The Rector, Church-Wardens, and Vestrymen of Trinity Church, in the city of New-York and Subsidiaries

Consolidated Financial Report
December 31, 2021 and 2020

Contents

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RSM US LLP

Independent Auditor's Report

The Rector, Church-Wardens, and Vestrymen of Trinity Church, in the city of New-York

Opinion

We have audited the consolidated financial statements of The Rector, Church-Wardens, and Vestrymen of Trinity Church, in the city of New-York and Subsidiaries (Trinity), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Trinity as of December 31, 2021 and 2020, and the results of their net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are required to be independent of Trinity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Trinity's ability to continue as a going concern for 12 months beyond the date of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

RSM US LLP

New York, New York
May 24, 2022

The Rector, Church-Wardens, and Vestrymen of Trinity Church, in the city of New-York and Subsidiaries

Consolidated Balance Sheets
December 31, 2021 and 2020
(all dollar amounts in thousands)

	2021	2020
Assets		
Cash and cash equivalents	**$ 68,271**	$ 81,652
Restricted cash	**49,237**	49,388
Accounts, rent agreements and notes receivable, net	**11,125**	8,282
Ministry property and equipment, net	**420,878**	408,346
Investments, at fair value:		
Real estate	**6,307,534**	6,067,547
Financial	**3,901,597**	3,393,041
Prepayments and other assets	**51,864**	55,495
Total assets	**$ 10,810,506**	$ 10,063,751
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	**$ 133,573**	$ 144,890
Grants payable	**25,697**	14,806
Tenant security deposits	**8,343**	8,308
Pension and other postretirement benefits payable	**3,408**	7,772
Other liabilities	**34,482**	32,631
Notes and loans, net	**671,338**	622,233
Total liabilities	**876,841**	830,640
Net assets:		
Without donor restrictions:		
Ministry	**357,831**	335,118
Vestry designated endowment:		
Real estate investments	**3,431,007**	3,239,315
Financial investments	**3,689,670**	3,274,696
Trinity portion of net assets without donor restrictions	**7,478,508**	6,849,129
Joint venture partners' interests in real estate investments	**2,406,709**	2,341,932
Total net assets without donor restrictions	**9,885,217**	9,191,061
With donor restrictions	**48,448**	42,050
Total net assets	**9,933,665**	9,233,111
Total liabilities and net assets	**$ 10,810,506**	$ 10,063,751

See notes to consolidated financial statements.

The Rector, Church-Wardens, and Vestrymen of Trinity Church, in the city of New-York and Subsidiaries

Consolidated Statement of Activities
Years Ended December 31, 2021 and 2020
(all dollar amounts in thousands)

	2021	2020
Change in net assets without donor restrictions:		
Operating:		
Ministry revenue:		
Preschool tuition and other program revenue	$ 145	$ 915
Low income housing	9,764	9,967
Seminary income	1,681	1,820
Contributions and donations	479	481
Other revenue (loss)	1,369	(1,316)
Appropriation from endowment to support operations	130,383	134,371
Releases from restrictions	310	423
Total ministry revenue	144,131	146,661
Ministry expenses:		
Program expenses:		
Parish programs and outreach ministries	33,102	36,283
Grants, other gifts and diocesan assessment	52,767	36,227
Low income housing expenses	4,625	4,239
Seminary expenses	2,758	2,364
Church properties and program facilities support	10,267	11,126
Digital outreach and ministry communications	7,724	6,157
Total program expenses	111,243	96,396
Parish building development	323	1,087
Institutional and programmatic support	18,368	17,147
Fund development	417	339
Ministry expenses before depreciation expense	130,351	114,969
Excess of operating revenues over expenses before depreciation	13,780	31,692
Depreciation expenses	(16,783)	(13,812)
(Deficiency) excess of operating revenues over expenses	(3,003)	17,880
Change in net assets without donor restrictions:		
Non-operating:		
Net return (loss) from investments:		
Attributable to Trinity:		
Real estate investments	186,811	(80,614)
Financial investments	571,363	454,828
Net return from investments before appropriation	758,174	374,214
Appropriation to support operations	(129,857)	(133,797)
Attributable to joint venture partners' interests in real estate investments	139,097	(45,628)
Total net return from investments, net of appropriation to support operations	767,414	194,789
Postretirement related charges other than service costs	4,103	45
Received from joint venture partners in real estate investments	-	9,800
Distributions to joint venture partners in real estate investments	(74,358)	(70,869)
Change in net assets without donor restrictions	694,156	151,645

(continued on next page)

The Rector, Church-Wardens, and Vestrymen of Trinity Church, in the city of New-York and Subsidiaries

Consolidated Statement of Activities
Years Ended December 31, 2021 and 2020
(all dollar amounts in thousands)

	2021	2020
Change in net assets without donor restrictions	**694,156**	151,645
Change in net assets with donor restrictions:		
Return on financial investments	**6,805**	3,186
Appropriation from endowment to support operations	**(526)**	(574)
Contributions and change in value of interest in perpetual trusts	**429**	211
Releases from restrictions	**(310)**	(423)
Change in net assets with donor restrictions	**6,398**	2,400
Change in net assets	**700,554**	154,045
Net assets at beginning of year	**9,233,111**	9,079,066
Net assets at end of year	**$ 9,933,665**	$ 9,233,111

See notes to consolidated financial statements.

The Rector, Church-Wardens, and Vestrymen of Trinity Church, in the city of New-York and Subsidiaries

Consolidated Statement of Cash Flows
Years Ended December 31, 2021 and 2020
(all dollar amounts in thousands)

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 700,554	$ 154,045
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in unrealized (appreciation) depreciation of real estate investments	(128,025)	307,916
Change in unrealized depreciation (appreciation) of financial investments	(342,599)	(463,660)
Loss on disposal of asset	456	2,368
Depreciation and amortization	16,957	14,476
Provision for doubtful accounts	1,746	4,956
Postretirement related charges other than service costs	-	(45)
Distributions to joint venture partners in real estate investments	74,356	70,869
Capital contribution to 375 HSP LLC	-	(9,800)
Changes in assets and liabilities:		
Accounts, rent agreements and notes receivable, net	(4,589)	(6,284)
Accounts payable and accrued liabilities	12,252	(1,953)
Other changes, net	1,153	(11,931)
Net cash provided by operating activities	332,261	60,957
Cash flows from investing activities:		
Purchases and improvements of real estate investments	(126,045)	(128,398)
Purchases of financial investments	(1,323,128)	(1,525,322)
Sales of financial investments	1,157,172	1,621,902
Construction, purchases and improvements to ministry property and equipment	(28,085)	(51,085)
Net cash used in investing activities	(320,086)	(82,903)
Cash flows from financing activities:		
Capital contribution to 375 HSP LLC	-	9,800
Proceeds from notes and loans, net	48,649	49,663
Distributions to joint venture partners in real estate investments	(74,356)	(70,869)
Net cash used in by financing activities	(25,707)	(11,406)
Net decrease in cash and cash equivalents and restricted cash	(13,532)	(33,352)
Cash and cash equivalents and restricted cash:		
Beginning	131,040	164,392
Ending	$ 117,508	$ 131,040
Supplemental disclosure of cash flow information:		
Interest paid	$ 19,937	$ 19,884
Additions to ministry property and equipment in accounts payable and accrued liabilities	$ 5,086	$ 2,525
Additions to real estate investments in accounts payable and accrued liabilities	$ 102,747	$ 116,741

See notes to consolidated financial statements.

Note 1. Organization

The Rector, Church-Wardens, and Vestrymen of Trinity Church, in the city of New-York (Trinity Church), a parish in the Episcopal Diocese of New York, seeks to serve and heal the world by building neighborhoods that live Gospel truths, generations of faithful leaders and financial capacity for holy service in New York City and around the world. Our mission is grounded in our core values of faith, integrity, inclusiveness, compassion, social justice and stewardship. Trinity's outreach in downtown New York City includes worship services six days per week; a daily food program; Trinity Commons, our new community space; St. Margaret's House, a 251-unit subsidized apartment building on Fulton Street for elderly and disabled residents and many additional ministries that foster social justice, confront racism and inequality, promote music and the arts and build neighborhoods and community.

Trinity Church is a religious corporation formed under a charter from King William III of England in 1697 and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). Trinity Church owns, or is the sole member of, or owns a controlling interest in and operates the following entities which support the ministries of the Church:

St. Margaret's House Housing Development Fund Corporation (St. Margaret's House): St. Margaret's House is a sole member New York not-for-profit corporation owned by Trinity Church and is exempt from federal income tax under Section 501(c)(3) of the Code. It operates housing and related facilities for low-income elderly and disabled.

Trinity Episcopal Center Association, Incorporated (Trinity Retreat Center): Trinity Retreat Center is a Connecticut non-stock corporation located in West Cornwall, Connecticut and is exempt from federal income tax under Section 501(c)(3) of the Code.

Trinity Concerts, Inc. (Trinity Concerts): Trinity Concerts is a New York not-for-profit corporation and is exempt from federal income tax under Section 501(c)(3) of the Code. It was formed to promote music and the performing arts and further the public portion of the music program of Trinity Church.

Trinity Global Leadership Institute LLC (Trinity Global): Trinity Global, a Delaware limited liability company, was formed on December 5, 2018, as a single member LLC owned by Trinity Church, and became the sole member of the Church Divinity School of the Pacific (CDSP), on March 4, 2019.

CDSP is a seminary of the Episcopal Church. CDSP conducts instruction at the graduate theological level and grants such academic degrees and honors as are customary. On March 4, 2019, Trinity Church acquired CDSP.

CDSP continues to be dedicated to rigorous academic and spiritual preparation for people who will lead the global church. Over time, Trinity Church and CDSP expect to enhance CDSP's curriculum and student life with substantial content and perspectives from other disciplines, including practical, managerial and business skills that will help prepare ordained and lay people to lead and resource the church in a changing world.

76 Catering LLC (76 Catering): 76 Catering, a New York limited liability company, was formed on September 17, 2019 to contract with vendors to provide catering services to activities in 76 Trinity Place (ground floor café and parish hall). There was no activity in this entity in 2021.

107 Greenwich Inc. (107 Greenwich): 107 Greenwich, a New York nonprofit corporation, was formed on July 29, 2020 to operate the tenant amenity floor at 107 Greenwich Street. The facilities of this corporation will not be made available to the general public. There was no activity in this entity in 2021.

Note 1. Organization (Continued)

St. Margaret's Housing LLC (SMH LLC): SMH LLC, a New York limited liability company, was formed on November 12, 2021 to support Trinity's activities relating to the development, construction, ownership and rehabilitation of affordable housing projects. There was no activity in this entity in 2021.

