



# Trustees For Alaska

Consolidated Financial Statements  
Years Ended September 30, 2016 and 2015

# Trustees For Alaska

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Consolidated Financial Statements  
Years Ended September 30, 2016 and 2015

# Trustees For Alaska

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## Independent Auditor's Report

Board of Directors  
Trustees for Alaska  
Anchorage, Alaska

We have audited the accompanying consolidated financial statements of Trustees for Alaska, which comprise the consolidated statement of financial position as of September 30, 2016 and 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trustees for Alaska as of September 30, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters*

*Other information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*BDO USA, LLP*

Anchorage, Alaska  
January 27, 2016

## Consolidated Financial Statements

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**Trustees For Alaska**  
**Consolidated Statements of Financial Position**

<i>September 30,</i>	2016	2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 528,289	\$ 1,797,773
Receivables:		
Foundation grants	-	73,748
Other receivable	1,414	5,422
Prepaid expenses	7,604	19,828
<b>Total Current Assets</b>	<b>537,307</b>	<b>1,896,771</b>
Property and equipment	44,307	43,557
Less accumulated depreciation	(35,727)	(30,485)
Property and equipment, net	8,580	13,072
Investments	5,535,748	3,056,418
<b>Total Assets</b>	<b>\$ 6,081,635</b>	<b>\$ 4,966,261</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 14,892	\$ 7,850
Accrued payroll liabilities and leave	23,588	23,586
Current portion, capital lease payable	4,635	4,454
<b>Total Current Liabilities</b>	<b>43,115</b>	<b>35,890</b>
Long term liabilities - capital lease payable, net of current portion	791	5,426
<b>Total Liabilities</b>	<b>43,906</b>	<b>41,316</b>
<b>Net Assets</b>		
Unrestricted:		
Designated by the Board - endowment	5,541,344	4,112,482
Designated by the Board for operations	150,000	150,000
Undesignated	59,922	225,651
Temporarily restricted	286,463	436,812
<b>Total Net Assets</b>	<b>6,037,729</b>	<b>4,924,945</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,081,635</b>	<b>\$ 4,966,261</b>

*See accompanying notes to consolidated financial statements.*

**Trustees for Alaska**  
**Consolidated Statements of Activities**

<i>Years Ended September 30,</i>	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>						
Foundation grants	\$ 218,500	\$ 274,249	\$ 492,749	\$ 158,900	\$ 592,548	\$ 751,448
Contributions	1,174,617	-	1,174,617	154,889	-	154,889
Colleen Burgh Fund	-	5,000	5,000	-	13,325	13,325
In-kind revenue	111,947	-	111,947	96,299	-	96,299
Interest income	1,884	-	1,884	3,134	-	3,134
Other	-	-	-	7,335	-	7,335
Net assets released from restrictions in satisfaction of program requirements	445,026	(445,026)	-	481,329	(481,329)	-
<b>Total Revenue and Support</b>	<b>1,951,974</b>	<b>(165,777)</b>	<b>1,786,197</b>	<b>901,886</b>	<b>124,544</b>	<b>1,026,430</b>
<b>Expenses</b>						
Program services:						
Arctic	211,831	-	211,831	212,451	-	212,451
Clean Air and Water	241,055	-	241,055	216,972	-	216,972
Global Warming	444,472	-	444,472	335,592	-	335,592
Marine	12,136	-	12,136	26,477	-	26,477
Wildlife	80,447	-	80,447	70,674	-	70,674
<b>Total Program Services</b>	<b>989,941</b>	<b>-</b>	<b>989,941</b>	<b>862,166</b>	<b>-</b>	<b>862,166</b>
Support services:						
General and administrative	153,930	-	153,930	102,157	-	102,157
Fundraising	151,464	-	151,464	136,062	-	136,062
<b>Total Support Services</b>	<b>305,394</b>	<b>-</b>	<b>305,394</b>	<b>238,219</b>	<b>-</b>	<b>238,219</b>
<b>Total Expenses</b>	<b>1,295,335</b>	<b>-</b>	<b>1,295,335</b>	<b>1,100,385</b>	<b>-</b>	<b>1,100,385</b>
Increase (decrease) in net assets from operating activities	656,639	(165,777)	490,862	(198,499)	124,544	(73,955)
<b>Non-operating Activities</b>						
Other revenue	1,081,896	-	1,081,896	-	-	-
Attorney fees	(964,483)	-	(964,483)	-	-	-
Other expenses	(14,884)	-	(14,884)	-	-	-
Gain (loss) on investments	503,965	15,428	519,393	325,561	-	325,561
Change in net assets	1,263,133	(150,349)	1,112,784	127,062	124,544	251,606
<b>Net Assets, beginning of year</b>	<b>4,488,133</b>	<b>436,812</b>	<b>4,924,945</b>	<b>4,361,071</b>	<b>312,268</b>	<b>4,673,339</b>
<b>Net Assets, end of year</b>	<b>\$ 5,751,266</b>	<b>\$ 286,463</b>	<b>\$ 6,037,729</b>	<b>\$ 4,488,133</b>	<b>\$ 436,812</b>	<b>\$ 4,924,945</b>

