized (gains) losses on investments	(1,663)	11,074
Imputed interest contribution, net of expense	(5,077)	(399)
Fair market value of land and easements conveyed to public agencies and other nonprofit organizations	318,874	145,152
Fair market value of land sold to private parties	8	1,899
Contributions with perpetual donor restrictions, net of amounts returned	(1,205)	(97)
Depreciation and amortization	133	136
Amortization of operating lease assets	1,214	
Contributed stock	(3,223)	(3,621)
Allowance for uncollectible grants and contribution receivables	(617)	(25)
Gain on sale of property and equipment		(5,575)
Changes in operating assets and liabilities:		
Government grants, contracts and escrow receivables, net	(3,091)	(6,159)
Contributions receivable	6,298	(7,457)
Deposits on land transactions	196	(258)
Charitable trust assets	(1,394)	11,318
Other assets	(290)	(60)
Accounts payable and accrued expenses	3,418	968
Payments on conditional promises to give	(49,979)	3,096
Option payments received	(2,700)	3,000
Refundable advances	6,317	1,985
Mitigation advances	300	
Operating lease liabilities	(552)	
Liabilities to beneficiaries of charitable trusts and annuities	(18)	(7,254)
Net cash used by operating activities	(82,392)	(8,056)
Cash Flows from Investing Activities:		
Proceeds from maturity and sales of investments	13,599	21,166
Purchases of investments	(14,734)	(21,121)
Issuance of notes receivable	(4,000)	
Acquisitions of property and equipment	(116)	(196)
Proceeds from sale of property and equipment		5,575
Net cash (used) provided by investing activities	(5,251)	5,424
Cash Flows from Financing Activities:		
Proceeds from borrowings for land acquisitions	104,614	36,223
Repayment of borrowings for land acquisitions	(59,251)	(25,017)
Receipts of perpetual donor restricted contributions, net of amounts returned	1,205	97
Net cash provided by financing activities	46,568	11,303
Net Change in Cash and Cash Equivalents	(41,075)	8,671
Cash and Cash Equivalents, beginning of year	62,904	54,233
Cash and Cash Equivalents, end of year	\$ 21,829	\$ 62,904
Supplementary Disclosure of Cash Activities:		
Interest paid during the year	\$ 1,976	\$ 490
Supplementary Disclosure of Non-Cash Activities:		
Operating lease assets financed by lease liabilities	\$ 11,410	

See accompanying notes to the consolidated financial statements.

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

Notes to the Consolidated Financial Statements

Note 1 - General:

The Trust for Public Land (TPL) and its affiliate, The Trust for Public Land Action Fund (TPLAF), (collectively, The Trust for Public Land), are charitable, not-for-profit corporations created to serve the public's need for open space preservation in metropolitan, rural and natural areas. The Trust for Public Land creates parks and protects land for people, ensuring healthy, livable communities for generations to come. TPLAF was dissolved during the year ended June 30, 2023.

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, 2023 and 2022. 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, 2023 and 2022 are approximately \$9,870,000 and \$9,110,000, respectively. These amounts include \$500,000 of funds that are designated by the Board for conservation easement and fee land stewardship and defense.

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

The Trust for Public Land and Affiliate

(Not-for-Profit Corporations)

Notes to the Consolidated Financial Statements

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

c. Revenue Recognition

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

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

The Trust for Public Land earns project fee and other income from a variety of sources, including contract revenues, mitigation funding for land conservation, project reimbursements, landowner fees, and rents (see Note 11). Project fee contract revenue is recorded as revenue over time as the work is performed and the customer consumes the benefits of the project services, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*. The timing for revenue recognition is based on an output measure, which is based on the value transferred to the customer to date. Mitigation funding and landowner fees are recognized at the point in time in which the Trust for Public Land fulfills the conservation purpose through land transactions.

Government grants are primarily cost reimbursement grants and are recognized when allowable costs have been incurred. Funds received in advance of when earned are held in refundable advances. Refundable advances are principally comprised of advances from government agencies for conveyance of land into public ownership. Government grants with donor restrictions are reported as support without donor restrictions when the conservation purpose is achieved at the same time as when the grants are received.