Hudson Square Properties LLC (HSP): HSP, a Delaware limited liability company, was formed on November 30, 2015, and is organized for the objective and purpose of owning Trinity REIT, Inc. (TREIT) and Trinity Hudson Holdings, LLC (THH) (together, the REIT Subsidiaries) and, indirectly through the REIT Subsidiaries, operating, improving and maintaining 11 commercial buildings located in lower Manhattan within the area known as Hudson Square, in the city of New York.

HSP owns the 11 commercial buildings through an estate for years (EFY) term through April 16, 2118, and April 16, 2121, and is 51% owned by Trinity Church, 48% owned by NBIM Franklin Hudson Square, LLC (Norges HSP), an affiliate of Norges Bank Investment Management and 1% owned by Hines Hudson Square Investor, LLC (Hines HSP).

The REIT Subsidiaries were formed in Delaware, qualify as real estate investment trusts (REIT) and are the holders of an estate for years interest in the land and buildings of 11 commercial buildings located in an area known as Hudson Square in the city of New York. Hudson Square Services LLC (HSS), a Delaware limited liability company, was formed on January 18, 2019, and is a taxable REIT subsidiary. HSS is owned 50% by THH and 50% by TREIT.

On April 17, 2019, Trinity Church sold a 48% interest in certain Remainderman LLCs (HSP Remainderman LLCs) related to 11 operating properties to Norges HSP for $93,120 and a 1% interest to Hines HSP for $1,940. The HSP Remainderman LLCs hold the rights to the EFY term period through April 16, 2118, for 9 properties and April 16, 2121, for 2 properties. On April 18, 2019, Trinity Church, Norges HSP, and Hines HSP contributed their interest in the HSP Remainderman LLCs to HSP, which resulted in an extension of the EFY from 75 years to 99 and 102 years. The contribution of the interests was recognized as a reorganization of entities under common control, and accordingly, the contributions were at their fair value carrying amounts, of $194,000 at the date of contributions. The HSP Remainderman LLCs are Delaware limited liability companies initially formed as single member LLCs. Each of the HSP Remainderman LLCs holds an EFY in one of the 11 properties owned by TREIT and THH and consolidated by HSP.

TREIT and THH have outstanding 120 and 125 shares, respectively, sold for $1 per share, of cumulative, nonvoting preferred stock that is callable at the discretion of the REIT Subsidiaries. Holders of the preferred stock are entitled to receive dividends semiannually at a per annum rate equal to 12.5% of the liquidation preference, which is $1 per share. Shareholders have no redemption rights and the preferred shares are carried at the liquidation preference. Preferred shareholders are presented as part of joint venture partners' interests in real estate investments in the accompanying financial statements.

375 HSP LLC (375 HSP): 375 HSP, a Delaware limited liability company, was formed on July 25, 2017, with an inception date of August 15, 2017, and is organized for the objective and purpose of owning 375 HH LLC (375 HH) and 375 Hudson LLC (together, the 375 HSP Subsidiaries) and indirectly through the 375 HSP Subsidiaries, operating, improving and maintaining a commercial building located at 375 Hudson Street in Hudson Square, in the city of New York. 375 HH qualifies as a REIT that holds the real and personal property as well as its interest in the ground lease at 375 Hudson Street in Hudson Square. 375 HSP is 51% owned by Trinity Church, 48% owned by NBIM Franklin 375 Hudson LLC (Norges 375) and 1% owned by Hines 375 HSP Investor LLC (Hines 375).

Note 1. Organization (Continued)

On April 17, 2019, Trinity Church sold a 48% interest in Remainderman 375 LLCs for one operating property (375 Remainderman) to Norges 375 for $4,800 and a 1% interest to Hines 375 for $100. 375 Remainderman holds the rights to the EFY term period through April 16, 2118. On April 18, 2019, Trinity Church, Norges 375 and Hines 375 contributed their interest in 375 Remainderman to 375 HSP, which resulted in an extension of the EFY from 93 years to 99 years. The contribution of the interests was recognized as a reorganization of entities under common control, and accordingly, the contributions were at their fair value carrying amounts, of $10,000 at the date of contributions. 375 Remainderman is a Delaware limited liability company and is owned by 375 Hudson LLC as a result of the 2019 transaction and consolidated by 375 HSP.

375 HH has outstanding 125 units, respectively (sold for $1 per unit), of cumulative, nonvoting preferred units that are callable at the discretion of 375 HH. Holders of the preferred units are entitled to receive dividends semiannually at a per annum rate equal to 12% of the liquidation preference, which is $1 per unit. Holders of the preferred units have no redemption rights and the preferred units are carried at the liquidation preference. Holders of the preferred units are presented as part of joint venture partners' interests in real estate investments in the accompanying financial statements.

Remainderman LLCs for 12 Operating Properties (Remainderman LLCs): The Remainderman LLCs are Delaware limited liability companies formed as single member LLCs owned by Trinity Church. As described above, each of the HSP Remainderman LLCs and 375 Remainderman (collectively, the Remainderman LLCs) holds a remainder interest in one of the 12 properties owned by the REIT Subsidiaries and 375 HSP. The Remainderman LLCs were modified on April 17, 2019, such that they hold the rights to the EFY term period through April 16, 2118, for 10 properties and April 16, 2121, for 2 properties. On April 17, 2019, Trinity Church sold a 48% interest in Remainderman LLCs to Norges HSP and Norges 375 and a 1% interest to Hines HSP and Hines 375 for an aggregate amount of $99,960. On April 18, 2019, Trinity Church, Norges HSP, Norges 375, Hines HSP and Hines 375 contributed their interest in the Remainderman LLCs to HSP and 375 HSP, which resulted in an extension of the EFY for HSP and 375 HSP as described above.

New Remainderman LLCs for 12 Operating Properties (New Remainderman LLCs): The New Remainderman LLCs are Delaware limited liability companies formed as single member LLCs owned by Trinity Church. Each of the New Remainderman LLCs holds a remainder interest in one of the 12 properties owned by the REIT Subsidiaries and 375 HSP. The 12 properties revert to the control of Trinity Church at the end of the EFY term, which is April 16, 2118, for 10 properties and April 16, 2121, for 2 properties.

561 HH LLC (561 HH): 561 HH, a Delaware limited liability company, was formed as a single member LLC owned by Trinity Church on October 26, 2018, and it was organized for the objective and purpose of owning 561 Greenwich Street. On December 11, 2018, Trinity Church contributed its fee interest in the 561 Greenwich Street property to 561 HH. 561 HH qualifies as a REIT.

561 HH has outstanding 125 units, sold for $1 per unit, of cumulative, nonvoting preferred units that are callable at the discretion of 561 HH. Holders of the preferred units are entitled to receive dividends semiannually at a per annum rate equal to 12% of the liquidation preference, which is $1 per unit. Holders of the preferred units have no redemption rights and the preferred units are carried at the liquidation preference.

Note 1. Organization (Continued)

92 HH LLC (92 HH): 92 HH, a Delaware limited liability company, was formed as a single member LLC owned by Trinity Church on October 26, 2018, and it was organized for the objective and purpose of owning 92 Avenue of Americas. On December 11, 2018, Trinity Church contributed its fee interest in the 92 Avenue of the Americas property to 92 HH. 92 HH qualifies as a REIT.

92 HH has outstanding 125 units, sold for $1 per unit, of cumulative, nonvoting preferred units that are callable at the discretion of 92 HH. Holders of the preferred units are entitled to receive dividends semiannually at a per annum rate equal to 12% of the liquidation preference, which is $1 per unit. Holders of the preferred units have no redemption rights and the preferred units are carried at the liquidation preference.

On April 17, 2019, Norges HSP and Hines HSP entered into a Share Purchase Agreement to acquire 48% and 1%, respectively, in each of 561 HH and 92 HH, with a closing to occur upon substantial completion of the respective buildings to be built on such development parcels subject to certain terms and conditions. Norges HSP paid a cash deposit of $20,000 (reflected in restricted cash and other liabilities on the consolidated balance sheet) at the closing of the Share Purchase Agreement and Hines HSP will pay a cash deposit of $200 upon substantial completion of the respective buildings to be built which is anticipated to occur in early-2023. The Share Purchase Agreement contains conditions that allow for termination rights which may result in a return of a portion of the cash deposits. Trinity Church is responsible for all costs associated with the development activities at 561 HH and 92 HH.

Note 2. Summary of Significant Accounting Policies

Principles of consolidation: The accompanying consolidated financial statements (collectively, the financial statements) include the accounts of Trinity Church, St. Margaret's House, Trinity Global, SMH LLC, Trinity Retreat Center, Trinity Concerts, HSP, 375 HSP, the Remainderman LLCs, the New Remainderman LLCs, 561 HH and 92 HH (collectively, Trinity). All significant intercompany accounts and transactions have been eliminated in consolidation. Joint venture partners' interests in real estate investments in the accompanying consolidated balance sheets represents Norges HSP and Norges 375's 48% ownership and Hines HSP and Hines 375's 1% ownership of HSP and 375 HSP, along with preferred unit holders of the REIT subsidiaries.

Basis of accounting and financial statement presentation: The financial statements of Trinity have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC. As required by the Non-Profit Entities Topic 958, Trinity reports information on its net assets and revenues, expenses, gains and losses according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as follows:

Net assets without donor restrictions: Net assets are not subject to donor-imposed stipulations and include amounts available for operations and Vestry designated amounts.

Net assets with donor restrictions: Net assets are subject to donor-imposed restrictions that require they be maintained in perpetuity or that may or will be met by actions of Trinity or the passage of time. Generally, the donors of these assets permit the use of all or part of the income earned on related investments for general or specific purposes.

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 2. Summary of Significant Accounting Policies (Continued)

Measure of operations: Trinity's operating revenues in excess of expenses include all operating revenues and expenses that are an integral part of its programs and supporting activities, net assets released from donor restrictions to support operating expenditures and transfers from Vestry-designated and other nonoperating funds to support current operating activities. The measure of operations includes support for operating activities from both net assets with donor restrictions and net assets without donor restrictions designated for long-term investment according to Trinity's spending policy which is detailed in Note 4. The measure of operations excludes endowment returns in excess of amounts available for current support.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect 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 and restricted cash: All short-term investments with maturities of three months or less at the date of purchase are considered to be cash equivalents, except for those amounts held as part of Trinity's long-term investment strategy. Restricted cash consists of tenant security deposits and amounts held by lender in accordance with mortgage loan agreements. Substantially all restricted cash is held in demand deposits.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheet that agree to the total of the same amounts shown in the consolidated statements of cash flows:

	2021	2020
Cash and cash equivalents	$ 68,271	$ 81,652
Restricted cash	49,237	49,388
Cash and cash equivalents and restricted cash	$ 117,508	$ 131,040

Accounts, rent agreements and notes receivable: Accounts, rent agreements and notes receivable represent outstanding amounts due primarily from tenants and are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a provision for bad debt expense based on its assessment of the current status of individual receivables due from tenants.

Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to the applicable accounts or notes receivable. Based on the information available, Trinity believes the allowance for doubtful accounts as of December 31, 2021 and 2020, is adequate. However, actual write-offs may exceed the recorded allowance.

Programmatic investments: Trinity from time to time provides loans to other not for profit organizations for necessary working capital and other initiatives. These loans generally contain no interest component. Trinity records its programmatic loans receivable at the present value of the cash flows it expects to collect. These loans were approximately $7,950 and $6,615 at December 31, 2021 and 2020, respectively, and are recorded in prepayments and other assets in the consolidated balance sheets. The difference between the present value and the cash advanced is recognized as a contribution and is reflected in grants, other gifts and diocesan assessment on the consolidated statements of activities.

Note 2. Summary of Significant Accounting Policies (Continued)

Investments: Trinity records its investments at their estimated fair value as described in Note 7 with the related return from investments included in the accompanying consolidated statements of activities.

Ministry property and equipment: Additions in excess of $10 are capitalized at cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The useful lives of the assets range from three to 50 years.

Collections: Trinity's collections, which include artwork, books, monuments and artifacts of historical significance, have been acquired through contributions and purchases since Trinity's inception and are not recognized as assets on the consolidated balance sheets. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset class.

Notes and loans, net: Note payable is carried at cost and presented net of unamortized deferred financing costs. Deferred financing costs consist of direct costs incurred in obtaining debt financing. Deferred financing costs are being amortized over the life of the related loans using the effective interest method and are included as a deduction from notes and loans on the consolidated balance sheets.

Grants expense and related payable: Trinity's grantmaking focuses on four strategic initiatives: Housing and Homelessness, Racial Justice, Mission Real Estate Development and Leadership Development. Our work across all four initiatives is rooted in a strong commitment to advancing an equitable society in which the allocation of resources, opportunities and hardships are not determined by race. Grants made are considered conditional if both a right of return and barrier exist. Trinity records grant obligations when approved by the Vestry, communicated to the recipient and any Trinity imposed conditions become unconditional, that is when the related measurable performance barrier or other barrier has been met.

Revenue and expense recognition: Rental revenue for non-commercial real estate activities is included in low income housing on the consolidated statements of activities. Rental revenue and expense of the commercial real estate investments is included in the net return (loss) from real estate investments on the consolidated statements of activities. Rental revenue is recognized using the accrual basis in accordance with the terms of the underlying lease agreement. Rental revenue is not accrued during periods of rent abatement as the value of the future rental revenue is considered in connection with estimating the fair value of real estate investments. Operating expenses of real estate investments are recognized as incurred. Additional rents and reimbursements, which are provided in the underlying leases, are recognized as income when earned and when their amounts can be reasonably estimated.

An agreement to terminate a lease may or may not include a payment to Trinity in recognition of future rents. When the agreement with the tenant includes termination income or expense to Trinity, it is recognized upon execution of the termination or surrender agreement. All commercial real estate activity is included in the net return (loss) from investments.

Trinity records as ministry revenue the following types of contributions and donations at fair value when they are received unconditionally: cash and gifts of other assets, promises to give and certain contributed services. Conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as support when the conditions on which they depend have been substantially met. Contributions and promises to give are initially reported at estimated fair value and are recorded as revenue when either cash or other assets are received or when donors make an enforceable promise to give. Contributions and promises to give are reported either as with donor restrictions or without donor restrictions, based on the donor's intent.

Note 2. Summary of Significant Accounting Policies (Continued)

Trinity recognizes revenue from the cemetery at the time of sale. The performance obligation is considered complete through the designation of the space to the purchaser. Cemetery revenue is included in other revenue (loss) on the consolidated statements of activities.

Revenue from seminary tuition and fees is recognized during the period in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the term.

In addition, the seminary students have an option for room and board on premises. The performance obligation of providing access to housing and meals are satisfied ratably over the period in which the student chooses to live and dine on campus. Contracts for tuition are combined into a single portfolio of similar contracts. Similarly, contracts for room and board are combined into a single portfolio of similar contracts. Students who adjust their course load or withdraw completely within a few weeks of the start of the semester may receive partial or full refunds of their tuition, fees, room and board in accordance with CDSP's refund policy.

Historically, seminary refunds have been approximately less than one percent of the total amount billed and reduce the amount of revenue recognized. Payments for tuition, fees, room and board are due approximately four weeks after the start of the academic term. Payments for housing are billed monthly for both students of CDSP and students from other institutions. All amounts received prior to the commencement of the academic term, including enrollment deposits, are deferred to the applicable period. Scholarships provided to students are recorded as a reduction from the posted tuition and fees at the time revenue is recognized.

Also included in seminary income on the consolidated statements of activities is housing contracts with seminary students, housing contracts with students of other institutions, short-term housing and event rentals and long-term institutional lease contracts.

The performance obligation of providing access to short-term housing and other events are satisfied ratably over the period in which the customer is provided access to housing or event space. These contracts are combined into a single portfolio of similar contracts. Long-term institutional lease revenue is accounted for under the lease guidance.

Trinity applies the practical expedient allowed under revenue recognition accounting guidance and, therefore, does not disclose information about remaining performance obligations that have original durations of one year or less.

Impairment of long-lived assets: Trinity assesses the recoverability of its long-lived assets when indications of impairment exist. Trinity believes that there is no impairment at December 31, 2021 and 2020.

Leases and related liabilities: Trinity leases space under noncancelable lease agreements, which are accounted for as operating leases. Trinity recognizes rent expense on a straight-line basis over the lease term. The cumulative excess of rents so recognized over amounts contractually due pursuant to the underlying leases is reported in other liabilities on the accompanying consolidated balance sheets.

Note 2. Summary of Significant Accounting Policies (Continued)

Asset retirement and environmental obligations: Trinity follows FASB ASC 410, Asset Retirement and Environmental Obligations; this standard requires a liability be recorded at fair value specific to certain legal or contractual obligations. The recording of a liability is required if such conditions exist and the obligation can be reasonably estimated. Trinity recognizes a liability in the period in which it becomes aware of such liability and sufficient information is available to reasonably estimate the fair value.

Trinity owns a piece of property located at 561 Greenwich Street that qualified for the New York State Brownfield Cleanup Program which provides for tax credits based on Trinity performing remediation cleanup work and certain improvements upon completion of developing the property. The required remediation is ongoing and the total eligible cost as of December 31, 2021 is approximately $11,100 which have been incurred since 2018. For the 2021 tax year, Trinity will make the appropriate local tax filings and anticipates to receive the associated tax credit in the amount of $3,663.

Liquidity: In order to provide information about liquidity, assets are sequenced according to their nearness of conversion to cash and liabilities according to their nearness to their estimated maturity.

Reclassifications: Certain amounts and accounts reported in the 2020 consolidated financial statements have been reclassified to conform to the 2021 financial statement presentation. The reclassifications had no effect on the reported total assets, liabilities and net assets as of December 31, 2020 and the changes in net assets for the year ended December 31, 2020.

Income taxes: Trinity is a nonprofit corporation exempt from federal income tax under Section 501(a) of the Code, as an organization described in Section 501(c)(3); Trinity is similarly exempt from state income taxes. Despite the general exemption from income taxation, Trinity is subject to federal and state income tax at corporate rates on its unrelated business income.

The REIT subsidiaries, 375 HH, 561 HH and 92 HH, (together, the REIT entities) have elected to be taxed as REITs under sections 856-860 of the Internal Revenue Code, as amended, for federal income tax purposes. A REIT is subject to a number of organizational and operational requirements, including a requirement that it distributes at least 90 percent of its REIT taxable income (subject to certain adjustments) to its shareholders. The REIT entities will not be subject to federal income tax on taxable income that is distributed to the shareholders. Management believes the REIT entities are organized in such a manner as to qualify for treatment as REITs and intend to continue in the foreseeable future in such a manner that they will remain qualified as REITs for federal income tax purposes. If the REIT entities fail to quality for REIT status in any taxable year, without the benefit of certain relief provisions, the REIT entities will be subject to federal and state income tax on taxable income at regular corporate rates. Even if the REIT entities qualify for taxation as REITs, they may be subject to certain state and local taxes on the income, property and/or net worth and federal income and excise taxes on undistributed income.

Trinity's current accounting practices include the review of uncertain tax positions by management on a regular basis with adjustments and disclosures made in accordance with U.S. GAAP. For the years ended December 31, 2021 and 2020, no uncertain tax positions have been identified. Trinity is no longer subject to income tax examinations by U.S. federal, state or local tax authorities for three years from the filing date.

Note 2. Summary of Significant Accounting Policies (Continued)

Recently issued accounting standards: In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers* (Topic 606) *and Leases* (Topic 842). In the ASU, the FASB provided for a one-year effective date deferred for certain entities as it relates to the adoption of the guidance described in ASU 2016-02. Accordingly, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. In July 2021, the FASB issued 2021-05, *Leases* (Topic 842). The amendments in this update require lessors to classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if certain classification criteria are met. In November 2021, the FASB issued ASU 2021-09, also related to *Leases* (Topic 842). This update allows lessees that are not public business entities (PBEs) to make an accounting policy election by class of underlying asset, rather than on an entity-wide basis, to use a risk-free rate as the discount rate when measuring and classifying leases. The *Leases* standard is effective for 2022 and Trinity is currently evaluating the impact of the adoption of these new standards on its financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Among other provisions, this ASU requires the allowance for credit losses to reflect management's current estimate of credit losses that are expected to occur over the remaining life of a financial asset. This ASU is effective for fiscal years beginning after December 15, 2022. Trinity is evaluating the impact of adoption of this ASU on the financial statements.

In November 2019, the FASB issued ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*. This ASU provides narrow scope improvements to Topic 326. For entities that have not yet adopted ASU 2016-13 as of November 26, 2019, the effective dates for ASU 2019-11 are the same as the effective dates and transition requirements in ASU 2016-13. Trinity is evaluating the impact of adoption of this ASU on the financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting.* This ASU provides relief that, if elected, will provide less accounting analysis and less accounting recognition for modifications related to reference rate reform. The ASU was effective upon issuance. The relief provided by Topic 848 is considered temporary in nature and lasts until December 31, 2022. This is meant to coincide with the period that global financial markets transition away from reference rates that will cease to exist including London Interbank Offered Rate (LIBOR).