*See accompanying notes to consolidated financial statements.*



**Trustees For Alaska**  
**Consolidated Statement of Functional Expenses**

<i>Year Ended September 30, 2016</i>	Arctic	Clean Air and Water	Climate Change	Marine	Wildlife	General and Admin- istrative	Fund- Raising	Total
Salaries and benefits	\$ 146,659	\$ 160,917	\$ 227,395	\$ 8,115	\$ 57,956	\$ 79,731	\$ 106,401	\$ 787,174
Contract and professional	9,304	10,657	84,533	728	1,904	9,556	6,100	122,782
In kind legal	18,215	20,728	38,220	1,044	6,918	13,047	13,024	111,196
Occupancy costs	16,064	23,286	25,205	-	4,945	11,101	8,780	89,381
Case related expenses	376	835	41,994	43	147	20,258	200	63,853
Insurance	3,248	4,645	5,166	321	873	5,848	1,127	21,228
Library	3,180	5,348	5,155	405	3,011	300	-	17,399
Board activities	2,813	3,984	4,392	273	716	2,561	1,471	16,210
Travel	5,792	2,462	1,774	210	744	789	1,538	13,309
Communications	1,753	1,786	2,401	551	515	1,715	928	9,649
Training and recruitment	772	1,060	2,362	84	212	3,498	642	8,630
Printing and publications	172	457	269	17	1,154	128	5,703	7,900
Dues and subscriptions	1,081	1,587	1,770	117	699	124	384	5,762
Equipment costs	962	1,530	1,125	123	169	1,010	460	5,379
Depreciation	859	977	1,802	49	326	615	614	5,242
Meetings and events	237	336	370	23	60	187	2,233	3,446
Postage	136	173	214	13	42	1	1,649	2,228
Supplies and office expense	208	287	325	20	56	453	202	1,551
Other	-	-	-	-	-	3,008	8	3,016
<b>Total Expenses</b>	<b>\$ 211,831</b>	<b>\$ 241,055</b>	<b>\$ 444,472</b>	<b>\$ 12,136</b>	<b>\$ 80,447</b>	<b>\$ 153,930</b>	<b>\$ 151,464</b>	<b>\$ 1,295,335</b>