The Trust for Public Land and Affiliate

(Not-for-Profit Corporations)

Notes to the Consolidated Financial Statements

d. Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates included in the Trust for Public Land's consolidated financial statements are the fair value of investments, land holdings and contributions of land and easements, allowance for uncollectible receivables, and charitable trust assets and liabilities. Actual results could differ from those estimates.

e. Fair Value Measurements

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

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

f. Cash and Cash Equivalents

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

g. Investments

Investments are carried at estimated fair value on the accompanying Consolidated Statement of Financial Position. Stocks and mutual funds with readily determinable fair value are reported at estimated fair value based on quoted market prices. Debt securities and a leveraged loan fund are valued using observable market-based inputs or unobservable inputs that are corroborated by market data obtained from pricing services. Investments received through gifts are recorded at estimated fair value at the date of donation.

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

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

Notes to the Consolidated Financial Statements

h. Government Grants, Contracts and Escrow Receivables

The Trust for Public Land receives grants and contracts from federal, state, and local agencies to be used for open space development projects. Most amounts are expected to be received within the next fiscal year. Government grants, contracts and escrow receivables are reported net of an allowance of approximately \$3,156,000 and \$3,763,000 as of June 30, 2023 and 2022, respectively.

i. Contributions Receivable

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

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

j. Notes Receivable

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

The Trust for Public Land estimates the allowance for uncollectible notes on an annual basis based on the past collection experience and current conditions. Notes receivable of \$4,000,000 at June 30, 2023 were due within one year. There were no notes receivable at June 30, 2022.

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.

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

Notes to the 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, 2023 and 2022 in the amount of \$595,000 and \$89,000, 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, 2023 and 2022, easements valued at approximately \$49,171,000 and \$39,943,000 were acquired and \$52,165,000 and \$43,587,000 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 2s.

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

Notes to the 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. Leases

The Trust for Public Land determines whether an arrangement is or includes a lease and categorizes leases as either operating or finance leases at their commencement. The Trust for Public Land does not have any financing leases. Operating right-of-use lease assets represent the Trust for Public Land's right to use an underlying asset during the lease term and operating lease liabilities represent the Trust for Public Land's obligation to make payments arising from the lease. Operating leases are recorded in operating lease assets and operating lease liabilities on the Consolidated 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. The Trust for Public Land made an accounting policy election not to recognize lease assets and liabilities for leases with a term of 12 months or less.

p. 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.

q. 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.

The Trust for Public Land and Affiliate

(Not-for-Profit Corporations)

Notes to the Consolidated Financial Statements

r. 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.

s. Liabilities to Beneficiaries of Charitable Trusts and Annuities

At the time charitable trust assets are received, liabilities to beneficiaries of charitable trusts are recorded at fair value, based on the present value of liabilities due to primary beneficiaries and unrelated secondary beneficiaries of the irrevocable trusts for which the Trust for Public Land is both trustee and a secondary beneficiary (see Note 6). In periods subsequent to initial recognition, the Trust for Public Land amortizes the discount associated with the obligation and adjusts for changes in life expectancies.

The liabilities are actuarially determined by a third party actuarial specialist using investment returns consistent with the composition of the asset portfolios ranging from 6.70% 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.

t. 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 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. TPLAF was classified as a 501(c)(4) organization. Contributions to TPLAF were 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.

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

Notes to the Consolidated Financial Statements

u. 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.

v. Recent Accounting Pronouncements

Pronouncement Adopted

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees are 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 Trust for Public Land adopted this guidance as of July 1, 2022. The prior year information is presented in accordance with Topic 840, as permitted by the ASU. The Trust for Public Land made an accounting policy election available under Topic 842 not to recognize lease assets and liabilities for leases with a term of 12 months or less. The Trust for Public Land applied a package of practical expedients to its leases that commenced before the adoption date, electing not to reassess the following: (i) whether any expired or existing contracts contain leases; (ii) the lease classification for any expired or existing leases; and (iii) initial direct costs for any existing leases. Adoption of Topic 842 resulted in the recording of lease assets and lease liabilities related to the Trust for Public Land's operating leases of approximately \$6,302,000 and \$7,023,000, respectively, at July 1, 2022. The adoption of the new lease standard did not materially impact the change in net assets or cash flows.

w. Subsequent Events

The Trust for Public Land has evaluated subsequent events from June 30, 2023 through December 20, 2023, 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 the 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:

<i>(Dollars in thousands)</i>	2023	2022
Mutual funds – domestic stocks	\$ 16,898	\$ 14,884
Mutual funds – international stocks	10,590	9,536
Mutual funds – domestic real estate	4,767	4,554
Mutual funds – international real estate	2,263	2,160
Mutual funds – domestic bonds	11,121	10,551
Mutual funds – international bonds	2,428	2,278
Leveraged loan fund	14,635	13,197
Debt securities:		
U.S. Treasury	7,154	6,551
U.S. government agency	807	2,339
Mortgage backed	630	953
Asset backed	4,274	2,453
Corporate	12,238	11,054
Municipal	3,587	4,861
Total investments	\$ 91,392	\$ 85,371

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

Fair Value Measurement - Recurring Measurements

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

<i>(Dollars in thousands)</i>	2023			Total
	Level 1	Level 2	Level 3	
Investments				
Mutual funds – domestic stocks	\$ 16,898			\$ 16,898
Mutual funds – international stocks	10,590			10,590
Mutual funds – domestic real estate	4,767			4,767
Mutual funds – international real estate	2,263			2,263
Mutual funds – domestic bonds	11,121			11,121
Mutual funds – international bonds	2,428			2,428
Leveraged loan fund		\$ 14,635		14,635
Debt securities:				
U.S. Treasury	7,154			7,154
U.S. government agency		807		807
Mortgage backed		630		630
Asset backed		4,274		4,274
Corporate		12,238		12,238
Municipal		3,587		3,587
Charitable Trust Investments (Held by TPL) (Note 6)				
Cash and cash equivalents	465			465
Mutual funds – domestic stocks	24,301			24,301
Mutual funds – international stocks	10,432			10,432
Mutual funds – domestic real estate	1,583			1,583
Mutual funds – international real estate	742			742
Mutual funds – domestic bonds	14,086			14,086
Mutual funds – international bonds	1,013			1,013
Mutual funds – balanced	1,447			1,447
U.S. Treasury notes	340			340
Charitable Trust Receivable (Outside Trusts) (Note 6)			\$ 6,048	6,048
Total	\$ 109,630	\$ 36,171	\$ 6,048	\$ 151,849

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

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

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

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

	Charitable Trust Receivable (Outside Trustee)
Fair value at June 30, 2022	\$ 5,849
Total realized and unrealized gains	199
Fair value at June 30, 2023	\$ 6,048

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>	2023	2022
Less than one year	\$ 13,218	\$ 17,113
One to five years (net of discount of \$265 and \$374)	2,709	5,172
Greater than five years (net of discount of \$37 and \$59)	158	230
Subtotal	16,085	22,515
Less allowance for uncollectible amounts	(432)	(655)
Net contributions receivable	\$ 15,653	\$ 21,860

Note 5 - Land Holdings:

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

Net assets without donor restrictions and net assets with donor restrictions include donations of land received by the Trust for Public Land. These donations are realized from outright donations of land to the Trust for Public Land, as well as from transactions where the fair market value of land received exceeds the cost of land acquired. At June 30, 2023, the fair market value of land acquired and held exceeded the consideration paid for these land holdings by \$3,334,266. At June 30, 2022, the fair market value of land acquired and held exceeded the consideration paid for these land holdings by \$5,605,819.

