

TRINITY PARK CONSERVANCY AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
AND**

INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2020 AND 2019

**TRINITY PARK CONSERVANCY AND SUBSIDIARIES
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Trinity Park Conservancy
Dallas, Texas

We have audited the accompanying consolidated financial statements of Trinity Park Conservancy and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

The Board of Directors
Trinity Park Conservancy

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Trinity Park Conservancy and subsidiaries as of December 31, 2020, and the consolidated changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Worth, TX
May 25, 2021

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 4,722,046	\$ 9,288,434
Promises to Give, Net of Discount	18,412,848	14,695,939
Other Receivable	2,000	-
Note Receivable	1,580,930	1,582,406
Prepaid Expenses	42,880	74,217
Property and Equipment, Net	19,072	64,720
Other Assets Held for Future Construction - See Note 6	6,794,179	3,520,026
Total Assets	\$ 31,573,955	\$ 29,225,742
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 118,508	\$ 223,985
Accrued Expenses	63,208	130,467
Note Payable	-	3,200,000
Total Liabilities	181,716	3,554,452
NET ASSETS		
Without Donor Restrictions	4,567,365	1,815,680
With Donor Restrictions	26,824,874	23,855,610
Total Net Assets	31,392,239	25,671,290
Total Liabilities and Net Assets	\$ 31,573,955	\$ 29,225,742

See accompanying Notes to the Consolidated Financial Statements.

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and Grants	\$ 347,736	\$ 10,145,292	\$ 10,493,028
Sponsorships	59,775	-	59,775
Interest	103,557	-	103,557
Net Assets Released from Restrictions:			
Satisfaction of Purpose Restriction	7,176,028	(7,176,028)	-
Total Revenues and Support	7,687,096	2,969,264	10,656,360
EXPENSES			
Program	3,936,188	-	3,936,188
General and Administrative	680,220	-	680,220
Fundraising	319,003	-	319,003
Total Expenses	4,935,411	-	4,935,411
CHANGE IN NET ASSETS	2,751,685	2,969,264	5,720,949
Net Assets - Beginning of Year	1,815,680	23,855,610	25,671,290
NET ASSETS - END OF YEAR	\$ 4,567,365	\$ 26,824,874	\$ 31,392,239

See accompanying Notes to the Consolidated Financial Statements.

**TRINITY PARK CONSERVANCY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and Grants	\$ 468,807	\$ 19,131,896	\$ 19,600,703
Sponsorships	40,000	-	40,000
Interest	90,059	-	90,059
Net Assets Released from Restrictions:			
Satisfaction of Purpose Restriction	4,108,186	(4,108,186)	-
 Total Revenues and Support	 4,707,052	 15,023,710	 19,730,762
EXPENSES			
Program	3,918,849	-	3,918,849
General and Administrative	555,976	-	555,976
Fundraising	373,746	-	373,746
 Total Expenses	 4,848,571	 -	 4,848,571
CHANGE IN NET ASSETS	(141,519)	15,023,710	14,882,191
Net Assets - Beginning of Year	1,957,199	8,831,900	10,789,099
NET ASSETS - END OF YEAR	\$ 1,815,680	\$ 23,855,610	\$ 25,671,290

See accompanying Notes to the Consolidated Financial Statements.

**TRINITY PARK CONSERVANCY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 5,720,949	\$ 14,882,191
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	45,648	41,370
Amortization of Discount to Present Value for Promises to Give	(47,546)	901,027
(Increase) Decrease in Operating Assets:		
Promises to Give	(3,669,363)	(15,055,670)
A/R - Other	(2,000)	-
Prepaid Expenses	31,337	(14,408)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(105,477)	195,224
Accrued Expenses	(67,259)	(580,275)
Net Cash Provided by Operating Activities	<u>1,906,289</u>	<u>369,459</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	-	(16,206)
Purchase of Assets Held for Future Construction	(3,027,546)	-
Expenditures for Assets Held for Future Construction	(246,607)	-
Purchase of Note Receivable	-	(1,609,461)
Payments on Note Receivable	1,474	27,055
Net Cash Used by Investing Activities	<u>(3,272,679)</u>	<u>(1,598,612)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of Note Payable	-	1,264,435
Principal Payments on Note Payable	(3,200,000)	-
Net Cash Provided (Used) by Financing Activities	<u>(3,200,000)</u>	<u>1,264,435</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,566,389)	35,283
Cash and Cash Equivalents - Beginning of Year	<u>9,288,434</u>	<u>9,253,150</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,722,046</u>	<u>\$ 9,288,434</u>
<u>NONCASH ACTIVITY</u>		
Issuance of Debt for Building Purchase	<u>\$ -</u>	<u>\$ 3,200,000</u>
Interest Income Received	<u>\$ 103,557</u>	<u>\$ 89,166</u>
Interest Expense Paid and Capitalized	<u>\$ 92,328</u>	<u>\$ 139,750</u>