*See accompanying notes to consolidated financial statements.*

**Trustees For Alaska**  
**Consolidated Statement of Functional Expenses**

<i>Year Ended September 30, 2015</i>	Arctic	Clean Air and Water	Climate Change	Marine	Wildlife	General and Admin- istrative	Fund- Raising	Total
Salaries and benefits	\$ 141,456	\$ 151,279	\$ 221,431	\$ 17,915	\$ 41,823	\$ 65,540	\$ 89,585	\$ 729,029
In kind legal	23,571	21,844	37,814	2,458	10,142	-	-	95,829
Occupancy costs	18,318	17,266	29,799	1,000	8,458	7,905	11,755	94,501
Contract and professional	9,372	6,168	19,627	967	3,277	20,825	9,245	69,481
Library	2,474	7,244	6,620	836	2,040	202	15	19,431
Insurance	3,674	3,136	5,511	1,230	1,459	2,529	508	18,047
Travel	6,391	3,017	1,897	-	635	-	5,610	17,550
Meetings and events	514	676	824	54	231	250	8,047	10,596
Communications	1,811	1,534	2,664	229	712	1,225	1,093	9,268
Equipment costs	1,149	811	1,482	923	333	1,478	738	6,914
Dues and subscriptions	1,374	1,881	2,130	306	581	70	27	6,369
Printing and publications	138	128	222	14	62	67	6,252	6,883
Depreciation	994	937	1,618	54	459	430	638	5,130
Supplies and office expense	136	98	178	104	41	156	139	852
Training and recruitment	539	416	1,355	323	180	483	345	3,641
Board activities	420	389	673	44	189	715	274	2,704
Postage	120	148	247	20	52	60	1,791	2,438
Other	-	-	1,500	-	-	222	-	1,722
<b>Total Expenses</b>	<b>\$ 212,451</b>	<b>\$ 216,972</b>	<b>\$ 335,592</b>	<b>\$ 26,477</b>	<b>\$ 70,674</b>	<b>\$ 102,157</b>	<b>\$ 136,062</b>	<b>\$ 1,100,385</b>

*See accompanying notes to consolidated financial statements.*

**Trustees For Alaska**  
**Consolidated Statements of Cash Flows**

<i>Years Ended September 30,</i>	2016	2015
<b>Cash Flows from (for) Operating Activities</b>		
Receipts from grants and contributions	\$ 1,746,114	\$ 915,914
Payments to employees and suppliers	(1,173,762)	(1,000,056)
Receipts from other revenue sources, net of attorney fees paid	121,421	16,269
Payments for investment fees	(13,418)	(12,703)
Interest and dividends received	80,484	76,269
<b>Net Cash Flows from (for) Operating Activities</b>	<b>760,839</b>	<b>(4,307)</b>
<b>Cash Flows from (for) Investing Activities</b>		
Purchases of investments	(3,290,961)	(1,332,112)
Proceeds from sale of investments	1,265,092	2,137,067
<b>Net Cash from (for) Investing Activities</b>	<b>(2,025,869)</b>	<b>804,955</b>
<b>Cash Flows for Financing Activities -</b>		
principal payments on capital lease obligation	(4,454)	(4,280)
Net change in cash and cash equivalents	(1,269,484)	796,368
<b>Cash and Cash Equivalents, beginning of year</b>	<b>1,797,773</b>	<b>1,001,405</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 528,289</b>	<b>\$ 1,797,773</b>
Reconciliation of change in net assets to net cash from (for) operating activities:		
Cash flows from (for) operating activities:		
Change in net assets	\$ 1,112,784	\$ 251,606
Adjustments to reconcile change in net assets to cash from (for) operating activities:		
Depreciation	5,242	5,130
Realized and unrealized gains on investments	(454,211)	(261,995)
(Increase) decrease in assets:		
Foundation grants receivable	73,748	(3,748)
Other receivables	4,008	5,800
Prepaid expenses	12,224	901
Increase (decrease) in liabilities:		
Accounts payable	7,042	(468)
Accrued payroll liabilities and leave	2	(1,533)
<b>Net Cash from (for) Operating Activities</b>	<b>\$ 760,839</b>	<b>\$ (4,307)</b>
<b>Supplemental Information - Cash Paid During the Year for Interest</b>	<b>\$ 596</b>	<b>\$ 855</b>

*See accompanying notes to consolidated financial statements.*

# Trustees for Alaska

## Notes to Consolidated Financial Statements Years Ended September 30, 2016 and 2015

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### 1. Summary of Significant Accounting Policies

#### *Organization and Nature of Activities*

Trustees for Alaska (the Organization) is a public interest law firm whose mission is to protect Alaska's natural resources and environment. Founded in 1974 to address anticipated impacts from the then-proposed Trans Alaska Pipeline System, the Organization has since evolved into an environmental law firm offering free counsel to local and national environmental groups, Alaska Native villages, nonprofit organizations and others with a stake in protecting Alaska's natural heritage. The Organization's support comes primarily from individual contributions, foundation grants and court-awarded attorney fees.

