Trinity Park Conservancy and Subsidiaries

Independent Auditor’s Report and Consolidated Financial Statements

December 31, 2021 and 2020

Trinity Park Conservancy and Subsidiaries
December 31, 2021 and 2020

Contents

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Independent Auditor's Report

Board of Directors
Trinity Park Conservancy
Dallas, Texas

Opinion

We have audited the consolidated financial statements of Trinity Park Conservancy and subsidiaries (the Conservancy), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, 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 Trinity Park Conservancy and subsidiaries as of December 31, 2021, and the results of their operations and their 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Conservancy 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.

Prior Year Audited by Other Auditors

The 2020 consolidated financial statements were audited by other auditors, and their report thereon, dated May 25, 2021, expressed an unmodified opinion

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Conservancy's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's 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 auditor's 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 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 Conservancy'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 Conservancy'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.

BKD, LLP

Fort Worth, Texas
March 23, 2022

Trinity Park Conservancy and Subsidiaries

Consolidated Statements of Financial Position

December 31, 2021 and 2020

Assets

	2021	2020
Cash and cash equivalents	$ 18,036,327	$ 4,722,046
Restricted cash and cash equivalents	400,000	-
Promises to give, net of discount 2021 - $503,896, 2020 - $853,481	13,936,933	18,412,848
Other receivables	10,800	2,000
Prepaid expenses	59,124	42,880
Note receivable	-	1,580,930
Property and equipment, net	-	19,072
Other assets held for future construction	7,025,692	6,794,179
Total assets	$ 39,468,876	$ 31,573,955

Liabilities and Net Assets

	2021	2020
Liabilities		
Accounts payable	$ 554,314	$ 118,508
Accrued expenses	229,189	63,208
Note payable	150,000	-
Total liabilities	933,503	181,716
Net Assets		
Without donor restrictions	4,923,321	4,567,365
With donor restrictions	33,612,052	26,824,874
Total net assets	38,535,373	31,392,239
Total liabilities and net assets	$ 39,468,876	$ 31,573,955

Trinity Park Conservancy and Subsidiaries
Consolidated Statements of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions and grants	$ 779,309	$ 11,186,141	$ 11,965,450
Interest	52,285	-	52,285
Rent revenue	29,600	-	29,600
Other income	150	-	150
Gain on repayment of note receivable	307,764	-	307,764
Net assets released from restrictions	4,398,963	(4,398,963)	-
Total revenues, gains and other support	5,568,071	6,787,178	12,355,249
Expenses and Losses			
Program	4,321,563	-	4,321,563
General and administrative	655,393	-	655,393
Fundraising	235,159	-	235,159
Total expenses	5,212,115	-	5,212,115
Change in Net Assets	355,956	6,787,178	7,143,134
Net Assets, Beginning of Year	4,567,365	26,824,874	31,392,239
Net Assets, End of Year	$ 4,923,321	$ 33,612,052	$ 38,535,373

Trinity Park Conservancy and Subsidiaries
Consolidated Statements of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other 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	7,176,028	(7,176,028)	-
Total revenues, gains and other 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

Trinity Park Conservancy and Subsidiaries

Consolidated Statements of Functional Expenses

Years Ended December 31, 2021 and 2020

	2021			
	Program Services	Management and General	Fundraising	Total
Occupancy	$ 60,777	$ 20,417	$ 12,653	$ 93,847
Personnel	1,413,064	229,853	173,803	1,816,720
Operations	88,975	130,007	14,641	233,623
Programs	217,283	8,854	729	226,866
Travel	13,528	15,019	-	28,547
Professional services	2,527,936	251,118	33,333	2,812,387
Board	-	125	-	125
Total expenses	$ 4,321,563	$ 655,393	$ 235,159	$ 5,212,115

	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
Total expenses	$ 3,936,188	$ 680,220	$ 319,003	$ 4,935,411

Trinity Park Conservancy and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	$ 7,143,134	$ 5,720,949
Items not requiring (providing) operating cash flows		
Depreciation	19,072	45,648
Contributions restricted for acquisition of property	(400,000)	-
Amortization of discount on contributions receivable	(349,585)	(47,546)
Gain on note receivable		
Changes in	-	-
Other receivables	(8,800)	(2,000)
Prepaid expenses	(16,244)	31,337
Promises to give	4,825,500	(3,669,361)
Accounts payable	435,806	(105,477)
Accrued expenses	165,981	(67,259)
Net cash provided by operating activities	11,814,864	1,906,291
Investing Activities		
Purchase of assets held for future construction	(160,000)	(3,027,546)
Expenditures for assets held for future construction	(71,513)	(246,607)
Principal payments received on notes receivable	1,580,930	1,474
Net cash provided by (used in) investing activities	1,349,417	(3,272,679)
Financing Activities		
Proceeds from issuance of note payable	150,000	-
Principal payments on note payable	-	(3,200,000)
Proceeds from contributions restricted for acquisition of property	400,000	-
Net cash provided by (used in) financing activities	550,000	(3,200,000)
Increase (Decrease) in Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents	13,714,281	(4,566,388)
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, Beginning of Year	4,722,046	9,288,434
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, End of Year	$ 18,436,327	$ 4,722,046
Supplemental Cash Flows Information		
Interest expense paid and capitalized	$ -	$ 92,328

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

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 2019, 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 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 Community Conservancy Development Corporation (TPCCDC) is a nonprofit, 501(c)(3) organization formed in 2020 formed with its right, titles and interest in the company assigned to Trinity Park Conservancy. TPCCDC 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. TPCCDC will be exempt from federal income tax under IRS code 501(c)(3).