See accompanying Notes to the Consolidated Financial Statements.

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			
	Program Services	Management and General	Fundraising	Total
Occupancy	\$ 56,893	\$ 27,279	\$ 14,033	\$ 98,205
Personnel	1,477,813	290,195	222,486	1,990,494
Operations	45,888	151,359	11,089	208,336
Programs	40,487	674	7,388	48,549
Travel	3,616	2,730	48	6,394
Professional Services	2,311,491	207,983	63,959	2,583,433
	\$ 3,936,188	\$ 680,220	\$ 319,003	\$ 4,935,411
	2019			
	Program Services	Management and General	Fundraising	Total
Occupancy	\$ 66,137	\$ 15,380	\$ 9,114	\$ 90,631
Personnel	1,161,980	291,121	159,271	1,612,372
Operations	36,992	215,262	5,999	258,253
Programs	202,876	4,504	13,479	220,859
Travel	14,140	1,148	23	15,311
Professional Services	2,436,724	28,561	185,860	2,651,145
	\$ 3,918,849	\$ 555,976	\$ 373,746	\$ 4,848,571

See accompanying Notes to the Consolidated Financial Statements.

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 ORGANIZATION AND PURPOSE

Trinity Park Conservancy is a nonprofit, 501(c)(3) organization, founded in 2004 under the name of The Trinity Trust Foundation, to support and implement the recreational, economic development, and environmental stewardship components within the City of Dallas' Trinity River Corridor Project. The purpose of Trinity Park Conservancy is to fulfill the promise of the Trinity River as the natural gathering place for Dallas.

The Trinity Park Conservancy champions the transformation of the Trinity River to become the heart of Dallas. With the community, the Conservancy will design public spaces that unite, enrich people's lives through access to nature, create economic development opportunities, and inspire protection for the river ecosystems in this shared natural treasure.

Riverfront Acquisitions, LLC is a nonprofit, 501(c)(3) organization, formed in October 2018, with its right, title and interest in the company assigned to Trinity Park Conservancy on January 2, 2019. As Trinity Park Conservancy is the sole member of Riverfront Acquisitions, LLC, it is considered a disregarded entity for tax purposes. The business and purposes of Riverfront Acquisitions, LLC are to conduct any lawful business, purpose or activity determined by the Manager and permitted by the LLC Law.

TPC – Beckley, LLC is a nonprofit, 501(c)(3) organization, formed in April 2020 with its right, title and interest in the company assigned to Trinity Park Conservancy. TPC – Beckley will be managed by members of the Trinity Park Conservancy and will be considered a disregarded entity for tax purposes. The business and purpose of TPC – Beckley, LLC are to conduct any lawful business, purpose or activity determined by the managing members and permitted by LLC law.

Trinity Park Conservancy Development Corporation (TPCDC) is a nonprofit, 501(c)(3) organization formed in June 2020 formed with its right, titles and interest in the company assigned to Trinity Park Conservancy. TPCDC was formed exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code and will be operated solely as a supporting organization of the Trinity Park Conservancy. TPCDC will be exempt from federal income tax under IRS code 501(c)(3).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Conservancy is presented to assist in understanding the Conservancy's financial statements. The financial statements and notes are representations of Conservancy's management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

The consolidated financial statements include the accounts of Trinity Park Conservancy, Riverfront Acquisitions, LLC, TPC – Beckley and TPCDC because the Conservancy has both control of and an economic interest in the mentioned organizations. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as “the Conservancy.”