On December 31, 2008, Trustees for Alaska established the Trustees for Alaska Endowment Fund (TAEF) to provide financial support to the charitable activities, projects and programs of Trustees for Alaska. TAEF is classified as a Section 509(a)(3) "Type I" supporting organization by the Internal Revenue Service. All activities of the Endowment Fund are included in these financial statements.

#### *Program Activities*

Trustees for Alaska is dedicated to matters affecting the State of Alaska. Its work covers a wide range of issues from oil and gas development, climate change, mining, and air and water pollution, to wildlife conservation and terrestrial, aquatic and marine ecosystem protection. Trustees for Alaska works in five main areas:

- Protecting America's unique Arctic ecosystems
- Addressing the impacts of climate change on Alaska's communities and ecosystems
- Protecting Alaska's vast marine ecosystems
- Protecting Alaska's spectacular wilderness areas, and promoting the biodiversity of Alaska's Wildlife.
- Assuring clean air, clean water, and continued access to subsistence resources.

#### *Basis of Accounting*

The Organization prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses recognized when incurred.

#### *Management Estimates and Assumptions*

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

# Trustees for Alaska

## Notes to Consolidated Financial Statements

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### *Financial Statement Presentation*

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets:

*Unrestricted net assets:* Net assets that are not subject to donor-imposed or time restrictions that are general in nature or that are for operating purposes of the Organization.

*Temporarily restricted net assets:* Net assets whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of Trustees for Alaska. When the stipulated time restriction ends or action is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from program restrictions.

*Permanently restricted net assets:* Net assets from contributions whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

### *Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Organization considers the unrestricted balances in its checking, savings and money market accounts to be cash, as well as certificates of deposit that mature within one year.

### *Fair Value of Financial Instruments*

Trustees for Alaska must disclose its estimate of the fair value of material financial instruments, including those recorded as assets or liabilities in its financial statements and derive financial instruments.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) investments, (3) receivables, net (4) certain other current assets, (5) accounts payable and (6) other current liabilities. The carrying amounts reported on the Statement of Financial Position for the above financial instruments closely approximate their fair value due to the short-term nature of these assets and liabilities.

The carrying amount of receivables approximates fair value because they are expected to be received within a reasonable time period where any difference from fair value would be considered immaterial.

Included in investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and stock when carried at the lower of cost or market. Mutual funds are valued at the net asset value (NAV) of shares held at year end. The Organization's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles.

# Trustees for Alaska

## Notes to Consolidated Financial Statements

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### *Equipment*

Equipment in excess of \$1,000, which consists primarily of office equipment, is carried at cost if purchased or fair value if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

### *Functional Allocation of Expenses*

Direct expenses are charged to programs, fundraising and supporting services. Expenses related to more than one function are charged to each function on the basis of time studies and full-time equivalent positions. Management and general expenses include those expenses that are not directly chargeable to any other specific function but provide for the overall support and direction of the Organization.

### *Pledges and Promises to Give*

Unconditional promises to give (pledges) are recognized as revenues in the period in which the promise is made, and as assets, decreases in liabilities, or expenses depending upon the form of the benefits to be received. Conditional pledges are considered unconditional if the possibility that the condition will not be met is remote. Promises to give that are contingent upon substantive conditions being met are recognized only when the conditions have been met and the promise become unconditional. Promises to give are recorded at net realizable value if expected to be collected in more than one year.

### *Contributed Services, Materials, and Utilities*

Donated materials, supplies and utilities are valued at fair market on the date contributed. Donated services are included in the Organization's Statement of Activities in the following circumstances:

- a) the services performed create or enhance non-financial assets; or
- b) the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

### *Fee Awards*

Court-awarded case costs are recognized in the period which the court order is issued.

### *Income Taxes*

The activities of the Organization are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Although the Organization is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirements of filing Federal Income Tax Form 990-T and a tax liability may be determined on these activities.

The Organization applies the provisions of Topic 740 of the FASB Accounting Standards Codification relating to accounting for uncertainty in income taxes. The Organization annually reviews its return and positions taken in accordance with the recognition standards.

# Trustees for Alaska

## Notes to Consolidated Financial Statements

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The Organization believes that it has no uncertain tax positions taken in accordance with the recognition standards that would require disclosure or adjustment in these financial statements.