Subsequent events: Trinity evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was May 24, 2022, for these financial statements.

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 3. Financial Assets and Liquidity Reserves

The following reflects Trinity's financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt and capital construction costs not financed with debt. Amounts not available include amounts set aside for investing in Vestry designated endowment funds that could be drawn only upon the approval of the Vestry. However, amounts already appropriated from either the donor restricted endowment or Vestry designated endowment funds for general expenditures within one year of December 31, 2021 and 2020, are considered available.

	2021	2020
Cash and cash equivalents	$ 68,271	$ 81,652
Accounts, rent agreements and notes receivable, net	11,125	8,282
Financial investments, at fair value	3,901,597	3,393,041
Financial assets at year-end	3,980,993	3,482,975
Financial assets restricted by donors and designated by the Vestry	(3,784,993)	(3,296,475)
Financial assets available within one year to meet cash needs for general expenditures, as defined under spending policy	$ 196,000	$ 186,500

Trinity also has unsecured committed revolving credit facilities aggregating $550,000 as of December 31, 2021 and 2020. The outstanding loan balances under these facilities was $89,000 and $28,500 as of December 31, 2021 and 2020, respectively. (Note 13).

Trinity regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Trinity has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and lines of credit. As part of its liquidity management plan, Trinity invests cash in excess of daily requirements in short-term investments, CDs and money market funds. Per its investment policy allocation, Trinity targets a 2% cash allocation in its endowment's financial investments portfolio, although the actual percentage will vary. In addition, Trinity typically holds between $15,000 and $30,000 in its main operating bank account.

Trinity maintains a certain minimum level of liquidity sufficient to fund its ongoing expenses, including outstanding investment commitments. Trinity regularly monitors a number of liquidity measures to assess its ability to meet operating needs and investment commitments. These include monitoring the level of assets that could be liquidated within a year without significant losses to meet unfunded investment commitments and Trinity's projected current annual spending.

Note 4. Endowments

Trinity's endowment consists of both financial and real estate investments. Trinity's financial investment portfolio at December 31, 2021 and 2020, consists of approximately 70 individual funds established for a variety of purposes. The financial investment portion of the endowment includes both donor-restricted endowment funds and funds designated by the Vestry to function as endowments. Trinity's real estate investments portfolio consists of 19 assets, including commercial operating properties, ground leases and potential development sites.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment supports Trinity's legacy and mission in the world.

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 4. Endowments (Continued)

Changes in the fair value of the endowment assets and net assets by type of fund were as follows for the years ended December 31:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Changes in the fair value of endowment investments:			
Investment return:			
Real estate investments	$ 186,811	$ -	$ 186,811
Financial investments	571,363	5,556	576,919
Endowment investments return attributable to Trinity	758,174	5,556	763,730
Appropriation from endowment to support operations and capital expenditures:			
Operations	(129,857)	(526)	(130,383)
Capital expenditures and other assets	(21,613)	-	(21,613)
Total appropriations from endowment	(151,470)	(526)	(151,996)
Endowment investment return, net after appropriation	606,704	5,030	611,734
Other changes in endowment assets:			
Contributions	-	55	55
Distributions to joint venture partners	(38)	-	(38)
Net change in endowment assets	606,666	5,085	611,751
Beginning of year	6,514,011	31,725	6,545,736
End of year	$ 7,120,677	$ 36,810	$ 7,157,487
Investments by type of fund:			
Donor-restricted "true" endowment			
Historical gift value	$ -	$ 24,472	$ 24,472
Appreciation	-	12,338	12,338
Total donor restricted "true" endowment	-	36,810	36,810
Vestry-designated "funds functioning as endowment":			
Real estate endowment:	3,431,007	-	3,431,007
Financial investments endowment	3,689,670	-	3,689,670
Total Vestry-designated "funds functioning as endowment":	7,120,677	-	7,120,677
Total - as above	$ 7,120,677	$ 36,810	$ 7,157,487

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 4. Endowments (Continued)

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Changes in the fair value of endowment investments:			
Investment return (loss):			
Real estate investments	$ (80,614)	$ -	$ (80,614)
Financial investments	454,828	2,742	457,570
Endowment investments return attributable to Trinity	374,214	2,742	376,956
Appropriation from endowment to support operations and capital expenditures:			
Operations	(133,797)	(574)	(134,371)
Capital expenditures and other assets	(23,135)	-	(23,135)
Total appropriations from endowment	(156,932)	(574)	(157,506)
Endowment investment return, net after appropriation	217,282	2,168	219,450
Other changes in endowment assets:			
Contributions	-	65	65
Distributions to joint venture partners	(23)	-	(23)
Net change in endowment assets	217,259	2,233	219,492
Beginning of year	6,296,752	29,492	6,326,244
End of year	$ 6,514,011	$ 31,725	$ 6,545,736
Investments by type of fund:			
Donor-restricted "true" endowment			
Historical gift value	$ -	$ 24,417	$ 24,417
Appreciation	-	7,308	7,308
Total donor restricted "true" endowment	-	31,725	31,725
Vestry-designated "funds functioning as endowment":			
Real estate endowment:	3,239,315	-	3,239,315
Financial investments endowment	3,274,696	-	3,274,696
Total Vestry-designated "funds functioning as endowment":	6,514,011	-	6,514,011
Total - as above	$ 6,514,011	$ 31,725	$ 6,545,736

Trinity's continued intention is for the endowment to exist in perpetuity and grow over time to support and sustain the church's ministries. There are two separate endowments. The Vestry is responsible for overseeing the endowments. The Vestry oversees management and investment decisions about individual endowment assets in the context of an overall strategy that takes into consideration both risk and return objectives appropriate to Trinity and compliance with the New York Prudent Management of Institutional Funds Act (NYPMIFA) and the California enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), collectively, PMIFA.

Note 4. Endowments (Continued)

For accounting and reporting purposes, Trinity classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the historical value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the applicable donor instrument. Also included in the net assets with donor restrictions is the accumulated appreciation on donor restricted endowments, which are available for expenditure in a manner consistent with the standard of prudence prescribed by PMIFA, and deficiencies, if any, associated with funds where the value of the fund has fallen below the original value of the gift. There were $1 and $267 of deficiencies as of December 31, 2021 and 2020, respectively.

Trinity has interpreted PMIFA as allowing Trinity to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as Trinity determines is prudent for the uses, benefits, purposes and duration for which the endowment is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted until appropriated for expenditure by the Vestry.

Consistent with PMIFA, all investment decisions are made in good faith and with the care an ordinarily prudent person would exercise under similar circumstances. The following factors, to the extent relevant, are among the considerations in managing and investing financial investments: (i) general economic conditions; (ii) the possible effect of inflation or deflation; (iii) the expected tax consequences, if any, of investment decisions or strategies; (iv) the role that each investment or course of action plays within the overall financial investment portfolio; (v) the expected total return from income and the appreciation on investments; (vi) other resources of Trinity; (vii) the needs of Trinity regarding distributions, diversification and preservation of capital; (viii) an asset's special relationship or special value, if any, to the charitable purpose of Trinity and any restrictions placed on a particular asset by the donor or by the Vestry; (ix) management and administrative costs and (x) liquidity considerations.

Trinity's spending policy is intended to carry out Trinity's mission in the world by withdrawing endowment funds in a stable and sustainable way. In 2018, the spending policy was amended from a range of 2.50% to 3.00% to a fixed 3.25% of a trailing five-year moving average on a one-year lag of the fair value of the endowment investments. The payout percentage is reviewed periodically and adjusted, as considered necessary. The 2021 operating and capital expenditure budget approved by the Vestry was $186,500 million which is 3.25% of the trailing five-year moving average of the fair value of the endowment investments. The actual spending rate for 2021 was 2.87%. The 2020 operating and capital expenditure budget approved by the Vestry was $172.5 million which is 3.25% of the trailing five-year moving average of the fair value of the endowment investments. The actual spending rate for 2020 was 2.89%. In addition to the operating and capital expenditure budget, the Vestry approved additional endowment draws to fund construction of the commercial portion of the parish building in 2021 and 2020.

If endowment income received is not sufficient to support the total return objective, the balance is provided from capital gains. If income is received in excess of the objective, the balance is reinvested in the endowment.

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 4. Endowments (Continued)

The Investment Committee, in accordance with the policies and procedures approved by the Vestry, has responsibility to develop, recommend to the Vestry and oversee the implementation of the overall asset allocation policies to secure, use prudently and grow the endowment, which is primarily unrestricted. The Investment Committee, in accordance with the policies and procedures approved by the Vestry, also has responsibility for oversight of the Trinity wholly owned commercial real estate portion of the endowment, which is without donor restrictions.

Note 5. Investment in Real Estate Subsidiaries

As part of its ongoing stewardship and prudent management of its endowment assets, Trinity Church entered into joint venture agreements with Norges HSP, Norges 375, Hines HSP and Hines 375 for the ownership of 12 commercial buildings located in Hudson Square for a period of time under an estate for years which runs through April 16, 2118, for 10 properties and April 16, 2121, for two properties. The 12 properties revert to the control of Trinity Church at the end of the EFY term.

Total cash contributions by the joint venture partners amounted to $9,800 in 2020. With the extension of the estate for years for the 12 properties, the joint venture partners contributed their interests which amounted to $99,960 in 2019. Additionally, $250 was raised through a private placement for preferred holders in 561 HH and 92 HH in 2019. These contributions aggregated to $123,240 in 2019 as amounts received from joint venture partners in real estate investments. There were no contributions by the joint venture partners in 2021.

Total distributions to the joint venture partners, including distributions to preferred members, amounted to $74,358 and $70,869 in 2021 and 2020, respectively.

In addition to the real estate owned through HSP and 375 HSP, Trinity also wholly owns several development sites as well as properties held through ground leases.

Trinity closed on a transaction with The Walt Disney Company (Disney) in 2018, under which Trinity sold a 99-year EFY interest that runs through July 8, 2117. The property reverts to the control of Trinity Church at the end of the EFY term.

Disney is obligated to raze the existing buildings and construct a new building which will be used as its New York City headquarters for at least 20 years from completion (substantial completion required by the earlier of: (a) Six years after tenant vacancy or (b) Eight years after transaction closing).

Note 6. Accounts, Rent Agreements and Notes Receivable

Accounts, rent agreements and notes receivable consist of the following at December 31:

	2021	2020
Accounts receivable - Tenants	$ 9,466	$ 9,144
Rent agreements receivable	4,526	1,669
Other receivables	1,229	2,061
	15,221	12,874
Less allowance for doubtful accounts	(4,096)	(4,592)
Accounts, rent agreements and notes receivable, net	$ 11,125	$ 8,282

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 7. Investments, Other Assets and Fair Value Measurements

Investments and other assets, at fair value, are as follows at December 31:

	2021		
	Domestic	Global	Total
Financial investments:			
Pending investments and distributions	$ 76,603	$ -	$ 76,603
Cash and cash equivalents	167,028	-	167,028
Fixed income	291,212	60,970	352,182
Equities and equity mutual funds	456,785	1,169,978	1,626,763
Private equity funds:			
Oil and gas	2,252	-	2,252
Distressed	499	144	643
Venture capital	149,613	179,743	329,356
Commodities	-	1,029	1,029
Real estate	47,234	-	47,234
Growth	36,754	68,534	105,288
Buyout	153,241	32,394	185,635
Marketable alternatives:			
Multi-strategy	304,211	703,179	1,007,390
Distressed	-	194	194
Total financial investments	1,685,432	2,216,165	3,901,597
Real estate investments:			
Joint venture real estate investments	5,331,989	-	5,331,989
Trinity wholly owned real estate investments	975,545	-	975,545
Total real estate investments	6,307,534	-	6,307,534
Other:			
Beneficial interest in estate	234	-	234
Beneficial interest in perpetual trusts	1,404	-	1,404
Split interest agreements held by others	1,828	-	1,828
Total other	3,466	-	3,466
Total assets carried at fair value	$ 7,996,432	$ 2,216,165	$ 10,212,597

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

	2020		
	Domestic	Global	Total
Financial investments:			
Pending investments and distributions	$ 20,000	$ -	20,000
Cash and cash equivalents	148,226	-	148,226
Fixed income	320,396	51,553	371,949
Equities and equity mutual funds	380,201	1,238,454	1,618,655
Private equity funds:			
Oil and gas	2,874	-	2,874
Distressed	1,253	163	1,416
Venture capital	86,005	91,200	177,205
Commodities	-	985	985
Real estate	26,757	-	26,757
Growth	29,534	23,066	52,600
Buyout	97,399	11,125	108,524
Marketable alternatives:			
Multi-strategy	244,221	619,360	863,581
Distressed	-	269	269
Total financial investments	1,356,866	2,036,175	3,393,041
Real estate investments:			
Joint venture real estate investments	5,205,933	-	5,205,933
Trinity wholly owned real estate investments	861,614	-	861,614
Total real estate investments	6,067,547	-	6,067,547
Other:			
Beneficial interest in estate	234	-	234
Beneficial interest in perpetual trusts	1,237	-	1,237
Split interest agreements held by others	1,725	-	1,725
Total other	3,196	-	3,196
Total assets carried at fair value	$ 7,427,609	$ 2,036,175	$ 9,463,784

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

Trinity's primary investment objectives are to maintain or increase the purchasing power of its assets net of spending, so that its ministries and programs can be maintained or increased in real terms in perpetuity and to preserve and enhance the value of Trinity's assets for generations to come. Major investment decisions are authorized by the Vestry's Investment Committee, which oversees Trinity's investment program in accordance with established guidelines.

Fixed income investments are composed of cash, U.S. treasuries and opportunistic credit and mortgage-related investments. The U.S. treasury exposure serves to protect the overall financial investments during periods of deflation, recession, and times of financial stress, while also serving as a diversifying asset class, given its relatively low correlations with other asset classes in the financial investments portfolio. The cash portion of the financial investments serves to meet Trinity's liquidity needs as the primary source of funds for operations, expenses, capital calls and new investments and includes cash and short-term liquid fixed income investments with maturities less than one year, which are valued based on quoted market prices in active markets. The majority of these investments are held in U.S. money market accounts. The opportunistic credit and mortgage portion of the financial investments serves to take advantage of attractive investment opportunities across the spectrum of performing credit securities. Non-cash fixed income investments consist of separately managed accounts and limited partnerships.

Global public equity investments consist of separate accounts, commingled funds, and limited partnerships, invested both actively and passively in public securities listed in the U.S., developed markets ex-U.S. and emerging markets. Securities held in separate accounts and daily traded commingled funds are generally valued based on quoted market prices. Commingled funds and limited partnership interests in equity-oriented funds with monthly or longer liquidity are valued based on independently determined net asset value (NAV) provided by external fund managers. Global public equity investments may also include equity long/short funds with over 60% exposure to global public equity markets.

The marketable alternatives portfolio consists of investments in limited partnership interests in hedge funds and drawdown private investment partnerships that have broad investment mandates, including the ability to invest long and short across asset classes. While the majority of underlying investments are in marketable securities, the funds are valued based on independently determined NAV provided by external fund managers.

Private investments in debt, equity, real assets and natural resources consist of limited partnership interests in partnerships that typically invest in private securities for which there is no readily determinable market value. Market value is determined by external managers through a variety of valuation processes, including external appraisals. Limited partnership valuations are held at the manager's reported NAV, unless information becomes available indicating the reported NAV may require adjustment. Trinity monitors the valuation practices of managers.

Trinity's real estate investments consist of directly owned assets, including ground leases, potential development sites and joint venture stakes in commercial operating properties (the Properties). Trinity actively manages these assets. Trinity recognizes both its historic relationship to its New York assets and the communities in which they reside and the challenges of the overall portfolio illiquidity presented by its substantial real estate holdings. Trinity works to enhance the value of its real estate assets while managing, and selectively reducing when possible, the endowment's exposure to concentrated risk. The value of Trinity's real estate investments is determined quarterly to annually by independent appraisals.

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

The investments held by Trinity include commitments to some limited partnerships for additional capital funding from Trinity. Funding of partnership commitments will occur over time with notice from the partnership's general partners. At December 31, 2021 and 2020, Trinity's outstanding commitments to these limited partnerships are $434,624 and $454,006, respectively.

Trinity values its financial and real estate assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in inactive markets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, Trinity utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considering counterparty credit risk in its assessment of fair value.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Trinity's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

A description of the valuation techniques applied to Trinity's major categories of assets measured at fair value on a recurring basis is provided in the following paragraphs.

Securities traded on a national securities exchange (or reported on the Nasdaq global market), such as fixed income securities, equities and equity mutual funds, are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 in the fair value hierarchy.

Investments in alternatives funds are composed of private equity and marketable alternative funds. These investments are valued at fair value based on the applicable percentage ownership of the net assets of each of the investment funds as of the measurement date. In determining fair value, Trinity utilizes, as a practical expedient, the net asset value (or equivalent) provided by the fund managers (NAV of Funds). The underlying investment funds value securities and other financial instruments at fair value. The estimated fair values of certain investments of the underlying investment funds, which may include private placements and other securities for which prices are not readily available, are determined by the general partner or sponsor of the respective investment fund and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

Trinity's estimates of fair value for Level 3 may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the alternative investment funds are audited annually by independent auditing firms.

Additionally, Trinity has investments in real estate through a controlling interest in HSP and 375 HSP and through several wholly owned commercial real estate properties. Real estate investments are stated at fair value. The real estate and capital markets are cyclical in nature. Property and investment values are affected by, among other things, the availability of capital, occupancy rates, rental rates and interest and inflation rates. As a result, determining real estate investment values involves many assumptions. Amounts ultimately realized from each investment may vary significantly from the fair value presented.

Since fair value measurements take into consideration the estimated effect of physical depreciation, depreciation and amortization on real estate related assets has been excluded from the net return from real estate investments. Significant betterments and improvements of the Properties are capitalized. Deferred expenses consisting of lease costs incurred in connection with obtaining new tenants or renewals of lease agreements are capitalized into real estate investments. Routine maintenance and repairs are charged to expense as incurred.

As of December 31, 2021, Trinity used historical cost for 561 HH and the value derived from deal terms for 92 HH that were derived from a transaction that closed in 2019. As of December 31, 2020, the values used for 561 HH and 92 HH were derived from deal terms for a transaction that closed in 2019 (see Note 1).

For 2021 and 2020, Trinity used the sale comparison approach on a sales per square foot basis to value the development sites of Two Hudson Square and 122 Varick Street. The sales comparison approach compares the subject site to similar, recently sold properties in the surrounding or competing area. This approach relies on the principal of substitution, which holds that a property is replaceable in the market, where its value tends to be set at the cost of acquiring an equally desirable property, assuming that no costly delay is encountered in making the substitution.

For 2021 and 2020, the Joint Venture Real Estate used the income capitalization approach (discounted cash flow model). When discounted cash flows are used in determining fair value, management projects operating cash flows and market assumptions based on, but not limited to, the operating cash flows and financial performance of the Properties relative to budgets or projections, property types and geographical locations, the physical condition of the asset, prevailing market capitalization rates, prevailing market discount rates, general economic conditions and other elements of the investments' revenues and expenses including rental rates, rental growth rates, tenant improvements, commissions and operating expenses, deemed appropriate by management.

Considerable judgment is required in interpreting market data to determine the estimates of value; accordingly, the estimates of value presented in the financial statements are not necessarily indicative of the amount that Trinity could realize in a market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the fair values. The amounts ultimately realized by Trinity from the disposal of any of the Properties may vary significantly from the fair values presented.

(all dollar amounts in thousands unless otherwise indicated)

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

At December 31, 2021 and 2020, all of Trinity's real estate investments were classified within Level 3 of the valuation hierarchy.

The following tables represent quantitative information about unobservable inputs related to the Level 3 fair value measurements of the Properties as of:

Joint Venture Real Estate (Income Capitalization Approach)

	Minimum	Maximum	Weighted Average
December 31, 2021:			
Terminal capitalization rates	4.75%	5.00%	4.90%
Discount rates	5.80%	6.75%	6.13%
December 31, 2020:			
Terminal capitalization rates	4.85%	5.00%	4.97%
Discount rates	6.00%	6.50%	6.24%

Development Sites (Sales Comparison Approach)

	Minimum	Maximum	Weighted Average
December 31, 2021:			
Sales price per square foot	$512	$889	$615
December 31, 2020:			
Sales price per square foot	$527	$889	$615

Ground Leases (Income Capitalization Approach)

	Assumed
December 31, 2021:	
Discount rates	6.00%
December 31, 2020:	
Discount rates	6.00%

Remainderman Interests (Income Capitalization Approach)

	Minimum	Maximum	Weighted Average
December 31, 2021:			
Terminal capitalization rates	6.75%	7.25%	7.04%
Discount rates	6.50%	8.00%	7.66%
December 31, 2020:			
Terminal capitalization rates	6.75%	7.25%	7.04%
Discount rates	6.50%	8.00%	7.66%

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

The following is a summary of assets Trinity measures at fair value on a recurring basis, by level, within the fair value hierarchy at December 31:

	2021				
	Level 1	Level 2	Level 3	Practical Expedient (Net Asset Value)[(a)]	Total
Financial investments:					
Pending investments and distributions	$ 76,603	$ -	$ -	$ -	$ 76,603
Cash and cash equivalents	167,028	-	-	-	167,028
Fixed income	174,118	-	-	178,064	352,182
Equities and equity mutual funds	616,867	-	-	1,009,896	1,626,763
Private equity funds:					
Oil and gas	-	-	-	2,252	2,252
Distressed	-	-	-	643	643
Venture capital	-	-	-	329,356	329,356
Commodities	-	-	-	1,029	1,029
Real estate	-	-	-	47,234	47,234
Growth	-	-	-	105,288	105,288
Buyout	-	-	-	185,635	185,635
Marketable alternatives:					
Multi-strategy	-	-	-	1,007,390	1,007,390
Distressed	-	-	-	194	194
Total financial investments	1,034,616	-	-	2,866,981	3,901,597
Real estate investments:					
Joint venture real estate investments	-	-	5,331,989	-	5,331,989
Trinity wholly owned real estate investments	-	-	975,545	-	975,545
Total real estate investments	-	-	6,307,534	-	6,307,534
Other:					
Beneficial interest in estate	-	-	234	-	234
Beneficial interest in perpetual trusts	-	-	1,404	-	1,404
Split interest agreements held by others	-	-	1,828	-	1,828
Total other	-	-	3,466	-	3,466
Total assets carried at fair value	$ 1,034,616	$ -	$ 6,311,000	$ 2,866,981	$ 10,212,597

(a) Investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient are not classified as Level 2 or 3, in accordance with ASU 2015-07 and are shown for informational purposes.

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

	2020				
	Level 1	Level 2	Level 3	Practical Expedient (Net Asset Value)[a]	Total
Financial investments:					
Pending investments and distributions	$ 20,000	$ -	$ -	$ -	20,000
Cash and cash equivalents	148,226	-	-	-	148,226
Fixed income	297,868	-	-	74,081	371,949
Equities and equity mutual funds	724,965	-	-	893,690	1,618,655
Private equity funds:					
Oil and gas	-	-	-	2,874	2,874
Distressed	-	-	-	1,416	1,416
Venture capital	-	-	-	177,205	177,205
Commodities	-	-	-	985	985
Real estate	-	-	-	26,757	26,757
Growth	-	-	-	52,600	52,600
Buyout	-	-	-	108,524	108,524
Marketable alternatives:					
Multi-strategy	-	-	-	863,581	863,581
Distressed	-	-	-	269	269
Total financial investments	1,191,059	-	-	2,201,982	3,393,041
Real estate investments:					
Joint venture real estate investments	-	-	5,205,933	-	5,205,933
Trinity wholly owned real estate investments	-	-	861,614	-	861,614
Total real estate investments	-	-	6,067,547	-	6,067,547
Other:					
Beneficial interest in estate	-	-	234	-	234
Beneficial interest in perpetual trusts	-	-	1,237	-	1,237
Split interest agreements held by others	-	-	1,725	-	1,725
Total other	-	-	3,196	-	3,196
Total assets carried at fair value	$ 1,191,059	$ -	$ 6,070,743	$ 2,201,982	$ 9,463,784

(a) Investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient are not classified as Level 2 or 3, in accordance with ASU 2015-07 and are shown for informational purposes.

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

Changes in assets measured at fair value using Level 3 inputs for the years ending December 31, 2021 and 2020, are as follows:

	2021			
	Balance January 1, 2021	Net Realized and Unrealized Gains and Other Income	Purchases and Other Adjustments	Balance December 31, 2021
Real estate:				
Joint venture real estate	$ 5,205,933	$ 86,577	$ 39,479	$ 5,331,989
Trinity wholly owned commercial real estate	861,614	41,479	72,452	975,545
Total real estate investments	6,067,547	128,056	111,931	6,307,534
Other	3,196	270	-	3,466
	$ 6,070,743	$ 128,326	$ 111,931	$ 6,311,000

	2020			
	Balance January 1, 2020	Net Realized and Unrealized Losses and Other Income	Purchases and Other Adjustments	Balance December 31, 2020
Real estate:				
Joint venture real estate	$ 5,448,036	$ (274,672)	$ 32,569	$ 5,205,933
Trinity wholly owned commercial real estate	765,800	(33,244)	129,058	861,614
Total real estate investments	6,213,836	(307,916)	161,627	6,067,547
Other	3,247	-	(51)	3,196
	$ 6,217,083	$ (307,916)	$ 161,576	$ 6,070,743

The contribution of the EFY was recognized as a reorganization of entities under common control and, accordingly, the cost basis reflects Trinity's historical cost carrying amount. The fair value of the contribution includes previously unrealized gain on assets recorded by Trinity.

The fair value of the joint venture real estate investment at December 31, 2021 and 2020, includes adjustments of $61,989 and $80,933, respectively, to the fair value derived using a discounted cash flow of $1,155,000 and $1,070,000, respectively. The adjustment represents future payouts of tenant allowances for a tenant within one of the joint venture commercial real estate buildings and is included in the discounted cash flow which lowers the real estate investment value. Additionally, the future tenant allowance payouts for this tenant are included in accounts payable and accrued liabilities on the consolidated balance sheets at December 31, 2021 and 2020, which lowers the net asset value of the joint venture real estate. The adjustment increases the real estate investment fair value at December 31, 2021 and 2020 to offset the decrease in net asset value of the joint venture real estate related to the future payments included in accounts payable and accrued liabilities on the accompanying consolidated balance sheets.

(all dollar amounts in thousands unless otherwise indicated)

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

The following table summarizes the investment strategies and liquidity provisions of investments in other funds valued at the NAV as provided by the fund managers as of December 31:

	2021		2020		
	Fair Value	Unfunded Commitments	Fair Value	Redemption Frequency [e]	Redemption Notice Period
Fixed income	$ 178,064	$ 19,907	$ 74,081	Illiquid [a]	N/A [a]
Equities and equity mutual funds	1,009,896	25,745	893,690	Varies [b]	3 to 90 days [b]
Private equity funds:					
Oil and gas	2,252	385	2,874	Illiquid	N/A
Distressed	643	1,837	1,416	Illiquid	N/A
Venture capital	329,356	124,465	177,205	Illiquid	N/A
Commodities	1,029	177	985	Illiquid	N/A
Real estate	47,234	19,814	26,757	Illiquid	N/A
Growth	105,288	48,772	52,600	Illiquid	N/A
Buyout	185,635	147,927	108,524	Illiquid	N/A
Marketable alternatives:					
Multi-strategy	1,007,390	76,891	863,581	Varies [c][d]	3 to 90 days [c]
Distressed	194	-	269	Illiquid [d]	N/A
Total	$ 2,866,981	$ 465,920	$ 2,201,982		

(a) 2021: Redemption frequency is permitted as follows: $79.3 million quarterly and $98.8 million illiquid. Redemption notice periods are as follows: $79.3 million, 60 days' notice; $98.8 million illiquid.

2020: Redemption frequency is permitted as follows: $74.1 million illiquid.

(b) 2021: Redemption frequency is permitted as follows: $272.4 million monthly, $526.7 million quarterly and $210.8 million annually. Redemption notice periods are as follows: $141.6 million, 10 days' notice; $233.6million, 30 days' notice; $36.5 million, 45 days' notice; $337.5 million, 60 days' notice; $260.8 million, 90 days' notice.

2020: Redemption frequency is permitted as follows: $289.4 million monthly, $376.2 million quarterly and $228.1 million annually. Redemption notice periods are as follows: $156.5 million, 10 days' notice; $57.1 million, 15 days' notice; $158.2 million, 30 days' notice; $38.2 million, 45 days' notice; $202.6 million, 60 days' notice; $281.1 million, 90 days' notice.

(c) 2021: Redemption frequency is permitted as follows: $770.2 million quarterly and $237.2 million illiquid. Redemption notice periods are as follows: $81.0 million, 30 days' notice; $77.6 million, 45 days' notice; $405.5 million, 60 days' notice; $206.1 million, 90 days' notice; $237.2 million, illiquid.

2020: Redemption frequency is permitted as follows: $654.8 million quarterly, $0.7 million annually, and $208.1 million illiquid. Redemption notice periods are as follows: $87.1 million, 30 days' notice; $48.1 million, 45 days' notice; $340.2 million, 60 days' notice; $180 million, 90 days' notice; $208.1 million, illiquid.

(d) 2021: Investments totaling $0.2 million have been fully redeemed and proceeds are expected to be received in 2022.

2020: Investments totaling $1.9 million have been fully redeemed and proceeds are expected to be received in 2021.

(e) 2021: Certain investments have lock-up periods that expire within 24 months. $149.5 million of investments have lock-up periods that expire within 0-12 months, and $68.5 million of investments have lock-up periods that expire within 13-24 months.

2020: Certain investments have lock-up periods that expire within 24 months. $99.1 million of investments have lock-up periods that expire within 0-12 months, and $153.1 million of investments have lock-up periods that expire within 13-24 months.

(all dollar amounts in thousands unless otherwise indicated)

Note 7. Investments, Other Assets and Fair Value Measurements (Continued)

ASU 2018-13 requires that Trinity disclose the period of time over which the underlying assets of non-redeemable private equity funds (PE Funds) are expected to be liquidated by the PE Funds only if the PE Fund has communicated the timing to Trinity or announced the timing publicly. As of December 31, 2021 and 2020, the timing of the liquidations of all of the PE Funds in which Trinity is invested in is unknown.

Note 8. Minimum Future Rental Commitments from Real Estate Tenants

Trinity has commitments from existing tenants under noncancelable leases expiring through January 31, 2043. Future minimum rental income related to its commercial property and ground leases subsequent to December 31, 2021, as follows:

Years ending December 31:	
2022	$ 285,253
2023	256,000
2024	237,732
2025	235,946
2026	217,703
Thereafter	1,612,256
	$ 2,844,890

Future minimum rental income excludes amounts to be received for real estate tax, Consumer Price Index escalations and additional rents related to ground leases, which are all contingent upon future economic events.

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 9. Ministry Property and Equipment

Ministry property and equipment consists of the following at December 31:

	2021	2020
Land	$ 36,978	$ 37,292
Building and building improvements	417,157	414,913
Furniture, fixtures and equipment	19,498	25,413
	473,633	477,618
Less accumulated depreciation and amortization	(78,752)	(79,576)
Subtotal	394,881	398,042
Construction-in-progress	25,997	10,304
Ministry property and equipment, net	$ 420,878	$ 408,346

Certain costs pertaining to the decision to demolish and rebuild a new parish building at 76 Trinity Place are reflected as parish building development in the consolidated statements of activities. Construction on the parish building was completed in 2021 and placed into service.

Following the substantial completion of the parish building in 2020, the costs attributable to commercial real estate was transferred to investment in commercial real estate. The remaining costs of the parish building are reflected in the numbers above. In addition, construction-in-progress primarily reflects the Trinity Church Interior Master Plan, including the replacement of the organs.

Note 10. Net Assets

The following tables summarize the changes in net assets without donor restrictions during the years ended December 31:

	2021				
		Endowment			
	Ministry	Real Estate Investments	Financial Investments	Attributable to Joint Venture Partners' Interests	Total
Balance, beginning of year	$ 335,118	$ 3,239,315	$ 3,274,696	$ 2,341,932	$ 9,191,061
Change in net assets:					
Received from joint venture partners	-	-	-	-	-
Distributions to joint venture partners	-	(38)	-	(74,320)	(74,358)
Investment return	-	186,811	571,363	139,097	897,271
Other	(128,757) [(a)]	-	-	-	(128,757)
Appropriated to Ministry from endowment and other transfers	151,470	4,919	(156,389)	-	-
Reclassifications to conform to changes in donor intent	-	-	-	-	-
Balance, end of year	$ 357,831	$ 3,431,007	$ 3,689,670	$ 2,406,709	$ 9,885,217

[(a)] Change in net assets for Ministry includes $(323) of costs for parish building development and postretirement charges other than service costs of $4,103.

(all dollar amounts in thousands unless otherwise indicated)

Note 10. Net Assets (Continued)

	2020				
		Endowment		Attributable to	
	Ministry	Real Estate Investments	Financial Investments	Joint Venture Partners' Interests	Total
Balance, beginning of year	$ 294,058	$ 3,314,700	$ 2,982,052	$ 2,448,606	$ 9,039,416
Change in net assets:					
Received from joint venture partners	-	-	-	9,800	9,800
Distributions to joint venture partners	-	(23)	-	(70,846)	(70,869)
Investment return	-	(80,614)	454,828	(45,628)	328,586
Other	(115,872) [a]	-	-	-	(115,872)
Appropriated to Ministry from endowment and other transfers	156,932	5,252	(162,184)	-	-
Balance, end of year	$ 335,118	$ 3,239,315	$ 3,274,696	$ 2,341,932	$ 9,191,061

[a] Change in net assets for Ministry includes $(1,087) of costs for parish building development and postretirement charges other than service costs of $45.

Net assets with donor restrictions consist of the following at December 31:

	2021	2020
Subject to appropriation and expenditure when a specific event occurs:		
Music	$ 4,701	$ 3,864
Education	2,742	2,655
Other	729	610
	8,172	7,129
Subject to the passage of time:		
Beneficial interest in estate	234	234
	234	234
Subject to Trinity's spending policy and appropriation:		
Investments in perpetuity (including original gift amount of $24,472 and $24,417 as of December 31, 2021 and 2020, respectively) and the investment income from which is expendable to support:		
Cemetery	861	706
Education	33,452	28,962
Medical	1,404	1,152
Other	1,093	905
	36,810	31,725
Not subject to spending policy or appropriations:		
Beneficial interest in perpetual trust	1,404	1,237
Split interest agreements held by others	1,828	1,725
Total net assets with donor restrictions	$ 48,448	$ 42,050

(all dollar amounts in thousands unless otherwise indicated)

Note 10. Net Assets (Continued)

Trinity's Vestry has designated certain net assets without donor restrictions for the following purposes as of December 31:

	2021	2020
Vestry designated for endowment purposes	$ 7,120,677	$ 6,514,011

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31:

	2021	2020
Music	$ 9	187
Education	816	763
Other	11	47
Ministry programs	$ 836	$ 997

Note 11. Tenant Security Deposits

Tenant security deposits include cash deposits held in interest-bearing trust accounts at financial institutions on behalf of tenants to secure obligations under terms of the leases. In addition, in lieu of cash deposits, certain tenants have elected to provide irrevocable letters of credit naming Trinity as beneficiary. These letters of credit also act as security pursuant to obligations under the terms of the lease agreements and total $62,136 and $61,961 at December 31, 2021 and 2020, respectively.

Note 12. Employee Benefits and Other Postretirement Plans

Trinity sponsors two defined contribution pension plans covering all eligible employees other than clergy. Contributions are based on 5% of each covered employee's salary in 2021 and 2020, and totaled $1,385 and $1,336, respectively.

Trinity sponsors two thrift plans as supplemental plans for the above two defined contribution plans, which cover certain employees and clergy. Contributions by employees are matched at the discretion of the Vestry. Trinity contributed $1,275 and $1,080 in 2021 and 2020, respectively, which represent up to 5% of each covered employee's salary in each year.

The clergy employees of Trinity are participants in a defined benefit pension plan sponsored by the National Episcopal Church. Contributions are based upon a percentage of salaries and housing allowances and totaled $555 and $523 in 2021 and 2020, respectively.

Trinity provides certain postretirement health and life insurance benefits for retired employees and certain dependents, as these employees become eligible. The plan was amended in 2000, effective January 1, 2001, such that these benefits are not available to new employees and their dependents. In addition, benefits were modified for current employees and retirees.

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 12. Employee Benefits and Other Postretirement Plans (Continued)

The following is a summary of the funded status, change in funded status and amounts recognized in the financial statements for postretirement health and life insurance benefits:

	Postretirement Health and Life Insurance Benefits	
	2021	2020
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 7,759	$ 8,029
Service cost	66	76
Interest cost	178	234
Benefits paid	(349)	(328)
Plan participant contributions	21	26
Actuarial (gain) loss	(4,280)	(278)
Benefit obligation, end of year	3,395	7,759
Change in plan assets:		
Employer contributions	328	302
Plan participant contributions	21	26
Benefits paid	(349)	(328)
	-	-
Funded status, end of year and amounts recognized as liability in consolidated balance sheets	$ (3,395)	$ (7,759)

Effective January 1, 2022, the postretirement health plan changed from a Medicare Supplemental Plan to a Group Medical Advantage Plan. The impact from this change is a $4,280 decrease in the benefit obligation at December 31, 2021 which is included in postretirement related charges other than service costs on the consolidated statement of activities.

Net periodic benefit cost includes the following components:

	Postretirement Health and Life Insurance Benefits	
	2021	2020
Service cost	$ 66	$ 76
Interest cost	178	234
Amortization of net gain	(43)	(37)
Net benefit periodic cost	$ 201	$ 273

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 12. Employee Benefits and Other Postretirement Plans (Continued)

Other changes in benefit obligations recognized in changes in net assets without donor restrictions for the years ended December 31, 2021 and 2020, are sensitive to expected discount rate assumptions, plan participants and assumptions regarding the costs to purchase annuities and future healthcare costs. These changes consist of the following:

	Postretirement Health and Life Insurance Benefits	
	2021	2020
Net unrecognized gain (loss) and prior service credit (cost), beginning of year	$ 540	$ 298
Actuarial gain (loss)	4,237	242
Net unrecognized gain and prior service credit end of year	$ 4,777	$ 540

Weighted average assumptions used to determine benefit obligation included the following at December 31:

	Postretirement Health and Life Insurance Benefits	
	2021	2020
Discount rate	2.75%	2.50%
Rate of compensation increase	N/A	N/A
Initial medical trend rate	5.75%	6.00%
Ultimate medical trend rate	4.75%	4.75%
Year of ultimate trend	2025	2025

Weighted average assumption used to determine net periodic pension cost included the following at December 31:

	Postretirement Health and Life Insurance Benefits	
	2021	2020
Discount rate	2.50%	3.25%
Rate of compensation increase	N/A	N/A
Expected long-term return on plan assets	N/A	N/A
Initial medical trend rate	6.00%	6.25%
Ultimate medical trend rate	4.75%	4.75%
Year of ultimate trend	2025	2025

At December 31, 2021, the Pri-2012 White Collar with Scale MP-2021 was used for the mortality assumptions. At December 31, 2020, the Pri-2012 White Collar with Scale MP-2020 was used for the mortality assumptions.

(all dollar amounts in thousands unless otherwise indicated)

Note 12. Employee Benefits and Other Postretirement Plans (Continued)

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

	Postretirement Health and Life Insurance Benefits
Years ending December 31:	
2022	$ 195
2023	179
2024	182
2025	187
2026	171
2027-2031	821

Trinity expects to contribute $195 to its postretirement health and life insurance benefit plan in 2022.

Note 13. Notes and Loans, Net

The notes and loans, net balance as of December 31 is as follows:

	2021	2020
Revolving lines of credit	$ 89,000	$ 28,500
Term loan	184,013	195,584
Mortgage loan	400,000	400,000
Other borrowings	916	1,196
Deferred financing costs	(2,591)	(3,047)
	$ 671,338	$ 622,233

(all dollar amounts in thousands unless otherwise indicated)

Note 13. Notes and Loans, Net (Continued)

Future annual maturities of notes and loans are as follows:

Years ending December 31:		
2022	$	12,196
2023		101,405
2024		12,614
2025		12,948
2026		13,290
Thereafter		521,476
	$	673,929

Trinity Church had a $200,000 unsecured committed revolving credit facility. This facility had variable interest rates of LIBOR plus 35 basis points for LIBOR-based loans or prime minus 200 basis points for prime rate-based loans. This facility was paid off with an amortizing term loan in February 2020. On February 11, 2020, Trinity Church entered into a $205,000 15-year fixed rate fully amortizing term loan at an interest rate of 2.60%. The loan has fixed monthly payments of $1,377 and matures on January 31, 2035. As of December 31, 2021 and 2020, $184,013 and $195,584 were outstanding, respectively.

Trinity Church has two $25,000 unsecured committed revolving credit facilities. The facilities can be drawn and paid down at any time until November 2022, when they mature and any amounts outstanding will be payable. The facilities have variable interest rates of LIBOR plus 50 basis points for LIBOR-based loans or prime for prime rate-based loans. There were no loans outstanding under these facilities at December 31, 2021 and 2020.