The Trust for Public Land and Affiliate

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Notes to the Consolidated Financial Statements

In line with its mission, the Trust for Public Land intends to convey its land holdings into protective public and not-for-profit ownership. In many cases, land will be conveyed at a price less than fair market value, resulting in a contribution of land value to the grantee. At June 30, 2023 and 2022, 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, 2023 and 2022. 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, 2023 and 2022 was \$26,750 and \$26,750, 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:

<i>(Dollars in thousands)</i>	2023	2022
Charitable remainder unitrust - TPL as trustee	\$ 50,406	\$ 49,712
Charitable remainder unitrust - outside trustee	6,048	5,849
Charitable remainder annuity trusts - TPL as trustee	576	691
Charitable gift annuities	3,351	2,628
Pooled income funds	76	183
Charitable trust assets	\$ 60,457	\$ 59,063

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, 2023 and 2022, liabilities to beneficiaries of charitable trusts and annuities approximate \$31,401,000 and \$31,419,000.

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Notes to the Consolidated Financial Statements

The discounted remainder values of any new interests in charitable trusts are recorded as future interests in charitable trusts. Changes in life expectancies, investment income projections, and other actuarial assumptions are shown as a change in value of interests in charitable trusts.

Various states regulate the issuance of charitable gift annuities. In the State of California, charitable gift annuities are regulated by the Department of Insurance because an annuity is considered an insurance product. California has specific reserve and investment requirements, and it requires reserves to be held in a separate account. Management believes that it is in conformity with compliance requirements in California, and with all of those states where it has established gift annuities.

Charitable trust assets portfolio consisted of the following as of June 30:

<i>(Dollars in thousands)</i>	2023	2022
Charitable Trust Investments – Held by TPL:		
Cash and cash equivalents	\$ 465	\$ 682
Mutual funds – domestic stocks	24,301	23,048
Mutual funds – international stocks	10,432	10,142
Mutual funds – domestic real estate	1,583	1,579
Mutual funds – international real estate	742	746
Mutual funds – domestic bonds	14,086	14,311
Mutual funds – international bonds	1,013	943
Mutual funds – balanced	1,447	1,502
U.S. treasury notes	340	261
Charitable Trust Receivable – Outside trustee	6,048	5,849
Charitable trust assets	\$ 60,457	\$ 59,063

Note 7 - Property, Furniture and Equipment:

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

<i>(Dollars in thousands)</i>	2023	2022
Buildings and leasehold improvements	\$ 1,654	\$ 1,702
Furniture and fixtures	374	557
Office equipment	1,398	2,059
Total	3,426	4,318
Less accumulated depreciation and amortization	(3,167)	(4,042)
Property, furniture and equipment, net	\$ 259	\$ 276

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Notes to the Consolidated Financial Statements

Note 8 - Notes Payable:

At June 30, 2023, 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 (8.25% at June 30, 2023), or an optional 1, 3 or 6-month fixed rate based on applicable Secured Overnight Financing Rate (SOFR) plus 1.60% (6.65% at June 30, 2023). Additionally, the line incurs an unused commitment fee of 0.25%. The line requires annual renewal and currently expires on April 1, 2024. At June 30, 2023 and 2022, approximately \$21,759,000 and \$0 of this 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, 2023 and 2022.

The second unsecured bank line of credit of \$20,000,000 bears interest at either a variable rate of applicable SOFR plus 1.50% (6.55% at June 30, 2023), or an optional variable rate of prime rate minus 1.00% (7.25% at June 30, 2023). The line requires annual renewal and currently expires on March 31, 2024. It bears an unused commitment fee of 0.75%. At June 30, 2023 and 2022, approximately \$1,500,000 and \$0 of this line of credit was being utilized.

All of the above-mentioned borrowings are included in the table below as notes payable to banks.

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

<i>(Dollars in thousands)</i>	2023	2022
Banks (6.55% to 8.25% interest with maturities through April 2024)	\$ 23,259	
Living Trust and Foundations (0% to 3% interest with maturities through September 2028)	22,660	\$ 9,519
Other Financial Services (0% to 3% interest with maturities through December 2029)	16,937	13,051
Total notes payable	\$ 62,856	\$ 22,570

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Notes to the Consolidated Financial Statements

Payments on the notes payable are due as follows as of June 30, 2023:

Year Ending	<i>(Dollars in thousands)</i>
June 30:	
2024	\$ 30,240
2025	2,919
2026	6,449
2027	-
2028	5,640
Thereafter	17,608
	\$ 62,856

At June 30, 2023 and 2022, notes payable included approximately \$40,356,000 and \$12,859,000, respectively, in recourse loans and \$22,500,000 and \$9,711,000, 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, 2023, management believes the Trust for Public Land was in compliance with the terms of such debt covenants. Interest expense was approximately \$2,753,000 and \$479,000 for the years ended June 30, 2023 and 2022, respectively.