### *Contingencies*

Grants awarded by private foundations may be subject to review by these organizations or their representatives. Adjustments of amounts received could result in the event of noncompliance with budgetary constraints, purpose restrictions, or other significant terms of the agreements.

### *Subsequent Events*

The Organization has evaluated subsequent events through January 27, 2016, the date on which the financial statements were issued.

## 2. Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following amounts at September 30:

	2016	2015
Demand deposits	\$ 185,329	\$ 426,195
Short-term certificates of deposit	203,612	202,189
<b>Total - non endowment funds</b>	<b>388,941</b>	<b>628,384</b>
Demand deposits	12,419	2,161
Money market funds	126,929	1,167,228
<b>Total - endowment funds</b>	<b>139,348</b>	<b>1,169,389</b>
<b>Total Cash and Cash Equivalents</b>	<b>\$ 528,289</b>	<b>\$ 1,797,773</b>

Cash and cash equivalents are insured by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Insurance Fund (NCUSIF) to a maximum of \$250,000 per financial institution. Certificates of deposit are insured by the Securities Investment Protection Corporation (SPIC) to a maximum of \$500,000 per financial institution. Amounts in excess of the FDIC, NCUSIF and SPIC limit throughout the year are neither insured nor collateralized. At September 30, 2016 and 2015, there was \$0 and \$667,228 of uninsured deposits in money market funds, respectively.

## 3. Foundation Grants Receivable

Promises to give amounts in the future that are not contingent upon meeting substantive conditions consist of the following at September 30:

	2016	2015
Pew Charitable Trust	\$ -	\$ 3,748
True North Foundation	-	70,000
<b>Total Grants Receivable</b>	<b>\$ -</b>	<b>\$ 73,748</b>

# Trustees for Alaska

## Notes to Consolidated Financial Statements

### 4. Prepaid Expenses

Prepaid expenses consisted of the following at September 30:

	2016	2015
Security deposit	\$ 5,754	\$ 5,574
Rent	-	8,000
Employee benefits	284	226
Insurance	1,203	2,158
Other	363	3,870
<b>Total</b>	<b>\$ 7,604</b>	<b>\$ 19,828</b>

### 5. Leases

#### *Capital Lease - Copier*

In December 2012, the Organization entered into a new 60-month capital lease for a copy machine with minimum monthly payments of \$396 and an effective interest rate of 4%. The cost of the copier was \$21,647 and will be depreciated over an estimated 5-year useful life. As of September 30, 2016, \$16,526 of depreciation has been recorded, leaving a remaining net book value of \$5,121 at September 30, 2016. Future required minimum lease payments are as follows:

#### *Fiscal Year Ending*

2017	\$	4,752
2018		793
Total value of payments to be made		5,545
Less amount representing interest		(119)
Present value of net minimum lease payments under capital lease		5,427
Current portion due next year		(4,635)
<b>Long-term Portion</b>	<b>\$</b>	<b>791</b>

#### *Operating Lease - Office Space*

The Organization leases office space under a lease originally executed June 7, 1999. The latest amendment extends the lease for a five year period beginning August 1, 2012 and ending July 31, 2017. Future minimum required payments are as follows:

#### *Fiscal Year Ending*

2017	\$	80,000
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# Trustees for Alaska

## Notes to Consolidated Financial Statements

### 6. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted as to time or purpose as designated by the donor. The Organization's net assets temporarily restricted for the following purposes or time periods were as follows at September 30:

	2016	2015
Arctic	\$ -	\$ 19,080
Clean air and water	-	92,104
Coal/climate change	152,710	212,303
Colleen Burgh Fund	133,753	113,325
<b>Total</b>	<b>\$ 286,463</b>	<b>\$ 436,812</b>

The Organization's net assets released from temporary restrictions were as follows for the years ended September 30:

	2016	2015
Marine	\$ -	\$ 3,286
Arctic	84,080	47,273
Clean air and water	92,104	132,697
Coal/climate change	265,842	260,619
Operational	3,000	30,000
Other	-	7,454
<b>Total</b>	<b>\$ 445,026</b>	<b>\$ 481,329</b>