Financial Statement Presentation

The Conservancy presents the financial statements in accordance with U.S. GAAP. As such, the Conservancy is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. In addition, the Conservancy is required to present a statement of functional expenses and a statement of cash flows. Accordingly, net assets and changes therein are classified as follows:

Net Assets without Donor Restrictions – Those funds are available for support of the Conservancy and its programs.

Net Assets with Donor Restrictions – Those funds are limited by the donor(s) for later periods or specific purposes.

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 and 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. Actual results could differ from those estimates.

Income Taxes

The Conservancy is organized as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. This section exempts the Conservancy from taxes on income. Accordingly, no provision for income taxes has been made in the financial statements. Taxes are paid on net income earned from sources unrelated to the exempt purposes. There was no net income from unrelated business for the years ended December 31, 2020 and 2019.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Conservancy considers any short-term investment convertible to cash within three months or less with little or no change in the principal amount to be a cash equivalent. The Conservancy places its cash with high-credit-quality financial institutions and periodically maintains deposits in amounts that exceed FDIC insurance coverage. Management believes the risk of incurring material losses related to this credit risk is remote.

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Credit Policies

Accounts receivable consist primarily of pledged receivables as well as notes receivables. We determined that all pledged receivables will be collectible by their due dates based on historical experience.

Promises to Give

The Conservancy records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. The Conservancy uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Based on management's assessment of the credit history of donors, no allowance for doubtful accounts was deemed necessary as of December 31, 2020 and 2019. Bad debt expense was \$-0- for the years ended December 31, 2020 and 2019.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts is computed using risk-adjusted interest rates (if significant) applicable to the year in which the promises are expected to be received. For 2020 and 2019, a discount rate of 2.25% was utilized for various pledges.

Contributions

Revenue is recognized when earned. The Conservancy recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

When a donor restriction expires, net asset with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Property and Equipment

Expenditures for property and equipment in excess of \$5,000 and having a useful life of one year or more are capitalized and recorded on the Conservancy's books at cost. Depreciation is computed on the on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 15 years. Depreciation expense was \$45,648 and \$41,370 for the years ended December 31, 2020 and 2019.

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted cash flows from the assets are less than the carrying value. There was no such impairment loss for the years ended December 31, 2020 and 2019.

Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or disposed of, their cost and related accumulated depreciation are removed from the accounts. Gains or losses are included in income.

Donations of significant property and equipment are recorded as support at estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Restricted assets and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Conservancy reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Conservancy reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Functional Allocation of Expenses

The costs of providing program, fund-raising and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.

The Conservancy's methods for allocating costs on a functional basis are as follows: direct costs are recorded directly to the specific category or categories to which the expense relates, while indirect costs are recorded to a specific category separate from direct costs.

Indirect costs are allocated to all categories monthly via journal entry based on the salary allocation percentage put in place by doing a time study on the different departments' time spent on program, fundraising, and management/general. The time study allocation is performed monthly using the month to date salary information and percent of time per project per the annual budget. At the end of each month, the percentage of time per project is reviewed by management for accuracy.

Compensated Absences

Employees of the Conservancy are entitled to paid vacation, paid sick days and paid personal days off. The Conservancy's policy is to recognize the costs of compensated absences when actually paid to employees, and certain compensated absences benefits expire at year end when not used.

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3 PROMISES TO GIVE

The following is a schedule of estimated collections of promises to give as of December 31, 2020:

	2021	\$ 7,335,500
	2022	4,800,000
	2023	4,800,000
	2024	2,330,829
	Thereafter	-
		19,266,329
Discount to Estimated Present Value		(853,481)
Total		\$ 18,412,848

The promises to give at December 31, 2020 and 2019 consist of 83% due from three donors and 51% due from one donor, respectively.

During 2016, the Conservancy received a pledge of \$50,000,000. One installment of \$10,000,000 was paid during 2016, and another installment of \$3,000,000 was paid during 2019. The remaining pledge of \$37,000,000 is contingent on several factors being met no later than December 31, 2021. Contingencies include naming rights for the park to be built with the funds, funding commitments sufficient for the construction, maintenance and operation of the park, and an organization for the governance, management and operations for the park. The Conservancy believes the contingencies will be met within the required time frame or within an extended timeframe that might be agreed upon with the donor. The remaining pledge contribution has not yet been recorded and recognized by the Conservancy, pending completion of the aforementioned contingencies. The Conservancy has two additional contingent pledges representing \$26 million. The Conservancy believes the contingencies will be met within the required timeframe or within an extended timeframe that is agreed upon with the donor.