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>	2023	2022
Time and purpose restrictions:		
Restricted for project and program expenses	\$ 49,119	\$ 38,663
Restricted for acquisition of land	31,602	31,882
With time restrictions	40,356	45,184
	121,077	115,729
Perpetual restrictions:		
Capital revolving funds	7,939	7,939
Endowment funds - income with time and purpose restrictions	16,535	15,330
Future interest in charitable trust	4,262	4,242
	28,736	27,511
Total net assets with donor restrictions	\$ 149,813	\$ 143,240

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Notes to the Consolidated Financial Statements

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

<i>(Dollars in thousands)</i>	2023	2022
Restricted for project and program expenses	\$ 52,602	\$ 50,338
Restricted for acquisition of land	74,857	13,565
Total net assets released from restrictions	\$ 127,459	\$ 63,903

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

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Notes to the Consolidated Financial Statements

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.

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.

The Trust for Public Land appropriated \$568,000 and \$729,000 for distribution in the years ended June 30, 2023 and 2022, 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 the Consolidated Financial Statements

Endowment net assets composition by type of fund as of June 30, 2023 was:

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	Perpetual	Total
Donor-restricted endowment funds		\$ 2,567	\$ 16,535	\$ 19,102
Board-designated funds	\$ 10,813			10,813
Endowment funds	\$ 10,813	\$ 2,567	\$ 16,535	\$ 29,915

Changes in endowment net assets were as follows for the years ended June 30, 2023 and 2022:

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	Perpetual	Total
Endowment net assets, June 30, 2021	\$ 9,400	\$ 4,926	\$ 14,404	\$ 28,730
Contributions	1,492		926	2,418
Interest and dividends, net of expense	396	754		1,150
Realized gains	85	144		229
Unrealized losses	(1,792)	(3,388)		(5,180)
Appropriations	(235)	(494)		(729)
Endowment net assets, June 30, 2022	9,346	1,942	15,330	26,618
Contributions	1,139		1,205	2,344
Interest and dividends, net of expense	322	610		932
Realized gains		56		56
Unrealized gains	282	527		809
Appropriations	(276)	(568)		(844)
Endowment net assets, June 30, 2023	\$ 10,813	\$ 2,567	\$ 16,535	\$ 29,915

The Trust for Public Land's endowment funds amount to \$29,915,000 and \$26,618,000 as of June 30, 2023 and 2022, respectively. The Trust for Public Land's endowment funds include \$1,753,000 and \$2,606,000 in pledges receivable as of June 30, 2023 and 2022, respectively.

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Notes to the Consolidated Financial Statements

Note 11 - Project Fees and Other Income:

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

<i>(Dollars in thousands)</i>	2023	2022
Project reimbursements	\$ 28,921	\$ 25,692
Landowner fees	5,666	2,350
Contract revenue	5,528	3,728
Mitigation funding	675	
Rents	1,142	1,069
Other sources, net	361	(200)
Total project fees and other income	\$ 42,293	\$ 32,639

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, 2023 and 2022 were approximately \$6,000 and \$1,875,000, respectively. There was a loss of approximately \$3,000 and \$23,000 associated with these open market sales during the years ended June 30, 2023 and 2022, respectively, and are included above as other sources.

Note 12 - Leases:

The Trust for Public Land leases office space for the operation of a national headquarters office, and nineteen field or project offices. Lease commitments expire at various dates through January 31, 2032. Lease costs were approximately \$3,405,000 and \$3,863,000 for the years ended June 30, 2023 and 2022, respectively.