### 7. In-Kind Revenue and Expense

The value of donated goods and services is as follows for the year ended September 30, 2016:

	Program Services	Support Services	Donated Goods	Total
In-kind personnel:				
Attorneys and interns	\$ 95,394	\$ -	\$ -	\$ 95,394
Information technology	-	553	-	553
Donated furniture	-	-	1,000	1,000
Strategic consultant	-	15,000	-	15,000
	<b>\$ 95,394</b>	<b>\$ 15,553</b>	<b>\$ 1,000</b>	<b>\$ 111,947</b>

# Trustees for Alaska

## Notes to Consolidated Financial Statements

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The value of donated goods and services is as follows for the year ended September 30, 2015:

	Program Services	Support Services	Total
In-kind personnel:			
Attorneys and interns	\$ 95,829	\$ -	\$ 95,829
Information technology	-	470	470
	\$ 95,829	\$ 470	\$ 96,299

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Trustees for Alaska received the services of first and second year law students during a summer internship program in fiscal year 2016 and 2015. The interns were paid \$12 per hour. These services are valuable to Trustees for Alaska because they must be provided by individuals possessing specialized skills in understanding of precedent, methods of legal research and legal reasoning. If these services were purchased from a contract attorney the rate of compensation would be significantly higher than Alaska's minimum wage. The value of in-kind intern salaries in these financial statements was calculated as the difference between estimated market rates for legal research services of \$78 for two interns and \$90 for one intern in 2016 and 2015.

The value of in-kind attorney services was similarly calculated as the difference between estimated fair value of attorney rates and those actually charged by contract attorneys for services provided or the estimated fair value of donated time. The in-kind contributions for other professional services were valued at the excess of market rates over amounts actually charged.

### 8. Endowment Fund

Trustees for Alaska established an Endowment Fund in fiscal year 2009 for the purpose of providing future revenues for organizational spending. The Trustees for Alaska Endowment Fund (TAEF), an Alaska nonprofit corporation formed as a "public charity" under section 509(a)(3) of the Internal Revenue Code was formed as a supporting organization for Trustees for Alaska. TAEF is a "Type I" supporting organization within the meaning of 509(a)(3)(B)(i).

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# Trustees for Alaska

## Notes to Consolidated Financial Statements

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The TAEF had the following endowment-related activity for the years ended September 30:

	2016	2015
Endowment net assets, beginning of year	\$ 4,225,807	\$ 4,307,666
Contributions	979,407	27,805
Investment return:		
Interest and dividend income	78,600	73,135
Unrealized gain on investments	178,370	201,901
Realized gain on sale of investments	275,841	63,228
Investment fees	(13,418)	(12,703)
Total investment return	519,393	325,561
Amounts appropriated for expenditures:		
Contribution to TFA	25,000	415,860
Other expenses	24,510	19,365
Total expenditures	49,510	435,225
Endowment Net Assets, End of Year	5,675,097	4,225,807
Restricted for Colleen Burgh Fund	133,753	113,325
Unrestricted Endowment Net Assets, End of Year	\$ 5,541,344	\$ 4,112,482

### *Investment and Expenditure Policy*

The purpose of the TAEF is to provide support and security for TFA in perpetuity. The Board has adopted an investment policy statement describing the goals and objectives for the assets, including the following:

- Maintain total cash reserves, in the aggregate, of not less than \$150,000, for use by TFA in emergency circumstances.
- Deem the TAEF assets as a quasi-endowment (“endowment assets”).
- Seek returns on its endowment assets (net of the Fund’s fees, expenses, and distributions to TFA) that are in excess of the rate of inflation over the long-term investment horizon of the portfolio.

# Trustees for Alaska

## Notes to Consolidated Financial Statements

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- It is the policy of the Board to provide to the Executive Director, no later than the Spring meeting, guidance as to the amount of and the restrictions (if any) on the use of the TAEF appropriation for the subsequent fiscal year. The TAEF appropriation and its use will be included as an item in the budget approved at the fall meeting, and the appropriation will ordinarily be effective on or about October 1.
- The investment policy statement also characterizes TAEF's risk profile as conservative. As part of this profile, a strategic asset allocation is outlined to reflect the TAEF's preferences and directions and provide base line targets for investment managers.