NOTE 4 NOTE RECEIVABLE

During January 2019, the Conservancy acquired a note secured by real property. The initial amount of the note was \$1,609,461 with an interest rate of 0.25% until May 2019 where the rate increased to an interest rate of 3.5% for the remaining life of the loan. The loan matures in May 2021. Interest payments on the loan for 2020 totaled \$66,166. Principal repayments for 2020 totaled \$1,494. The entire balance of \$1,580,930 is due to be paid in May 2021.

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2020	2019
Furniture, Fixtures, and Equipment	\$ 66,657	\$ 66,657
Leasehold Improvements	264,675	264,675
Software and Website Development	39,800	39,800
Total Cost	<u>371,132</u>	<u>371,132</u>
Less: Accumulated Depreciation	(352,060)	(306,412)
Net Property and Equipment	<u>\$ 19,072</u>	<u>\$ 64,720</u>

NOTE 6 OTHER ASSETS

As part of the Conservancy's mission to transform the Trinity River Corridor into a natural gathering place for Dallas, the Conservancy has purchased properties in 2019 and 2020 that are recognized on the financial statements as other assets held for future construction. The Trinity River Corridor land is owned by the City of Dallas, and therefore once construction is completed, the Conservancy intends the property to be released for public use.

The Conservancy capitalizes the costs of bringing these assets into use, including interest paid on the note payable discussed in Note 7, until it is released for public use. The value of the purchase price and other capitalized costs of these properties are as follows as of December 31:

	2020	2019
106 W Commerce	\$ 3,766,633	\$ 3,520,026
West Overlook	3,027,546	-
Total Other Assets Held for Future Construction	<u>\$ 6,794,179</u>	<u>\$ 3,520,026</u>

NOTE 7 NOTE PAYABLE

The Conservancy opened a note payable during 2019 for the purpose of financing a building purchase. The purchase was executed through a disregarded entity for which the Conservancy is setup as the sole member, and the debt is fully guaranteed by the Conservancy, its subsidiary and a board member. The note bears interest at 3.5% plus variable LIBOR rate, and is due in full on March 31, 2020. The note was paid in full by a related party during the year ended December 31, 2020.

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8 PAYCHECK PROTECTION PROGRAM

On April 12, 2020 the Conservancy received a loan from Texas Capital Bank in the amount of \$263,643 to fund payroll, rent, and utilities through the Paycheck Protection Program (the “PPP Loan”). The original loan agreements was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-three months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Loan bears interest at a fixed rate of 1% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Conservancy fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. The amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

On December 30, 2020, the Conservancy was notified by Texas Capital Bank that that Small Business Administration (SBA) had formally forgiven and cancelled the PPP Loan in full. As such, the amount of the PPP Loan was recognized as contribution and grant revenue on the statement of activities as of December 31, 2020.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Conservancy’s financial position.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions consisted of the following for the years ended December 31:

	2020			
	Beginning Balance	Additions	Released from Restrictions	Ending Balance
Clean-ups	\$ 6,319	\$ -	\$ (6,319)	\$ -
Trails	775,000	-	-	775,000
Lakes	25,000	-	-	25,000
Simmons Park	22,939,757	6,781,862	(3,910,099)	25,811,520
McDermott Flags (Mary Kay, Inc.)	25,000	-	-	25,000
Bob Gillikin Memorial Gift	25,000	-	-	25,000
Techology Initiative	59,534	-	(59,534)	-
Memorial Fund for Children	-	17,930	(76)	17,854
Bataan Center	-	10,000	-	10,000
Debt Payoff	-	3,200,000	(3,200,000)	-
Time Restrictions	-	135,500	-	135,500
Total	<u>\$ 23,855,610</u>	<u>\$ 10,145,292</u>	<u>\$ (7,176,028)</u>	<u>\$ 26,824,874</u>

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2019			
	Beginning Balance	Additions	Released from Restrictions	Ending Balance
Clean-ups	\$ 21,082	\$ -	\$ (14,763)	\$ 6,319
Trails	775,000	-	-	775,000
Lakes	25,000	-	-	25,000
Simmons Park	7,764,484	19,031,896	(3,856,623)	22,939,757
McDermott Flags (Mary Kay, Inc.)	25,000	-	-	25,000
Bob Gillikin Memorial Gift	25,000	-	-	25,000
Techology Initiative	196,334	-	(136,800)	59,534
Equitable Development Grant	-	100,000	(100,000)	-
Total	<u>\$ 8,831,900</u>	<u>\$ 19,131,896</u>	<u>\$ (4,108,186)</u>	<u>\$ 23,855,610</u>

Restricted assets break down as follows:

	2020	2019
Restricted Cash	\$ 8,412,026	\$ 9,159,671
Restricted Pledges Outstanding	18,412,848	14,695,939
Total	<u>\$ 26,824,874</u>	<u>\$ 23,855,610</u>

NOTE 10 OPERATING LEASES

The Conservancy is contractually bound by operating leases for its administrative offices and various office equipment used by the staff until 2024. The total amount in rent and lease payments for the years ended December 31, 2020 is \$74,829 and \$7,131.

The following is a schedule of minimum lease payments due in the subsequent years:

<u>Year Ending December 31,</u>	
2021	\$ 77,698
2022	94,758
2023	97,317
2024	17,311
Total	<u>\$ 287,084</u>

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 11 CONCENTRATIONS

Donors with total gifts exceeding 10% of the value of total contributions during the year are considered concentrated donors to the Conservancy. Three donors comprised 89% and 83% of the total balance of contribution revenue for the years ended December 31, 2020 and 2019. Concentrations are driven by visionary donors in a lead gift phase in advance of launching the broad, public campaign for Harold Simmons Park.

Vendors paid over 10% of total expenses during the year are considered concentrated vendors to the Conservancy. One vendor comprised 39% and 42% of total expenses for the years ended December 31, 2020 and 2019, respectively.

NOTE 12 LIQUIDITY

The Conservancy receives significant contributions and promises to give as unrestricted or as restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Conservancy manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be met. The Conservancy has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. To achieve this target, the Conservancy forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2020 and 2019, the level of liquidity and reserves was managed within the policy requirements.

Trinity Park Conservancy's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	2020	2019
Cash and Cash Equivalents	\$ 4,722,046	\$ 9,288,434
Note Receivable, due within one year	1,580,930	1,476
Less Amounts Restricted by Donors	<u>(5,384,480)</u>	<u>(8,258,644)</u>
Cash available for general expenditures	<u>\$ 918,496</u>	<u>\$ 1,031,266</u>

TRINITY PARK CONSERVANCY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 13 TRANSACTIONS WITH RELATED PARTIES

Contributions from related individuals of Trinity Park Conservancy totaled \$3,670,513 for the year ended December 31, 2020. This balance is comprised of \$3,394,684 in cash and \$275,829 in new pledges. For the year ended December 31, 2019, contributions from related individuals totaled \$16,984,850, which is comprised of \$984,850 in cash and \$16,000,000 in new pledges.

NOTE 14 SIGNIFICANT AGREEMENT

In April 2018, Trinity Park Conservancy entered into a Development Agreement with the Trinity River Local Government Corporation (LGC), an entity formed with members selected by the Dallas City Council in August of 2017 to oversee projects along the Trinity Corridor. Through the Development Agreement, the LGC contracted the Conservancy to design, build, raise the funds, operate and maintain approximately 200 acres within the Trinity River Corridor spanning the Dallas Floodway from the Margaret McDermott Bridge in the South to the Ron Kirk Bridge in the north, the Phase I Premises, also known as Harold Simmons Park. The Conservancy will act under the authority and with the approvals of the LGC as defined in the Development Agreement, which has the right to approve final designs for the Park. The Agreement remains in place for an initial period of forty years with three successive ten year options to extend the term.

NOTE 15 SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 25, 2021, the date on which the financial statements were available to be issued.

On February 19, 2021 the Conservancy received a loan of \$294,472 to fund payroll, rent, and utilities as a PPP Loan. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Conservancy fails to apply for forgiveness within 10 months after the covered period, then the payment of principal and interest shall begin on that date. The covered period of the loan is from February 19, 2021 to August 8, 2021.

The note receivable held by the Conservancy as described in Note 4 was paid in full in March 2021.

In April 2021, Anthony Moore was hired as President and CEO of the Conservancy.