On October 31, 2019, 561 HH closed on a $250,000 revolving credit facility guaranteed by Trinity. The facility required an upfront commitment fee of $875 which has been reflected as investment in real estate in the financial statements. The facility can be drawn and paid down at any time prior to expiry on October 31, 2022 when it matures and any amounts outstanding will be payable. Borrowing proceeds will be used to finance development of a new office building at 561 Greenwich Street, New York. The facility has a variable interest rate of LIBOR plus 50 basis points. Outstanding loans under this facility were $89,000 and $28,500 at December 31, 2021 and 2020, respectively. The weighted average interest rate under this facility was 0.60% and 0.65% at December 31, 2021 and 2020, respectively.

The revolving lines of credit agreements have various covenants including the maintenance of unencumbered liquid assets. Trinity is not aware of any covenants that they are not in compliance with in 2021 and 2020.

On November 12, 2019, the REIT subsidiaries closed on a $250,000 revolving credit facility guaranteed by HSP and secured by a pledge by HSP of its equity interest in the REIT subsidiaries. The facility can be drawn and paid down at any time before maturity on November 11, 2021 with five 1-year extension options. On November 12, 2021, the REIT subsidiaries entered into a 1-year extension with a maturity date of November 11, 2022. The facility has a variable interest rate of LIBOR plus 100 basis points with an unused facility fee of 10 basis points of the undrawn amount. There was no loan outstanding under the facility at December 31, 2021 and 2020. The REIT subsidiaries incurred unused fees of $253 and $256 for the year ended December 31, 2021 and 2020, respectively, which is included in the net return from real estate investments line on the accompanying consolidated statements of activities.

Note 13. Notes and Loans, Net (Continued)

The credit facility requires that the REIT subsidiaries comply with certain customary financial and nonfinancial covenants. Trinity is not aware of any instances of noncompliance with financial and nonfinancial covenants as of December 31, 2021 and 2020.

On August 15, 2017, 375 HH assumed a mortgage loan in the amount of $400,000 to partially fund the acquisition of the building at 375 Hudson. The loan bears a fixed interest at 3.493% per annum, is secured by the leasehold and estate for years interest in the building and requires monthly interest only payments through maturity on September 6, 2027.

Other borrowings consist of an interest free loan from a third party and a financial arrangement with University of California, Berkeley (UCB). In July 2015, CDSP entered into a $1,000 interest-free loan with a third party to be used for support of facilities and administrative transitional costs of the school. As part of the lease agreement with UCB, the school received a financial arrangement from UCB to provide up to $1,650 of financing for the tenant improvements to the leased property.

Deferred financing costs were incurred in obtaining the note payable and were capitalized as deferred financing costs. These costs are amortized into interest expense on a straight-line basis over the life of the related debt, which approximates the effective interest method. Amortization of deferred financing costs was $456 for the years ended December 31, 2021 and 2020. The balance of deferred financing costs as of December 31, 2021 and 2020, is $2,591 and $3,047, respectively, and is included as a reduction in notes and loans, net on the accompanying consolidated balance sheets. 375 HH is in compliance with all debt covenants contained in the loan agreement at December 31, 2021.

Note 14. Related-Party Transactions

Trinity has property management and asset management agreements with Hines Interests Limited Partnership (HILP) to manage the operations of the 12 properties at HSP and 375 HSP, which expire on May 31, 2026. In addition, the management agreements provide for reimbursement of certain costs related to managing the properties.

The amounts paid to HILP for the property and asset management of the 12 properties was $15,921 and $15,591 in 2021 and 2020, respectively. These amounts are reflected within the net return from real estate investments line on the accompanying consolidated statements of activities.

Trinity has development management agreements with HILP to serve as the development manager at 561 HH and 92 HH. In addition, the development management agreements provide for reimbursement of certain costs related to the development of the properties.

The amounts paid to HILP for the development management of the 561 HH and 92 HH properties was $2,525 and $2,847 in 2021 and 2020, respectively. These amounts are reflected within the net return from real estate investments line on the accompanying consolidated statements of activities.

Trinity Church has a Vestry member who serves as the Chief Executive Officer and a trustee of the Church Pension Fund which provides retirement benefits for the clergy as well as medical benefits to employees of Trinity Church. (See Note 12)

Note 15. Commitments and Contingencies

TREIT and THH had agreements to purchase electricity from Constellation which expired in December 2021. TREIT and THH have new agreements to purchase electricity from Constellation which began December 2021 and expires December 2022. The pricing is based upon a fixed rate.

TREIT and THH have agreements to purchase gas from Plymouth Rock which began May 2019 and expires April 2022. The pricing is based upon a fixed rate. Due to the volatile natural gas market, the Plymouth Rock agreement will not be renewed. THH and TREIT will pay the market price from Con Edison until the natural gas market pricing stabilizes.

375 HH had an agreement to purchase electricity from Direct Energy, which expired in November 2021. A new agreement was signed to purchase electricity from Constellation Energy Resources, which will expire in December 2022. The pricing is based upon a fixed rate.

On June 26, 2019, HSP entered into a guarantee with a tenant of the commercial building located at 375 Hudson Street for 375 HSP's commitment to that tenant of $112,436 required by the lease agreement. HSP will be liable if 375 HSP defaults on its obligations. As of December 31, 2021 and 2020, the outstanding balance to the tenant is $61,989 and $80,933, respectively, however 375 HSP does not believe HSP will have to perform on the guarantee.

Trinity enters into multi-year contracts to cover the cleaning, maintenance and security for the properties of the ministry (the ministry properties), which are cancellable upon 30 days' notice. Trinity Church has various commitments related to upkeep on the ministry properties. These contracts are funded predominantly through normal operating cash flow and supplemental borrowing as needed.

Trinity Church entered into and negotiated multi-year contracts with architects and contractors related to the development of the 76 Trinity Place parish building, which houses Trinity's congregational space, ministry offices, a gym and commercial tenants. As of December 31, 2021, Trinity Church has $1,598 in outstanding commitments related to the 76 Trinity Place parish building development and Trinity Church has $15,820 in outstanding commitments related to the Trinity Church master plan renovation.

The total rent expense included as ministry expenses in the consolidated statements of activities for the year ended December 31, 2020, on a straight-line basis was $441. There was no rent expense for the year ended December 31, 2021.

Trinity Church assigned its lease agreement with all of its leasehold improvements of the Trinity Church Preschool to a third party on August 31, 2020 for a loss of approximately $2,400, which is reflected in all other (loss) revenue in the consolidated statements of activities. Trinity Church remains the primary obligor on this lease which runs through April 2029. The remaining lease payments for which Trinity Church is contingently liable amounts to $5,294 at December 31, 2021.

Trinity, as an owner of real estate, is subject to various environmental laws of the federal and local governments. Compliance by Trinity with existing laws has not had a material adverse effect on Trinity's financial position and changes in net assets and management does not believe it will have such an impact in the future. However, Trinity cannot predict the impact of new or changed laws or regulations on its properties.

Note 15. Commitments and Contingencies (Continued)

Consistent with many leases, there are commitments for lease and tenant-related work outstanding at any point in time. As of December 31, 2021, amounts of $2,193 and $86,196 were accrued for landlord- and tenant-related work, respectively, required by the lease agreements. As of December 31, 2020, amounts of $474 and $108,908 were accrued for landlord- and tenant-related work, respectively, required by the lease agreements.

Trinity is not aware of any pending or threatened litigation other than litigation arising out of the normal course of business, which is expected to be covered by liability insurance. None of such litigation is expected to have a material adverse effect on its financial position, changes in net assets or cash flows.

Note 16. Risks and Concentrations

Concentration of credit risk: Financial instruments, which potentially subject Trinity to concentrations of credit risk, consist of cash and cash equivalents and tenant security deposits.

Trinity places its cash and cash equivalents and tenant security deposits with creditworthy, high quality financial institutions which, at times, may exceed federally insured limits. Trinity has not experienced any losses in these accounts and management believes that this risk is not significant.

Market risk of investment portfolio: Market risk represents the potential loss that can be caused by a change in the market value of the financial instrument. Trinity's exposure to market risk is determined by a number of factors, including interest rates and market volatility. Trinity attempts to minimize exposure to such risks by diversifying its portfolio and the active monitoring and oversight of risks by an internal investment management team.

Real estate-related concentration: Trinity's real estate investments are predominantly located in lower Manhattan within the area known as Hudson Square. Leasing-related revenue is derived principally through rental payments as provided for under the terms of the respective noncancelable operating leases. For the year ended December 31, 2021 and 2020, one tenant accounted for more than 10% of rental revenue.

COVID-19 pandemic: The outbreak of COVID-19 has not materially impacted Trinity's business, financial performance, financial condition, operating results or cash flows. However, the significance, extent and duration of such impact remains largely uncertain and dependent on future developments that cannot be accurately predicted. The future developments include, but are not limited to: (1) the continued severity, duration, transmission rate and geographic spread of COVID-19 in the United States; (2) the extent and effectiveness of the containment measures taken and development of a vaccine and (3) the response of the overall economy, the financial markets and the population, particularly in the area in which Trinity operates, once the current containment measures are lifted.

Notes to Consolidated Financial Statements (all dollar amounts in thousands unless otherwise indicated)

Note 17. Functional Allocation of Expenses

Trinity's primary program service is ministry activities. Natural expenses attributable to more than one functional expense category have been allocated reasonably and consistently using a variety of cost allocation techniques such as headcount of full-time equivalents by department and time and effort.

Expenses by functional classification for the years ended December 31, 2021 and 2020, consist of the following:

2021	Program Activities	Parish Building Development	Institutional and Programmatic Support	Fund Development	Total Expenses
Compensation	$ 30,797	$ 252	$ 12,206	$ 168	$ 43,423
Grants and other gifts	52,747	-	20	-	52,767
Occupancy cost	9,416	14	646	6	10,082
Professional fees	4,161	19	2,779	180	7,139
Depreciation	14,703	31	1,956	93	16,783
Supplies, services and other	14,102	38	2,737	63	16,940
Total ministry expenses	$ 125,926	$ 354	$ 20,344	$ 510	$ 147,134

2020	Program Activities	Parish Building Development	Institutional and Programmatic Support	Fund Development	Total Expenses
Compensation	$ 30,286	$ 905	$ 11,646	$ 132	$ 42,969
Grants and other gifts	35,839	-	388	-	36,227
Occupancy cost	11,867	22	660	5	12,554
Professional fees	5,133	53	2,428	159	7,773
Depreciation	12,684	41	1,045	42	13,812
Supplies, services and other	12,883	107	2,413	43	15,446
Total ministry expenses	$ 108,692	$ 1,128	$ 18,580	$ 381	$ 128,781