Beckley Commerce Acquisitions, LLC is a nonprofit, 501(c)(3) organization, formed in 2021, with its right, title, and interest in the company assigned to TPCCDC. As TPCCDC is the sole member of Beckley Commerce Acquisitions, LLC, it is considered a disregarded entity for tax purposes. The business and purposes of Beckley Commerce Acquisitions, LLC are to conduct any lawful business, purpose, or activity determined by the Manager and permitted by the LLC Law.

Note 2: Significant Accounting Policies

This summary of significant accounting policies of the Conservancy is presented to assist in understanding the Conservancy's consolidated financial statements. The consolidated 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 consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of Trinity Park Conservancy, Riverfront Acquisitions, LLC, TPC – Beckley, LLC, TPCCDC and Beckley Commerce Acquisitions, LLC 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 consolidations. Unless otherwise noted, these consolidated entities are hereinafter referred to as "the Conservancy."

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Cash and Cash Equivalents

The Conservancy considers all liquid investments with original maturities of three months or less to be cash equivalents. 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.

Restricted cash and cash equivalents represents cash that has been received from donors that is restricted for the acquisition of property.

Below is a reconciliation of cash and cash equivalents and restricted cash and cash equivalents on the consolidated statements of cash flows to the consolidated statements of financial positions.

	2021	2020
Cash and cash equivalents	$ 18,036,327	$ 4,722,046
Restricted cash and cash equivalents	400,000	-
Total cash, cash equivalents and restricted cash and cash equivalents shown on the consolidated statements of cash flows	$ 18,436,327	$ 4,722,046

Property and Equipment

Property and equipment acquisitions over $5,000 and having a useful life of one year or more are stated at cost, less accumulated depreciation and amortization. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 15 years. Depreciation expense was $19,072 and $45,648 for the years ended December 31, 2021 and 2020.

Management evaluates the recoverability of the carrying value of long-lived assets 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, 2021 and 2020.

Donations of significant property and equipment are recorded as support at estimated fair value. Such donations are reported as support without donor restrictions 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 support with donor restrictions. 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.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Conservancy did not have any net assets with perpetual restrictions at December 31, 2021 or 2020.

Contributions

Contributions are provided to the Conservancy either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Conservancy overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.* the donor imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method. The Conservancy uses the allowance method to determine uncollectible promises to give. The allowance is based on historical experience and management's analysis of specific promises made. Based on management's analysis, no allowance was deemed necessary at December 31, 2021 or 2020.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Gifts that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

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, 2021 or 2020.

Functional Allocation of Expenses

The costs of providing program, fund-raising and supporting services have been summarized on a functional basis in the consolidated statements of activities. 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.

Note 3: Promises To Give

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

	2021	2020
Due within one year	$ 7,060,000	$ 7,335,500
Due within one to five years	7,380,829	11,930,829
	14,440,829	19,266,329
Less unamortized discount	(503,896)	(853,481)
	$ 13,936,933	$ 18,412,848

Discount rates were 2.25% at December 31, 2021 and 2020.

The promises to give at December 31, 2021 and 2020 consist of 79% and 83%, respectively, due from three donors.

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 was 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 is awaiting documentation from the donor to extend the date by which the contingencies must be met. The remaining pledge contribution has not yet been recorded and recognized by the Conservancy, pending completion of the aforementioned contingencies. The Conservancy had two additional contingent pledges representing $26,000,000 at December 31, 2020, including one $25,000,000 pledge that lapsed in 2021 as the conditions were not met by the donor's timeline. Subsequent to year end, the donor agreed to a forgivable loan of $15,000,000 at 0% interest that would be forgiven in 2025 as the contingencies are satisfied. The Conservancy has elected to account for this as a conditional gift. At December 31, 2021, there were two additional contingent pledges representing $1,500,000.

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 3.5% for the remaining life of the loan. The loan matured in May 2021. The note was paid in full in May 2021, along with an additional $307,764, which is recorded as a gain on the repayment of the note.

Note 5: Property and Equipment

Property and equipment at December 31, 2021 and 2020 consists of:

	2021	2020
Furniture, fixtures and equipment	$ 66,657	$ 66,657
Leasehold improvements	264,675	264,675
Software & web development	39,800	39,800
	371,132	371,132
Less accumulated depreciation	(371,132)	(352,060)
	$ -	$ 19,072

Note 6: Other Assets Held for Future Construction

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 that are recognized on the consolidated 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:

	2021	2020
106 W Commerce	$ 3,838,146	$ 3,766,633
West Overlook	3,187,546	3,027,546
Total other assets held for future construction	$ 7,025,692	$ 6,794,179

Note 7: Note Payable

The Conservancy opened a note payable with a related party during 2021 in the amount of $150,000 for the purpose of financing an escrow deposit related to the purchase of property. The purchase was executed through a disregarded entity for which the Conservancy is set up as the sole member, and the debt is fully guaranteed by the Conservancy. The note bears interest at 0.12% and is due in full by the earlier of a return of the escrow deposit, closing of the related property, or 14 months from the effective date of the note, which is September 2022. No payments were made on this note during 2021. This note was paid in full in February 2022.