### 9. Fair Value Measurements and Investments

All of the Organization's investment assets as of September 30, 2016 and 2015 are classified at Level 1, as the values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date. These assets include actively-traded exchange-listed equity and debt securities. Unadjusted quoted prices for these securities are provided to the Organization by independent pricing services. All investment assets are held in common stocks across a diversified group of industries.

### 10. Tax-Deferred Annuity Plan

In 1994, the Organization adopted a tax-deferred annuity plan pursuant to Internal Revenue Code Section 403(b). Beginning with an employee's second year, the Organization matches employee contributions to a maximum of 3.5% of annual compensation. On October 1, 2010 the plan was amended to include part-time employees. Employer contributions totaled \$18,226 and \$18,682 for years ending September 30, 2016 and 2015, respectively.

### 11. Concentrations

The Organization received approximately 14% of its total revenue (excluding in-kind contributions) in fiscal year 2016 and 52% in fiscal year 2015 from three contributors.

### 12. Board Designated Operating Funds

Effective 2014, organizational fiscal policies were accepted, requiring cash reserves of not less than \$150,000 for use in emergency circumstances. TFA has designated an equivalent amount of net assets to represent this reserve.

## Supplementary Information

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**Trustees for Alaska**  
**Consolidating Statement of Financial Position**

<i>September 30,</i>	2016			2015		
	Trustees for Alaska	Trustees for Alaska Endowment	Total	Trustees for Alaska	Trustees for Alaska Endowment	Total
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 388,940	\$ 139,349	\$ 528,289	\$ 628,384	\$ 1,169,389	\$ 1,797,773
Receivables:						
Foundation grants	-	-	-	73,748	-	73,748
Other receivables	1,414	-	1,414	5,422	-	5,422
Prepaid expenses	7,604	-	7,604	19,828	-	19,828
<b>Total Current Assets</b>	<b>397,958</b>	<b>139,349</b>	<b>537,307</b>	<b>727,382</b>	<b>1,169,389</b>	<b>1,896,771</b>
Property and equipment	44,307	-	44,307	43,557	-	43,557
Less accumulated depreciation	(35,727)	-	(35,727)	(30,485)	-	(30,485)
<b>Property and Equipment, Net</b>	<b>8,580</b>	<b>-</b>	<b>8,580</b>	<b>13,072</b>	<b>-</b>	<b>13,072</b>
Investments	-	5,535,748	5,535,748	-	3,056,418	3,056,418
<b>Total Assets</b>	<b>\$ 406,538</b>	<b>\$ 5,675,097</b>	<b>\$ 6,081,635</b>	<b>\$ 740,454</b>	<b>\$ 4,225,807</b>	<b>\$ 4,966,261</b>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 14,892	\$ -	\$ 14,892	\$ 7,850	\$ -	\$ 7,850
Accrued payroll liabilities and leave	23,588	-	23,588	23,586	-	23,586
Current portion, capital lease payable	4,635	-	4,635	4,454	-	4,454
<b>Total Current Liabilities</b>	<b>43,115</b>	<b>-</b>	<b>43,115</b>	<b>35,890</b>	<b>-</b>	<b>35,890</b>
<b>Long-term Liabilities - capital lease payable, net of current portion</b>	<b>791</b>	<b>-</b>	<b>791</b>	<b>5,426</b>	<b>-</b>	<b>5,426</b>
<b>Total Liabilities</b>	<b>43,906</b>	<b>-</b>	<b>43,906</b>	<b>41,316</b>	<b>-</b>	<b>41,316</b>
<b>Net Assets</b>						
Unrestricted:						
Designated by the Board - endowment	-	5,541,344	5,541,344	-	4,112,482	4,112,482
Designated by the Board for operations	150,000	-	150,000	150,000	-	150,000
Undesignated	59,922	-	59,922	225,651	-	225,651
Temporarily restricted	152,710	133,753	286,463	323,487	113,325	436,812
<b>Total Net Assets</b>	<b>362,632</b>	<b>5,675,097</b>	<b>6,037,729</b>	<b>699,138</b>	<b>4,225,807</b>	<b>4,924,945</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 406,538</b>	<b>\$ 5,675,097</b>	<b>\$ 6,081,635</b>	<b>\$ 740,454</b>	<b>\$ 4,225,807</b>	<b>\$ 4,966,261</b>