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Notes to the Consolidated Financial Statements

Maturities of the operating lease liabilities were as follows as of June 30, 2023:

Year Ending June 30:	<i>(Dollars in thousands)</i>
2024	\$ 2,838
2025	2,622
2026	1,939
2027	1,805
2028	1,368
Thereafter	2,240
<hr/>	
Total lease payments	12,812
Less discount to present value	(1,954)
<hr/>	
Present value of lease liabilities	\$ 10,858

The weighted average remaining lease term as of June 30, 2023 was approximately 5.57 years. The weighted average discount rate as of June 30, 2023 was approximately 6.11%

Note 13 - Commitments and Contingencies:

Contract Commitments

The Trust for Public Land had future construction contract commitments for parks and playgrounds of approximately \$13,905,000 and \$7,433,000 as of June 30, 2023 and 2022, respectively. The Trust for Public Land funds its park and playground work through cost reimbursement contracts and restricted operating grants.

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

Contingencies

The Trust for Public Land is a party to various litigation arising out of the normal conduct of its operations. Management believes the ultimate resolution of these matters will not materially affect the financial position, changes in net assets, or cash flows of the Trust for Public Land.

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

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Notes to the Consolidated Financial Statements

Note 14 - Conditional Promises to Give:

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

<i>(Dollars in thousands)</i>	2023	2022
Conditional promises to give upon identification of land holdings available for acquisition	\$ 9,773	\$ 60,428
Conditional promises to give upon obtaining matching unconditional promises to give	12,896	6,671
Other conditional promises to give	7,526	5,051
Total conditional promises to give	\$ 30,195	\$ 72,150

The Trust for Public Land has received payments on conditional promises to give in advance of meeting the conditions of approximately \$0 and \$49,979,000 as of June 30, 2023 and 2022, respectively. These payments have been recorded as a liability on the Consolidated Statement of Financial Position until such time as the conditions are met, at which time they will be recognized as revenue.

Note 15 - 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 \$2,103,000 and \$1,801,000 to the Plan during the years ended June 30, 2023 and 2022, respectively.

Note 16 - 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, 2023, approximately 37% of government grants, contracts and escrow receivables is due from one organization.

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Notes to the Consolidated Financial Statements

Note 17 - Availability of Financial Assets and Liquidity:

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

<i>(Dollars in thousands)</i>	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 21,829	\$ 62,904
Investments	91,392	85,371
Government grants, contracts and escrow receivables, net	21,316	17,699
Contributions receivable, net	15,653	21,860
Notes receivable	4,000	-
Charitable trust assets	60,457	59,063
Total financial assets	214,647	246,897
Less amounts not available to be used within one year:		
Long-term government grants, contracts and escrow receivables, net	(560)	-
Payments on conditional promises to give	-	(49,979)
Charitable trust liabilities	(31,401)	(31,419)
Board-designated net assets	(9,870)	(9,110)
Net assets with donor restrictions	(149,813)	(143,240)
Plus net assets with donor restrictions to be met within one year	72,090	53,261
	(119,554)	(180,487)
Financial assets available to meet general expenditures within one year	\$ 95,093	\$ 66,410

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

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

June 30, 2023 and 2022

	As of June 30, 2023				As of June 30, 2022			
	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	\$ 21,829			\$ 21,829	\$ 61,620	\$ 1,284		\$ 62,904
Investments	91,392			91,392	85,371			85,371
Govt. grants, contracts, & escrow receivables, net	21,316			21,316	18,285	213	\$ (799)	17,699
Contributions receivable, net	15,653			15,653	21,860			21,860
Notes receivable	4,000			4,000				-
Deposits on land transactions	1,541			1,541	1,737			1,737
Land holdings	96,380			96,380	58,257			58,257
Charitable trust assets	60,457			60,457	59,063			59,063
Property, furniture and equipment, net	259			259	276			276
Operating lease assets	10,196			10,196				-
Other assets	1,327			1,327	1,035	2		1,037
Investment in affiliate				-	678		(678)	-
Total assets	\$ 324,350	\$ -	\$ -	\$ 324,350	\$ 308,182	\$ 1,499	\$ (1,477)	\$ 308,204
Liabilities and Net Assets								
Liabilities:								
Accounts payable and accrued expenses	\$ 19,376			\$ 19,376	\$ 16,154	\$ 603	\$ (799)	\$ 15,958
Payments on conditional promises to give				-	49,979			49,979
Option payments received	300			300	3,000			3,000
Refundable advances	12,378			12,378	5,843	218		6,061
Mitigation advances	525			525	225			225
Notes payable	62,856			62,856	22,570			22,570
Operating lease liabilities	10,858			10,858				-
Liabilities to beneficiaries of charitable trusts	29,072			29,072	29,284			29,284
Liabilities to beneficiaries of charitable annuities	2,329			2,329	2,135			2,135
Total liabilities	137,694	-	-	137,694	129,190	821	(799)	129,212
Net Assets:								
Without donor restrictions	36,843			36,843	35,752	177	(177)	35,752
With donor restrictions:								
Time and purpose	121,077			121,077	115,729	501	(501)	115,729
Perpetual restrictions	28,736			28,736	27,511			27,511
Total net assets with donor restrictions	149,813	-	-	149,813	143,240	501	(501)	143,240
Total net assets	186,656	-	-	186,656	178,992	678	(678)	178,992
Total liabilities and net assets	\$ 324,350	\$ -	\$ -	\$ 324,350	\$ 308,182	\$ 1,499	\$ (1,477)	\$ 308,204

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

Years Ended June 30, 2023 and 2022

	2023				2022			
	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	\$ 357,004			\$ 357,004	\$ 164,677			\$ 164,677
Less consideration paid	(302,664)			(302,664)	(131,677)			(131,677)
Contributions of land and easement values received	54,340			54,340	33,000			33,000
Contributions and grants - other:								
With donor restrictions	113,636	\$ 276	\$ (72)	113,840	71,996	\$ 274	\$ (123)	72,147
Without donor restrictions	81,959	79	(55)	81,983	50,529	154	(136)	50,547
Future interests in charitable trusts	1,665			1,665	(3,951)			(3,951)
Change in value of interests in charitable trusts				-				-
Total contributions and grants - other	197,260	355	(127)	197,488	118,574	428	(259)	118,743
Total contributions and grants	251,600	355	(127)	251,828	151,574	428	(259)	151,743
Project fees and other income	42,288	5		42,293	32,615	24		32,639
Interest income	4,745			4,745	3,279			3,279
Investment income (loss), net	1,663			1,663	(11,074)			(11,074)
Change in value of land holdings	1			1	232			232
Allowance for uncollectible grants and restricted grants returned to donor	90			90	(1,292)			(1,292)
Equity in net activities of affiliate	(678)		678	-	69		(69)	-
Total revenues	299,709	360	551	300,620	175,403	452	(328)	175,527
Expenses and Reductions to Net Assets:								
Program services:								
Contributions of land and easements to public agencies and other nonprofit organizations:								
Fair market value conveyed	318,874			318,874	145,152			145,152
Less consideration received	(142,814)			(142,814)	(78,757)			(78,757)
Contributions of land and easement values made	176,060			176,060	66,395			66,395
Open space conservation programs	80,145	844	(127)	80,862	73,499	334	(259)	73,574
Total program services	256,205	844	(127)	256,922	139,894	334	(259)	139,969
Support services:								
Development	16,887	3		16,890	14,941			14,941
Management and support services	18,953	191		19,144	17,013	49		17,062
Total support services	35,840	194	-	36,034	31,954	49	-	32,003
Total expenses	292,045	1,038	(127)	292,956	171,848	383	(259)	171,972
Change in Net Assets from Operations	7,664	(678)	678	7,664	3,555	69	(69)	3,555
Other Change in Net Assets:								
Gain on sale of property and equipment				-	5,575			5,575
Total other change in net assets	-	-	-	-	5,575	-	-	5,575
Change in Net Assets	\$ 7,664	\$ (678)	\$ 678	\$ 7,664	\$ 9,130	\$ 69	\$ (69)	\$ 9,130