KPMG

THE J. PAUL GETTY TRUST

Financial Statements

June 30, 2022 and 2021

(With Independent Auditors’ Report Thereon)

KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629

Independent Auditors' Report

The Board of Trustees
The J. Paul Getty Trust:

Opinion

We have audited the financial statements of the J. Paul Getty Trust (the Trust), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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 the Trust's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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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 the Trust'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 the Trust'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.

KPMG LLP

Los Angeles, California
December 14, 2022

THE J. PAUL GETTY TRUST

Statements of Financial Position

June 30, 2022 and 2021

(Amounts in thousands)

Assets		2022	2021
Cash	$	8,875	11,270
Receivables:			
Unsettled investment sales		7,190	29,091
Interest and dividends		2,652	2,792
Other		2,569	1,517
Investments		8,585,323	9,228,468
Investments whose use is limited		26,390	24,285
Net pension assets		17,777	29,889
Property and equipment, net		857,834	858,154
Operating lease right-of-use asset		20,969	20,412
Collections and other assets, net		3,013,291	2,893,701
	$	12,542,870	13,099,579
Liabilities and Net Assets			
Liabilities:			
Accounts payable	$	30,325	10,496
Accrued collection purchases		450	600
Investments sold short		—	28,412
Payables on investment purchases		5,126	4,588
Accrued other postretirement plans liabilities		20,230	24,671
Accrued and other liabilities		35,934	33,188
Operating lease liabilities		20,969	20,412
Interest rate swaps		69,077	135,957
Bonds payable		632,036	620,556
		814,147	878,880
Net assets:			
Without donor restrictions		11,702,945	12,197,048
With donor restrictions		25,778	23,651
		11,728,723	12,220,699
	$	12,542,870	13,099,579

See accompanying notes to financial statements.

THE J. PAUL GETTY TRUST

Statements of Activities

Years ended June 30, 2022 and 2021

(Amounts in thousands)

		2022	2021
Change in net assets without restrictions:			
Revenue and other support:			
Sales and other income	$	27,200	5,409
Contributions		6,356	14,650
Investment income:			
Interest and dividend income, net		135,145	115,961
Net realized and unrealized (loss) gain on investments		(377,982)	2,528,918
Net investment (loss) income		(242,837)	2,644,879
Net realized and unrealized gain on interest rate swaps		48,384	53,649
Net assets released from restriction		2,179	1,132
Total revenue, other support, and investment (loss) income		(158,718)	2,719,719
Expenses:			
Program services:			
Museum		163,632	153,177
Research institute		78,396	66,544
Conservation institute		40,034	36,445
Foundation and grants		32,799	20,812
Total program services		314,861	276,978
Supporting service:			
General and administrative		12,853	16,262
Total expenses		327,714	293,240
Pension and other postretirement plans (loss) gain		(7,671)	56,100
Change in net assets without restrictions		(494,103)	2,482,579
Change in net assets with restrictions:			
Contributions		4,306	6,526
Net assets released from restriction		(2,179)	(1,132)
Change in net assets with restrictions		2,127	5,394
Change in net assets		(491,976)	2,487,973
Net assets, beginning of year		12,220,699	9,732,726
Net assets, end of year	$	11,728,723	12,220,699

See accompanying notes to financial statements.

THE J. PAUL GETTY TRUST

Statements of Cash Flows

Years ended June 30, 2022 and 2021

(Amounts in thousands)

		2022	2021
Cash flows from operating activities:			
Change in net assets	$	(491,976)	2,487,973
Adjustments to reconcile change in net assets to net cash used in operating activities:			
Depreciation		44,119	47,563
Amortization of bond premium		(5,513)	(5,233)
Accrued pension plan loss (gain)		12,112	(29,889)
Accrued other postretirement plan gains		(4,441)	(76,212)
Net realized and unrealized loss (gain) on investments		377,982	(2,534,290)
Net realized and unrealized gain on interest rate swaps		(48,384)	(53,649)
Noncash contributions of art		(5,607)	(12,688)
Loss on disposition of property and equipment		71	—
Loss on disposition of collection items		—	132
Changes in operating assets and liabilities:			
Interest and dividends receivable		140	(137)
Other receivables		(1,052)	13,235
Other assets		(3,976)	7,707
Accounts payable		19,829	(5,587)
Accrued collection purchases		(150)	(44,400)
Accrued and other liabilities		2,746	(1,754)
Net cash used in operating activities		(104,100)	(207,229)
Cash flow from investing activities:			
Proceeds from sales of investments		5,107,910	3,146,536
Purchases of investments		(4,850,825)	(2,905,228)
Purchases of collection items		(110,006)	(16,055)
Purchases of property and equipment		(43,870)	(12,496)
Net cash provided by investing activities		103,209	212,757
Cash flows from financing activities:			
Proceeds from issuance of bonds		181,298	309,600
Payments on bonds payable		(164,305)	(292,090)
Payments on partial termination of swap agreement		(18,497)	(22,426)
Net cash used in financing activities		(1,504)	(4,916)
Net (decrease)/increase in cash		(2,395)	612
Cash at the beginning of year		11,270	10,658
Cash at the end of year	$	8,875	11,270
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	$	7,938	16,711

See accompanying notes to financial statements.

(1) Organization

The J. Paul Getty Trust (the Trust) is a tax-exempt, private operating foundation whose mission serves both general audiences and specialized professionals. The Trust is a cultural and educational institution that focuses on the visual arts in all of their dimensions and their capacity to strengthen and to inspire aesthetic and humanistic values. It is dedicated to the presentation, enjoyment, study, and conservation of the visual arts and humanities in order to offer the public opportunities to more fully understand, experience, value, and preserve the world's art and cultural heritage.

(2) Summary of Significant Accounting Policies

(a) Basis of Financial Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

The Trust recognizes contributions, including unconditional promises to give as revenue in the period received and conditions have been met, if applicable. Contributions and net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets with donor-imposed restrictions are those whose use by the Trust has been limited by donors to a specific time period, purpose, or is required to be maintained in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor-imposed restrictions are reclassified as net asset without donor-imposed restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are recorded as net assets without donor-imposed restrictions.

(b) Cash

The Trust maintains cash in a federally insured banking institution. The account balances at the banking institutions periodically exceed the $250,000 Federal Deposit Insurance Corporation's ("FDIC") insurance coverage, and as a result, there is a concentration of credit risk related to amounts in excess of the FDIC's insurance coverage.

(c) Fair Value of Financial Instruments

The Trust follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. In accordance with ASC Topic 820, fair value is defined as the price that the Trust would receive upon selling an investment in an orderly transaction to a market participant in the principal or most advantageous market of the investment. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

ASC Topic 820 also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to measurements involving significant unobservable inputs (Level III measurements). The three levels of the fair value hierarchy are as follows:

- Level I inputs are quoted prices (unadjusted) in active markets for identical assets that the entity has the ability to access at the measurement date.
- Level II inputs are inputs other than quoted prices included within Level I that are observable for the assets, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other observable inputs that can be corroborated by observable market data.
- Level III inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

The Trust follows the provisions of Accounting Standards Update (ASU) No. 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent)*, which removed the requirement to categorize investments within the fair value hierarchy for which fair value is measured using net asset value as a practical expedient for determining fair value.

The Trust maintains certain investments in funds that do not have readily determinable fair values, including private equity, venture capital, hedge funds, distressed debt, real assets, and other funds. The Trust, as a practical expedient, estimates the fair value using net asset value per share or its equivalent. Accordingly, these investments are not reported in the fair value hierarchy. Under this approach, certain attributes of the investment, such as restrictions on redemption and transaction prices from principal-to-principal or brokered transactions, are not considered in measuring the fair value of an investment.

Due to the short-term nature of receivables, other assets, and accounts payable, fair value approximates carrying value.

(d) Investments

Investments are stated at fair value at June 30, 2022 and 2021. The fair value of investments in securities traded on national securities exchanges is valued at the closing price on the last business day of the fiscal year. The estimated fair value for alternative investments are based on net asset values provided by the external investment managers. The determination of net asset values for the alternative investments necessarily involves estimates, appraisals, assumptions, and methods, which are reviewed by the Trust’s Investment Office. The Trust uses an independent pricing service to value fixed-income securities (government bonds, municipal bonds, and corporate bonds) using recently executed transaction prices and market price quotations.

Realized and unrealized gains or losses on investments are recorded in the statements of activities. Realized gains and losses on security transactions are determined on a specific-identification basis. Investment purchases and sales are recorded on a trade-date basis. Dividend income is recorded based upon the ex-dividend date, and interest income is recorded as earned on an accrual basis.

Futures, forwards, and options contracts are marked-to-market with the change reflected in net realized and unrealized gains and losses on investments in the accompanying statements of activities.

(e) Property and Equipment

Property and equipment including intangible right to use leases are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the respective assets or amortized over the terms of the respective leases, whichever is shorter, as follows:

Buildings	25 to 50 years
Building improvements	Up to 25 years
Leasehold improvements	Lesser of life of asset or lease term
Furniture and equipment	4 to 25 years

Depreciation totaled $44,119,000 and $47,563,000 for the years ended June 30, 2022 and 2021, respectively.

The Trust reviews for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. During the years ended June 30, 2022 and 2021, there were no events or circumstances that gave rise to an impairment loss.

(f) Leases

The Trust is a lessee in two noncancellable warehouse operating leases. In accordance with Topic 842, *Leases* at the lease commencement date, the Trust recognizes an operating lease right-of-use (ROU) asset and a lease liability in the accompany statement of net position. The ROU asset is initially measured at cost and is subsequently measured throughout the lease term at the carrying amount of the lease liability. The lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Key estimates and judgements included in the determination of the ROU asset and lease liability are how the Trust determines the discount rate it uses to discount the unpaid lease payment to present value, the lease payments, and the lease term. The Trust has elected to use a risk-free discount rate for the lease, determined using a period comparable with that of the lease term.

The first lease commenced on October 1, 2011, with an initial term of ten years ending on September 30, 2021. The lease has three five-year lease options at the Trust's discretion. On May 13, 2021, the Trust extended all three five-year optional term into one term of up to sixteen years, ending September 30, 2037. At June 30, 2022 and 2021, a discount rate of 3.02% and 1.74%, respectively, was used. Lease payments included in the measurement of the lease liability both an annual 3% increase and an in-substance fixed payment of a 47.67% allocation of shared expenses. The lease term, as discussed above includes the noncancellable period of the lease of ten years plus the three five-year option periods exercised by the Trust.

The second lease commenced on February 1, 2022, with an initial term of three years ending on January 31, 2025. The lease has two three-year lease options at the Trust's discretion to extend the lease term to January 31, 2031. At June 30, 2022, a discount rate of 2.99% was used. Lease payments included in the measurement of the lease liability including a cost of living and a market rental value adjustment at the date of commencement. The lease term, as discussed above includes the noncancellable period of the lease of three years plus the two three-year option periods exercisable by the Trust.

Right-of-use assets and lease liabilities are reported in the accompanying financial statements. As of June 30, 2022 and 2021, the Trust reported $20,969,000 and $20,412,000, respectively.

Lease payments are reported as an expense in the period the expenditure occurs. As of June 30, 2022 and 2021, the Trust reported $1,230,000 and $906,000, respectively, in lease payments which are reported in the accompanying statement of activities.

(g) Collections and Other Assets

Included in collections and other assets are the Trust's collections, which comprise art objects, artifacts of historical significance, and the research and photographic libraries that are held for exhibition and educational, research, and curatorial purposes. Collection items are recorded at cost if purchased or, if contributed, at appraised value at the date of contribution. As of June 30, 2022 and 2021, the Trust's collection, net of reserves totaled $2,971,799,000 and $2,856,185,000, respectively.

Objects in the Trust's collection may be subject to decreases in value due to changes in attribution. In addition, objects in the Trust's collection may be subject to forfeiture or other claims made by individuals, for example, objects appropriated during the Nazi era, or by countries related to the return of cultural property. The Trust closely monitors these risks, and when it is determined the value of an item may be impaired and the loss can be estimated, the Trust adjusts the value of the assets by establishing a reserve. The Trust's reserves totaled $4,584,000 and $4,023,000 at June 30, 2022 and 2021, respectively.

Prepaid expenses, also carried as a component of collections and other assets totaled $12,365,000 and $11,292,000 at June 30, 2022 and 2021, respectively.

The publication inventory, also carried as a component of collections and other assets, is carried at the lower of cost or estimated net realized value, totaling $452,000 and $654,000 at June 30, 2022 and 2021, respectively.

(h) Grant Expenditures

Grant expenditures are recognized as expense in the period the expenditure occurs, provided the grant is not subject to future conditions, including grants that are expected to be paid in future years.

(i) Contributed Services

Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Trust receives a significant amount of contributed time from unpaid volunteers that does not meet the two recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements.

(j) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(k) Income Taxes

The Trust has been classified as a tax-exempt, private operating foundation under Sections 501(c)(3) and 4942(j)(3) of the Internal Revenue Code (IRC) and Section 23701d of the California Revenue and Taxation Code. The Trust also qualifies as an exempt operating foundation, as described in IRC 4940(d)(2), and, as such, is not subject to federal excise taxes on its net investment income under IRC Section 4940. However, the Trust is subject to income taxes on any net income that is derived from trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. An income tax provision has been recorded due to net income from an unrelated trade or business. However, it is not material to the financial statements taken as a whole. An income tax expense of $5,781,000 and expense of $8,210,000 for the tax years ending June 30, 2022 and 2021, respectively, consisted of the net changes from deferred tax assets. Income tax expense is reported as a component of program services expenses and interest and dividend income, net in the accompanying statement of activities.

At June 30, 2022 and 2021, the Trust reported net deferred tax asset of $28,674,000 and $25,571,000, respectively, related to net operating loss carryforwards, passive activity loss carryovers, and foreign tax credits. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled and are reported in the accompanying financial statements net of valuation allowances. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The valuation allowance for deferred tax assets as of June 30, 2022 and 2021, was $59,677,000 and $53,893,000, respectively. The net change in the total valuation allowance was an increase of $5,784,000. The valuation allowance at June 30, 2022 and 2021, was primarily related to federal and state net operating loss carryforwards and foreign tax credits that, in the judgment of management, are not more likely than not to be realized before expiration. In assessing the realizability of deferred tax

(Continued)

assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers projected future taxable income and tax-planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Trust will not realize some of the benefits of these deductible differences, resulting in the valuation allowance. The amount of the deferred tax asset considered realizable could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

At June 30, 2022, the Trust has net operating loss carryforwards for federal income tax purposes which are available to offset future federal taxable income, if any, of $48,550,000 available through 2028 and $69,152,000 that carryforward indefinitely. The Trust has net operating loss carryforwards for state income tax purposes of $5,972,000 which are available to offset future state taxable income, with some expiring beginning in 2026. The Trust has $6,832,000 of passive activity loss carryovers that are available to offset future federal taxable income for those activities. The Trust also has $36,303,000 foreign tax credits which are available to offset future federal taxable income from 2021 through 2030.

(l) New Accounting Standards

In August 2018, the FASB issued ASU No. 2018-13, Changes to the *Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by eliminating certain components previously required to be disclosed for investments valued with unobservable inputs. Under the new guidance, for investments in certain entities that calculate net asset value, the requirement to disclose the estimate period of time over which the underlying assets might be liquidated is replaced by the disclosure of that time period if the investee has announced the timing publicly. The Trust adopted the statement for the year ended June 30, 2022. The adoption of the new guidance did not have a material impact on the Trust’s financial statements.

In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform*, which clarifies certain optional expedients and exceptions for contract modifications and hedge accounting apply to derivatives that are affected by changes in the interest rates used for margining, discounting, or contract price alignment for derivative instruments that are being implemented as part of the market-wide transition to new reference rates. The statement is effective upon issuance. The adoption of the new guidance did not have a material impact on the Trust’s financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which modifies the presentation and disclosure requirements for contributed nonfinancial assets. Under the new guidance, contributed nonfinancial assets would be presented as a separate line item on the Statement of Activities and details about the nature, restrictions and valuation methods used for the different types of contributed nonfinancial assets would be disclosed. The Trust adopted the statement for the year ended June 30, 2022. The adoption of the new guidance did not have a material impact on the Trust’s financial statements.

(m) Reclassifications

Certain reclassifications have been made to the 2021 financial data to conform to the 2022 presentation.

(3) Investments

The fair value of each asset and liability in the table below was measured using ASC Topic 820 input guidance and valuation techniques. The following tables set forth estimated fair values of assets and liabilities measured and recorded on a recurring basis at June 30, 2022 and 2021:

		June 30, 2022				
		Level I	**Level II**	**Level III**	**Investments measured at net asset value**	**Total**
		(Amounts in thousands)				
Assets:						
Cash and cash equivalents	$	151,835	—	—	—	151,835
Mutual funds		497,937	—	—	—	497,937
U.S. Treasury and agency securities		—	111,140	—	—	111,140
Corporate bonds		—	67,294	—	—	67,294
Common stocks		175,477	—	—	—	175,477
Preferred stocks		—	5,046	—	—	5,046
Subtotal		825,249	183,480	—	—	1,008,729
Instruments measured at net asset value:						
Venture capital		—	—	—	1,562,115	1,562,115
Buyout funds		—	—	—	727,970	727,970
Absolute returns		—	—	—	441,196	441,196
Private credit		—	—	—	905,458	905,458
Real assets		—	—	—	1,486,324	1,486,324
Equity commingled funds		—	—	—	2,363,084	2,363,084
Fixed-income commingled funds		—	—	—	116,837	116,837
Subtotal		—	—	—	7,602,984	7,602,984
Total assets	$	825,249	183,480	—	7,602,984	8,611,713
Liabilities:						
Interest rate swaps	$	—	69,077	—	—	69,077
Total liabilities	$	—	69,077	—	—	69,077

		June 30, 2021				
		Level I	**Level II**	**Level III**	**Investments measured at net asset value**	**Total**
		(Amounts in thousands)				
Assets:						
Cash and cash equivalents	$	216,547	—	—	—	216,547
Mutual funds		206,380	—	—	—	206,380
U.S. Treasury and agency securities		—	118,815	—	—	118,815
Corporate bonds		—	132,288	—	—	132,288
Common stocks		257,230	—	—	—	257,230
Preferred stocks		—	22,249	—	—	22,249
Subtotal		680,157	273,352	—	—	953,509
Instruments measured at net asset value:						
Venture capital		—	—	—	1,650,226	1,650,226
Buyout funds		—	—	—	792,898	792,898
Absolute returns		—	—	—	545,672	545,672
Private credit		—	—	—	899,303	899,303
Real assets		—	—	—	1,272,459	1,272,459
Equity commingled funds		—	—	—	3,035,711	3,035,711
Fixed-income commingled funds		—	—	—	102,975	102,975
Subtotal		—	—	—	8,299,244	8,299,244
Total assets	$	680,157	273,352	—	8,299,244	9,252,753
Liabilities:						
Corporate bonds	$	—	1,192	—	—	1,192
Common stocks		25,720	—	—	—	25,720
Preferred stocks		—	1,500	—	—	1,500
Subtotal		25,720	2,692	—	—	28,412
Interest rate swaps		—	135,957	—	—	135,957
Total liabilities	$	25,720	138,649	—	—	164,369

At June 30, 2022 and 2021, approximately 54% and 46%, respectively, of investments were invested in private-market limited partnerships for venture capital, buyout funds, private credit, and real assets. Investments in these limited partnerships represent long-term commitments of typically five to ten years. Capital is drawn for investments in the first few years of the life of the partnership, and distributions are made to investors as investments are sold over the last several years of the life of the partnership. During the years ended 2022 and 2021, the Trust funded $627 million and $507 million of new investments and received $1 billion and $668 million of distributions from these private-market limited partnerships, respectively. New commitments and distributions are dependent on market conditions and timing is unpredictable.

As of June 30, 2022, the Trust had $1.8 billion of unfunded commitments to these limited partnerships, including $709 million to venture capital and buyout funds, $594 million to real assets, $263 million to private credit, and $266 million to commingled and other categories.

The balance of the investments measured at net asset value is invested in funds that permit periodic redemptions. Absolute returns, private credit, fixed income, and commingled equity funds generally have redemption periods that range from one month to two years and require 30- to 90-day advance notice. Sometimes, these redemptions are limited in size such as up to 25% of assets may be redeemed per quarter. Approximately $3.5 billion of total investments measured at net asset value as a practical expedient can be converted to cash within one year or less.

Investments Whose Use is Limited

Investments whose use is limited consist of amounts with donor imposed restrictions and amounts related to interest due to bondholders. As of June 30, 2022 and 2021, investments whose use is limited totaled $26,390,000 and $24,285,000, respectively.

(4) Property and Equipment

At June 30, property and equipment consist of the following:

		2022	2021
		(Amounts in thousands)	
Buildings	$	1,671,580	1,637,177
Leasehold improvements		10,789	10,789
Land and improvements		87,376	87,311
Furniture and equipment		100,217	98,539
Work in progress		39,187	32,215
		1,909,149	1,866,031
Less accumulated depreciation and amortization		(1,051,315)	(1,007,877)
	$	857,834	858,154

(5) Bonds Payable

As of June 30, bonds payable and the associated maturities are as follows (amounts in thousands):

Series	Maturity dates		Principal 2022	Principal 2021
2013A Variable rate refunding revenue bonds	10/1/2047	$	—	162,955
2020A-1 Refunding revenue bonds	Various through 2033		115,405	116,755
2021A Taxable bonds	1/1/2024		309,600	309,600
2021B-1 Refunding revenue bonds	10/1/2047		43,325	—
2021B-2 Refunding revenue bonds	10/1/2047		124,020	—
		$	592,350	589,310

The above principal amount does not include the bond premiums of $39,686,000 and $31,246,000 for the years ended June 2022 and 2021, respectively, which is a component of bonds payable in the accompanying financial statements. The fair value of bonds payable approximates carrying value due to the variable interest rates that most of the bonds carry and, in accordance with ASC Topic 820, are considered Level II in the fair value hierarchy. The fair value of the bonds is determined based on a combination of quoted prices of similar securities as they are not actively traded.

(a) 2013A Variable Rate Refunding Revenue Bonds

On April 1, 2013, the Trust issued $162,955,000 Series 2013A variable rate refunding revenue bonds (Series 2013A) issued by the California Infrastructure and Economic Development Bank. Proceeds were used to refund Series 2007A-1 and 2007A-2 bonds.

On February 21, 2019, the Series 2013A bonds were remarketed in LIBOR Index Tender Mode with an Initial LIBOR Index Tender Date of April 1, 2022. Interest rates from the remarketing date to the Initial LIBOR Index Tender Date are based on 70% of the monthly one-month LIBOR index rate plus an Initial LIBOR Index Tender Mode Spread of 0.33%.

On November 17, 2021, the Series 2013A bonds were refunded using proceeds from the issuance of Series 2021B bonds.

(b) 2020A Refunding Revenue Bonds

On March 4, 2020, the Trust issued $204,355,000 Series 2020A Refunding Revenue Bonds issued by the California Infrastructure and Economic Development Bank consisting of $116,755,000 Series 2020A-1 in a Fixed Mode and $87,600,000 Series 2020A-2 in a SIFMA-Based Mode. Series 2020A-1 bonds were offered at interest rates, which resulted in the receipt of a bond premium of $36,044,000. Proceeds of the Series 2020A bonds were used to refund Series 2011A-2, Series 2011A-3, and Series 2011A-4 bonds. Proceeds were also used to pay swap termination payments to JP Morgan and BNY Mellon totaling $32,795,000 to terminate swaps associated with the Series 2011A bonds.

The Series 2020A-1 bonds were issued in twelve tranches with maturities beginning April 01, 2022 and ending April 01, 2033, with $71,945,000 having a fixed interest rate of 4.00% while $44,810,000 have a fixed interest rate of 5.00%.

On January 28, 2021, the Series 2020A-2 bonds were refunded using proceeds from the issuance of Series 2021A bonds.

At June 30, 2022, the remaining unamortized bond premium for Series 2020A-1 was $27,481,000 and is included as a component of bonds payable in the accompanying financial statements. Amortization of the bond premium totaled $3,765,000.

Accrued interest on the Series 2020A-1 bonds as of June 30, 2022 was $1,266,000.

(c) 2021A Taxable Bonds

On January 28, 2021, the J. Paul Getty Trust issued $309,600,000 Series 2021A Taxable Bonds in a Fixed Mode. Proceeds of the Series 2021A bonds were used to refund Series 2011A-1, Series 2012B and Series 2020A-2 bonds and to defease Series 2012A-1 bonds. Proceeds were also used to pay JP Morgan and BNY Mellon totaling $22,426,000 to terminate the swap cashflows until January 1, 2024 associated with the hedging of Series 2011A-1, 2012B and 2020A-2 bonds which were refunded.

The Series 2021A bonds were issued as one tranche maturing on January 1, 2024 with a fixed rate of 0.391%.

Accrued interest on the bonds as of June 30, 2022 is $605,000.

(d) 2021B Refunding Revenue Bonds

On November 17, 2021, the Trust issued $167,345,000 Series 2021B Refunding Revenue Bonds issued by the California Infrastructure and Economic Development Bank consisting of $43,325,000 Series 2021B-1 and $124,020,000 Series 2021B-2.

The Series 2021B-1 bonds were offered in a Long-Term Mode with a fixed interest rate of 0.39% and a Mandatory Purchase Date of January 1, 2024. The Series 2021B-2 were offered in a Long-Term Mode with a fixed interest rate of 3.00% and a Mandatory Purchase Date of October 1, 2026. The offering resulted in the receipt of bond premium of $13,953,000. Proceeds were used to refund Series 2013A and to pay swap termination payments to JP Morgan and BNY Mellon totaling $18,497,000 associated with the Series 2013A.

At June 30, 2022, the remaining unamortized bond premium for Series 2021B-2 was $12,205,000 and is included as a component of bonds payable in the accompanying financial statements. Amortization of the bond premium totaled $1,748,000.

Accrued interest on the Series 2021B bonds as of June 30, 2022 was $972,000.

(Continued)

The following is a schedule by year of future maturities for the outstanding bond obligations as of June 30 (amounts in thousands):

		Principal amount
Year ending June 30:		
2023	$	2,830
2024		355,745
2025		8,770
2026		9,495
2027		134,235
Thereafter		81,275
	$	592,350

(6) Interest Rate Swap Agreements

The Trust has interest rate swap agreements with the following two counterparties: Bank of New York Mellon and JP Morgan Chase Bank. The swap agreements were initially created to hedge the Trust's floating rate exposure on outstanding debt through the exchange of floating rates for fixed rates on the Series 2011A 1 Variable Rate Bonds, Series 2020A 2 Refunding Revenue Bonds, Series 2012B and 2013A Variable Rate Bonds. The fixed rates paid by the Trust range from 3.42% to 3.74%. The Trust expects that the floating rates it receives under the swap agreements will closely correlate with the floating rates on its variable rate bonds. The floating rates received on the swaps are based on percentages of three-month LIBOR designed to approximate the anticipated floating rate payments of the Trust's tax exempt bonds, though there is no guarantee that the two rates will not diverge. Management believes that such potential divergence does not create a financial risk that would materially affect the Trust's financial position.

As of June 30, 2022 and 2021, the Trust holds two swap agreements with an aggregate total value of $69,077,000 and $135,957,000, respectively. The swap agreements mature on April 1, 2033 and October 1, 2047 and have a notional amount of $102,220,000 and $270,475,000, respectively.

During the year ended June 30, 2021 and 2022, the swaps related to the refunded bonds discussed in footnote 5 were partially terminated with cash payments to the two counterparties of $22,426,000 and $18,497,000, respectively.

Net realized and unrealized gain on interest rate swap agreements are included in the accompanying statements of activities amounting to $48,384,000 and $53,649,000 for the years ended June 30, 2022 and 2021, respectively.

(7) Retirement Plans and Postretirement Medical Benefits

Defined Benefit Retirement Plan

The Trust has a defined benefit retirement plan (“Plan”) covering its employees hired prior to January 1, 2009. The benefit is based on years of service and the employee’s highest consecutive 5 years of compensation during the last 10 years of employment prior to retirement.

On September 25, 2016, the Board of Trustees approved the freezing of the Plan effective December 31, 2016. This freeze discontinued the additional accrual of service credits for participants after December 31, 2016. All benefits that a participant earned prior to the freeze are guaranteed under the Employee Retirement Income Security Act (ERISA) and will be paid out upon the participant’s retirement.

The Board of Trustees approved terminating the Plan effective December 31, 2021. In conjunction with the planned termination, the Trust voluntarily provided a $50 million contribution to the Plan and adjusted the asset allocation of the Plan by converting all available investments to debt securities. The intent and result of these actions was to achieve a funding status of approximately 110% and to align the investment maturities with the anticipated future benefit payments.

During May 2022 through July 2022, lump sums were paid to participants, after which assets were wired to Pacific Life Insurance Company and Pacific Life & Annuity on June 23, 2022, to purchase annuities for the remaining plan participants. The related settlement gain for the remaining assets as of June 30, 2022, was $24,034,000.

Supplemental Retirement Benefits

The Trust provides supplemental retirement benefits for certain former executives, as outlined in their respective employment contracts.

Non-Elective Contribution

Employees hired on or after January 1, 2009 receive a contribution of 6% of the employee’s base salary up to the Social Security Taxable Wage Base plus 10% of an employee’s salary between the Social Security Taxable Wage Base and the IRS Compensation Limit as a non-elective contribution. The non-elective contribution is held in a 401(a) plan. Prior to December 31, 2016, only employees not participants in the Defined Benefit Plan were eligible for the non-elective contributions. Effective January 1, 2017, all employees began receiving the non-elective contributions. Non-elective contributions to the 401(a) plan totaled $6,658,000 and $6,299,000 at June 30, 2022 and 2021, respectively.

Retiree Medical

The Trust also provides postretirement healthcare benefits to certain eligible employees. Beginning January 1, 2015, the postretirement healthcare benefit gives retirees age 65 or older the flexibility to choose a plan that will fit their own needs. The Trust provides a Retiree Reimbursement Account (RRA), a nontaxable account that participants can use to help cover healthcare expenses, including plan premiums and out-of-pocket expenses, such as co-pays and deductibles. For the population of eligible retirees, the Trust contributes $3,000 per year for each retiree and his/her covered spouse/domestic partner.

Employees who do not qualify for the plan noted above, but leave the Trust with at least 10 years of service and attaining age 55, are eligible to receive a $1,200 annual contribution toward an RRA for the retiree only, with the same requirements noted above.

Employees who are eligible and elect to retire before age 65 may choose to remain on one of the Trust's active health plans, paying a portion of the premium, or begin receiving the RRA benefit. At age 65, the individual converts to the benefit noted above.

(a) Funded Status

The following table sets forth the plans' projected benefit obligation, fair value of plan assets, and funded status as of June 30, 2022 and 2021:

		Defined-benefit plans		Postretirement medical	
		2022	2021	2022	2021
		(Amounts in thousands)			
Projected benefit obligation	$	(6,257)	(326,518)	(20,230)	(24,671)
Fair value of plan assets		24,034	356,407	—	—
Net pension assets and total other postretirement liabilities	$	17,777	29,889	(20,230)	(24,671)

The net periodic pension cost in the amount of $78,663,000 and a credit of $2,951,000 for the years ended June 30, 2022 and 2021, respectively, are included as a component of pension and other postretirement plans in the accompanying statements of activities.

(b) Assumptions

The weighted average assumptions used to determine the net pension cost and pension obligations at June 30, 2022 for the supplemental plans and 2021 are as follows:

	Defined-benefit plans	
	2022	2021
Discount rate used to determine:		
Net periodic pension cost	2.70 %	2.60 %
Benefit obligations	4.60	2.70
Expected long-term rate of return on plan assets	—	6.50
Mortality rate	PRI-2012, without Collar adjustment, with MP-2021	PRI-2012, with MP-2020
Measurement date	June 30, 2022	June 30, 2021

The following are the assumed healthcare trend rates and discount rates related to the postretirement healthcare benefits:

	Postretirement medical	
	2022	2021
Healthcare cost trend assumed for the next year	5.00 %	5.70 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.90	4.00
Year that the rate reaches the ultimate trend rate	2045	2045
Discount rate	4.60 %	2.60 %
Mortality rate	PRI-2012, with MP-2021	PRI-2012, with MP-2020
Participation rate:		
Active participants who are age 50 and have at least 5 years of service as of January 1, 2009	80 %	80 %
Non-grandfathered active participants	80	80
Measurement date	June 30, 2022	June 30, 2021

(c) Pension Plan Investments

On June 30, 2021, the investment allocation for the pension plan was entirely debt securities. As the pension plan was settled on December 31, 2021, there are pension plan investments at June 30, 2022. Prior to settlement, the investment policy of the defined benefit retirement plans is intended to maximize total return consistent with the income needs and risk tolerance for the plans. The asset allocation targets are reviewed periodically by the Investment Committee of the Board of Trustees to ensure that the targets are consistent with the plan policy and strategic objectives. The actual asset allocation is rebalanced as appropriate to match the target weights. At June 30, 2021 the expected future long-term rate of return assumption was 6.5%. This assumption reflects the asset allocation targets and both the historical and projected long-term return assumptions for each asset class in the portfolio.

(d) Fair Value of Pension Plans Investments

At June 30, 2022, all pension plan assets were mutual fund – debt securities reported as Level I investments. The following table present pension plans investments that are measured at fair value at June 30, 2021:

	June 30, 2021				
	Level I	Level II	Level III	Investments measured at net asset value	Total
	(Amounts in thousands)				
Cash and cash equivalents	$ 4,598	—	—	—	4,598
Mutual funds – debt securities	304,780	—	—	—	304,780
Fixed-income funds and partnerships	—	—	—	47,029	47,029
Total	$ 309,378	—	—	47,029	356,407

(e) Benefit Payments and Contributions

	Defined-benefit plans		Postretirement medical	
	2022	2021	2022	2021
	(Amounts in thousands)			
Employer contributions	$ 694	50,694	1,543	1,352
Benefits paid	(10,881)	(10,179)	(1,543)	(1,352)

The following is a schedule based on actuarial calculations of expected future benefit payments over the next 10 fiscal years:

	Defined-benefit plans	Postretirement medical
	(Amounts in thousands)	
Fiscal year(s) ending June 30:		
2023	$ 685	1,608
2024	664	1,537
2025	642	1,478
2026	618	1,461
2027–2032	3,101	8,498
	$ 5,710	14,582

The expected payments to be made relative to the supplemental retirement benefits during the fiscal year ending June 30, 2022 totaled $686,000.

(f) Employee Investment Plan and Matching Contributions

The Trust maintains a qualified 403(b) Employee Investment Plan, which permits eligible employees to make voluntary contributions on a pretax basis or, as of January 1, 2014, on a post-tax (Roth) basis. This plan allows participants to invest in a variety of investments. This plan was enhanced in 1995 to include an employer match to employees contributing to the plan. The match is held in a 401(a) plan. The matching contributions in the 401(a) plan provides for uniform employer contributions of one dollar for every dollar contributed by a participant up to 4% of the participant's compensation plus overtime earnings (not to exceed IRS limits). Matching contributions to the 401(a) plan totaled $4,900,000 and $4,453,000 at June 30, 2022 and 2021, respectively.

(g) Supplemental Savings Plan

On January 1, 2009, the Trust established a nonqualified 457(b) Supplemental Savings Plan, which permits eligible employees to make voluntary contributions on a pretax basis. This plan allows participants to invest in a variety of investments. Employee contributions to the plan totaled $217,000 and $227,000 at June 30, 2022 and 2021, respectively.

(8) Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program functions of the Trust. Trust expenses that are directly attributed to a functional expense category on an invoice-by-invoice basis are directly reported to the appropriate functional expense category. Trust expenses that are not directly related to a functional expense category require allocation on a reasonable basis that is consistently applied. The Trust has applied an allocation basis to costs included in the salaries, benefits and taxes, grants to other organizations, operating and employee business expenses, service and professional fees, repair and maintenance and occupancy, depreciation, and interest categories. The allocation is primarily based on a direct functional cost basis and square-footage. The following table presents expenses by both nature and function for the fiscal years ended June 30, 2022 and 2021 (amounts in thousands):

	2022						
	Program services				Total program services	General and administrative	Total
	Museum	Research institute	Conservation institute	Foundation and grants			
Salaries, benefits, and taxes	$ 81,413	39,841	19,639	6,907	147,800	5,075	152,875
Grants to other organizations	1,787	846	579	15,723	18,935	—	18,935
Operating and employee business expenses	25,701	9,418	3,643	1,005	39,767	1,122	40,889
Services and professional fees	15,897	8,156	7,026	1,962	33,041	3,052	36,093
Repair and maintenance and occupancy	14,792	11,340	2,718	446	29,296	239	29,535
Depreciation	19,037	8,637	6,324	6,756	40,754	3,365	44,119
Interest	5,005	158	105	—	5,268	—	5,268
Total expenses	$ 163,632	78,396	40,034	32,799	314,861	12,853	327,714

	2021						
	Program services				Total	General	
	Museum	Research institute	Conservation institute	Foundation and grants	program services	and administrative	Total
Salaries, benefits, and taxes	$ 84,264	33,873	17,395	5,365	140,897	2,342	143,239
Grants to other organizations	882	494	332	8,381	10,089	—	10,089
Operating and employee business expenses	14,491	6,166	2,118	521	23,296	7,349	30,645
Services and professional fees	9,866	5,455	5,791	1,168	22,280	1,911	24,191
Repair and maintenance and occupancy	12,926	9,147	2,263	352	24,688	219	24,907
Depreciation	19,752	10,601	7,966	4,803	43,122	4,441	47,563
Interest	10,996	808	580	222	12,606	—	12,606
Total expenses	$ 153,177	66,544	36,445	20,812	276,978	16,262	293,240

(9) Endowment

The Trust’s endowment consists of six individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of June 30, 2022:

	Without donor restriction	With donor restriction	Total
	(Amounts in thousands)		
Donor-restricted endowments	$ —	9,345	9,345
Board-designated endowments	8,606,265	—	8,606,265
Total	$ 8,606,265	9,345	8,615,610

Changes in endowment net assets for the fiscal year ended June 30, 2022 are as follows:

		Without donor restriction	With donor restriction	Total
		(Amounts in thousands)		
Endowment net assets, beginning of the year	$	9,241,184	8,397	9,249,581
Investment return:				
Investment income		135,145	1,134	136,279
Net depreciation		(377,982)	—	(377,982)
Total investment loss		(242,837)	1,134	(241,703)
Appropriation of endowment assets for expenditure		(392,082)	(186)	(392,268)
Endowment net assets, end of the year	$	8,606,265	9,345	8,615,610

Endowment net asset composition by type of fund as of June 30, 2021 is as presented below:

		Without donor restriction	With donor restriction	Total
		(Amounts in thousands)		
Donor-restricted endowments	$	—	8,397	8,397
Board-designated endowments		9,241,184	—	9,241,184
Total	$	9,241,184	8,397	9,249,581

(Continued)

Changes in endowment net assets for the fiscal year ended June 30, 2021 are as follows:

		Without donor restriction	With donor restriction	Total
		(Amounts in thousands)		
Endowment net assets, beginning of the year	$	6,950,030	3,714	6,953,744
Investment return:				
Investment income		115,961	5,244	121,205
Net appreciation		2,528,918	—	2,528,918
Total investment income		2,644,879	5,244	2,650,123
Appropriation of endowment assets for expenditure		(353,725)	(561)	(354,286)
Endowment net assets, end of the year	$	9,241,184	8,397	9,249,581

Description of amounts classified as net assets with donor restrictions is as follows (in thousands):

		2022	2021
Net assets with donor restrictions:			
The portion of endowment funds that is required to be retained either by explicit or subject to donor-imposed stipulations	$	9,345	8,397
Contributions restricted for specific purpose or timing of use		16,433	14,254
Endowment receivables		—	1,000
Total net assets with donor restrictions	$	25,778	23,651

(a) Return Objectives and Risk Parameters

The Trust has adopted investment and prudent spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. This policy shall provide for safety of principal through diversification in a portfolio of common stocks, bonds, mutual funds, cash equivalents, and other investments, including international equities and alternative investments, which may reflect varying rates of return. The overall rate of return objective for the portfolio (net of fees) is 5% plus inflation, which is consistent with the risk levels established by the Board of Trustees. This is consistent with the Trust's objective to maintain purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment returns.

(b) Investment Strategy

Consistent with the investment and prudent spending policies stated above, the investment strategy is as follows:

1. Preservation of capital: To seek to minimize the probability of loss of principal over the investment horizon of the portfolio relative to the market.
2. Maintain adequate portfolio liquidity to support operational activities, fund all investment commitments, and provide a safety net in case of severe market disruptions.
3. Preservation of purchasing power: To seek long-term growth of capital in excess of the rate of spending and inflation over the long-term investment horizon of the portfolio.

(c) Spending Policy

The Trust, with the approval of the Board of Trustees, currently appropriates for distribution (on a cash basis) each year 5% of its endowment fund's value determined either by (1) averaging the fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned or (2) using the fair value of the endowment at calendar year-end preceding the fiscal year in which the distribution is planned. In establishing these appropriations, the Trust considers the long-term expected return on its endowment. Accordingly, over the long term, the Trust expects the current spending policy to allow its endowment to grow with inflation. This is consistent with the Trust's objective to maintain the purchasing power of the endowment assets held in perpetuity.

(10) Commitments and Contingencies

Legal Matters

In the ordinary course of business, the Trust is subject to certain lawsuits and other potential legal actions. In the opinion of management, such matters will not have a material effect on the financial position of the Trust.

(11) Liquidity and Availability

The Trust has the following financial assets available as of the statements of financial position dates to meet cash needs for general expenditures within the following year (amounts in thousands):

		2022	2021
Cash	$	8,875	11,270
Interest and dividends receivables		2,652	2,792
Other receivables		2,569	1,517
Investments		3,548,000	3,807,000
Total	$	3,562,096	3,822,579

As part of the Trust's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Trust manages its liquidity primarily through ongoing assessments of the nature, redemption period and concentration of the investments within the portfolio. The assessment includes an analysis of how much of the investment portfolio could be converted to cash within one year. At June 30, 2022 and 2021, the Trust has determined that $3,548,000,000 and $3,807,000,000 of investments, respectively, could be converted to cash within one year.

As described in note 9, substantially all the Trust's investments are considered to be a board-designated endowment. The portions of the board-designated endowment that cannot be converted to cash within one year and the donor-restricted endowment are not available for general expenditures and accordingly not considered in the above determination of financial assets available. The board-designated endowment has an approved spending rate of 5% and $352,000,000 and $349,000,000 has been designed for general expenditures at June 30, 2022 and 2021, respectively. The Trust does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditures as part of its annual budget approval and appropriations process. However, amounts from its board-designated endowments could be made available through board action, if necessary. Accordingly, the portion of the board-designated endowment that could be converted to cash within one year has been reported as a financial asset available for general use.

(12) Subsequent Events

Subsequent events have been evaluated through December 14, 2022, which is the date the financial statements were issued.