## Trustees For Alaska

### Consolidating Statement of Activities

Years Ended September 30,	2016				2015			
	Trustees for Alaska	Trustees for Alaska Endowment	Eliminations	Total	Trustees for Alaska	Trustees for Alaska Endowment	Eliminations	Total
<b>Revenue and Support</b>								
Foundation grants	\$ 492,749	\$ -	\$ -	\$ 492,749	\$ 751,448	\$ -	\$ -	\$ 751,448
Contributions *	225,210	974,407	(25,000)	1,174,617	556,269	14,480	(415,860)	154,889
Colleen Burgh Fund	-	5,000	-	5,000	-	13,325	-	13,325
In-kind revenue	111,947	-	-	111,947	96,299	-	-	96,299
Other	-	-	-	-	7,335	-	-	7,335
Interest income	1,884	-	-	1,884	3,134	-	-	3,134
<b>Total Revenue and Support</b>	<b>831,790</b>	<b>979,407</b>	<b>(25,000)</b>	<b>1,786,197</b>	<b>1,414,485</b>	<b>27,805</b>	<b>(415,860)</b>	<b>1,026,430</b>
<b>Expenses</b>								
<b>Program services</b>								
Arctic	211,831	-	-	211,831	212,451	-	-	212,451
Clean Air and Water	241,055	-	-	241,055	216,972	-	-	216,972
Global Warming	444,472	-	-	444,472	335,592	-	-	335,592
Marine	12,136	-	-	12,136	26,477	-	-	26,477
Wildlife	80,447	-	-	80,447	70,674	-	-	70,674
<b>Total Program Services</b>	<b>989,941</b>	<b>-</b>	<b>-</b>	<b>989,941</b>	<b>862,166</b>	<b>-</b>	<b>-</b>	<b>862,166</b>
<b>Support Services</b>								
General administrative	129,420	24,510	-	153,930	82,792	19,365	-	102,157
Fundraising	151,464	-	-	151,464	136,062	-	-	136,062
<b>Total Support Services</b>	<b>280,884</b>	<b>24,510</b>	<b>-</b>	<b>305,394</b>	<b>218,854</b>	<b>19,365</b>	<b>-</b>	<b>238,219</b>
<b>Total Expenses</b>	<b>1,270,825</b>	<b>24,510</b>	<b>-</b>	<b>1,295,335</b>	<b>1,081,020</b>	<b>19,365</b>	<b>-</b>	<b>1,100,385</b>
Increase (decrease) in net assets from operating activities	(439,035)	954,897	(25,000)	490,862	333,465	8,440	(415,860)	(73,955)
<b>Non-operating Activities:</b>								
Contribution to TFA *	-	(25,000)	25,000	-	-	(415,860)	415,860	-
Other revenue	1,081,896	-	-	1,081,896	-	-	-	-
Attorney fees	(964,483)	-	-	(964,483)	-	-	-	-
Other expenses	(14,884)	-	-	(14,884)	-	-	-	-
Gain (loss) on investments	-	519,393	-	519,393	-	325,561	-	325,561
Change in net assets	(336,506)	1,449,290	-	1,112,784	333,465	(81,859)	-	251,606
<b>Net Assets, beginning of year</b>	<b>699,138</b>	<b>4,225,807</b>	<b>-</b>	<b>4,924,945</b>	<b>365,673</b>	<b>4,307,666</b>	<b>-</b>	<b>4,673,339</b>
<b>Net Assets, end of year</b>	<b>\$ 362,632</b>	<b>\$ 5,675,097</b>	<b>\$ -</b>	<b>\$ 6,037,729</b>	<b>\$ 699,138</b>	<b>\$ 4,225,807</b>	<b>\$ -</b>	<b>\$ 4,924,945</b>

\* The elimination represents the contribution from Trustees for Alaska Endowment to Trustees for Alaska.