Note 8: Paycheck Protection Program

In 2021 and 2020, the Conservancy received PPP loans established by the CARES Act, which are subject to forgiveness if certain conditions are satisfied. The Conservancy has elected to account for the funding as a conditional contribution by applying ASC Topic 958-605, Revenue Recognition. Revenue is recognized when conditions are met, which include meeting full-time equivalent employee and salary reduction requirements and incurring eligible expenses. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to the recognition of revenue.

On November 1, 2021 and December 30, 2020, the Conservancy was notified by the Small Business Administration (SBA) that the SBA had formally forgiven and cancelled the PPP Loans in full. As such, the $294,472 and $263,463 was recognized as contribution and grant revenue on the consolidated statements of activities as of December 31, 2021 and 2020, respectively.

Note 9: Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following for the years ended December 31, 2020 and 2021:

	2021			
	Beginning Balance	Additions	Released from Restrictions	Ending Balance
Harold Simmons Park	$ 25,811,520	$ 10,606,116	$ (4,186,860)	$ 32,230,776
Trinity River Crew	-	50,000	(37,794)	12,206
Trails	775,000	-	-	775,000
Lakes	25,000	-	-	25,000
McDermott Flags (Mary Kay, Inc.)	25,000	-	-	25,000
Bob Gillikin Memorial Gift	25,000	-	-	25,000
Tierney Kaufman Hutchins Memorial Fund for Children	17,854	25	(1)	17,878
Bataan Center Project	10,000	405,000	(2,700)	412,300
Trinity Park Conservancy Community Development	-	60,000	(36,108)	23,892
Workforce Development Project	-	65,000	-	65,000
Pledges with time restriction	135,500	-	(135,500)	-
Total	$ 26,824,874	$ 11,186,141	$ (4,398,963)	$ 33,612,052

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

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 amounts in rent and lease payments for the years ended December 31, 2021 and 2020 are $74,638 and $74,829.

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

2022	$ 91,698
2023	94,257
2024	15,781
	$ 201,736

Note 11: Retirement Plan

The Conservancy has a 403(b) plan covering substantially all employees. The Conservancy matches up to 4% of employee contributions to the plan. Contributions to the plan were approximately $59,000 and $60,000 for the years ended December 31, 2021 and 2020, respectively. Employees are fully vested in the employer contributions by 24 months of employment.

Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

Donors with total gifts exceeding 10% of the value of total contributions during the year are considered a concentration to the Conservancy. Two donors comprised 46% of the total balance of contribution revenue for the year ended December 31, 2021. Three donors comprised 89% of the total balance of contribution revenue for the year ended December 31, 2020. 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 a concentration to the Conservancy. One vendor comprised 32% and 39% of total expenses for the years ended December 31, 2021 and 2020, respectively.

Other Events

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Conservancy. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 13: Liquidity and Availability

The Conservancy receives significant contributions and promises to give as with or without donor restrictions, 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. For the years ended December 31, 2021 and 2020, restricted contributions of $1,010,251 and $918,496, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

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, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

Trinity Park Conservancy‘s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	$ 18,436,327	$ 4,722,046
Note receivable due within one year	-	1,580,930
Less amounts restricted by donors	(17,426,077)	(5,384,480)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,010,250	$ 918,496

Note 14: Transactions With Related Parties

Contributions from related individuals of Trinity Park Conservancy totaled $1,401,097 and $3,670,513 for the years ended December 31, 2021 and 2020, respectively and the outstanding balance of promises to give at December 31, 2021 and 2020 was $8,715,829 and $14,466,329, respectively. See *Note 7* for related party note payable.

Note 15: 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 with 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, and 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 16: Subsequent Events

Subsequent events have been evaluated through March 23, 2022, which is the date the financial statements were available to be issued.

Note 17: Future Change in Accounting Principle

Accounting for Leases

The FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the statement of financial position as both a right-of-use asset and a liability. The standard has two types of leases for statement of activities recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating, or finance will be done in a manner similar to existing standards.

The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021, and any interim periods within annual reporting periods that begin after December 15, 2022. The Conservancy is evaluating the effect the standard will have on the financial statements.

Accounting for Contributed Nonfinancial Assets

On September 17, 2020, the FASB issued ASU No. 2020-07, *Topic 958: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The standard requires contributed nonfinancial assets to be presented on a separate line item in the statement of activities, segregated apart from contributions of cash and other financial assets. Additionally, disclosure requirements have been amended to require a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets, as well as specific disclosure requirements for each category recognized. The amendments in this Update should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted.