

TRUSTEES FOR ALASKA

Financial Statements

Years Ended September 30, 2009 and 2008

**TRUSTEES FOR ALASKA**

**Financial Statements**

**Years Ended September 30, 2009 and 2008**



# TRUSTEES FOR ALASKA

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Independent Auditors' Report

Board of Directors  
Trustees for Alaska  
Anchorage, Alaska

Ladies and Gentlemen:

We have audited the accompanying statements of financial position of Trustees for Alaska, a nonprofit organization as of September 30, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Trustees for Alaska's management. Our responsibility is to express an opinion on these financial statements based upon our audit. The financial statements for the year ended September 30, 2008, were audited by other auditors, and they expressed an unqualified opinion on them in their report dated December 10, 2008, but they have not performed any auditing procedures since that date.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trustees for Alaska as of September 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The language in Note H to the financial statements was expanded to identify the Trustees of Alaska Endowment Fund as a 501(c)(3) organization and Note L was added to expand the Fair Value of Financial Instruments disclosure.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining information on pages 16 and 17 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Altman, Rogers & Co.*

January 15, 2010 and April 20, 2010 related to Note H and L

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TRUSTEES FOR ALASKA  
Statements of Financial Position  
September 30, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash	\$ 202,988	158,938
Receivables:		
Foundation grants	107,260	120,000
Pledges (net of allowance of \$1,294 and \$1,654 respectively)	5,288	110,208
Other receivable	1,153	1,240
Prepaid expenses	19,953	26,381
Total current assets	<u>336,642</u>	<u>416,767</u>
Non-current assets:		
Foundation grants receivable	38,260	-
Stock ownership - Endowment (see note H)	<u>3,052,746</u>	-
Total non-current assets	<u>3,091,006</u>	-
Property and equipment	76,467	76,467
Less accumulated depreciation	<u>(76,467)</u>	<u>(76,467)</u>
Property and equipment, net	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,427,648</u>	<u>416,767</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	6,980	10,946
Accrued leave	18,659	9,013
Accrued payroll liabilities	<u>1,644</u>	<u>1,225</u>
Total current liabilities	<u>27,283</u>	<u>21,184</u>
Net assets:		
Unrestricted:		
Designated by the board - Endowment	3,052,746	-
Undesignated	121,508	219,922
Total Unrestricted	<u>3,174,254</u>	<u>219,922</u>
Temporarily restricted	<u>226,111</u>	<u>175,661</u>
Total net assets	<u>3,400,365</u>	<u>395,583</u>
	<u>\$ 3,427,648</u>	<u>416,767</u>

See accompanying notes to financial statements.



TRUSTEES FOR ALASKA

Statements of Activities

Years Ended September 30, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Foundation grants	\$ 145,100	432,020	577,120	199,500	160,000	359,500
Contributions:						
Stock (see note H)	2,532,519	-	2,532,519	-	-	-
Other	180,076	30,200	210,276	283,702	500	284,202
Fees	3,084	-	3,084	-	-	-
In-kind revenue	394,657	-	394,657	184,123	-	184,123
Interest income	1,088	-	1,088	7,339	-	7,339
Other	64,146	-	64,146	4,120	-	4,120
Net assets released from restrictions in satisfaction of program requirements	411,870	(411,870)	-	289,874	(289,874)	-
Total revenue and support	<u>3,722,536</u>	<u>50,350</u>	<u>3,772,886</u>	<u>948,658</u>	<u>(109,374)</u>	<u>839,284</u>
<b>EXPENSES</b>						
Program services:						
Arctic	102,771	-	102,771	52,775	-	52,775
Clean Air and Water	549,515	-	549,515	321,777	-	321,777
Global Warming	338,530	-	338,530	176,675	-	176,675
Marine	52,569	-	52,569	99,441	-	99,441
Public Lands	41,226	-	41,226	116,004	-	116,004
Wildlife	57,748	-	57,748	41,655	-	41,655
Statewide	18,285	-	18,285	12,886	-	12,886
Total program services	<u>1,160,644</u>	<u>-</u>	<u>1,160,644</u>	<u>821,313</u>	<u>-</u>	<u>821,313</u>
Support services:						
General and administrative	91,423	-	91,423	117,695	-	117,695
Fundraising	36,266	-	36,266	88,079	-	88,079
Total support services	<u>127,689</u>	<u>-</u>	<u>127,689</u>	<u>205,774</u>	<u>-</u>	<u>205,774</u>
Total expenses	<u>1,288,333</u>	<u>-</u>	<u>1,288,333</u>	<u>1,027,087</u>	<u>-</u>	<u>1,027,087</u>
Increase (decrease) in net assets from operating activities	2,434,205	50,350	2,484,555	(78,429)	(109,374)	(187,803)
Non-operating activities - gain on investment	520,227	-	520,227	-	-	-
<b>CHANGE IN NET ASSETS</b>	<u>2,954,432</u>	<u>50,350</u>	<u>3,004,782</u>	<u>(78,429)</u>	<u>(109,374)</u>	<u>(187,803)</u>
NET ASSETS, beginning of year	219,922	175,681	395,583	288,351	285,035	583,386
NET ASSETS, end of year	<u>\$ 3,174,354</u>	<u>226,011</u>	<u>3,400,365</u>	<u>219,922</u>	<u>175,661</u>	<u>395,583</u>

See accompanying notes to financial statements.

TRUSTEES FOR ALASKA

Statements of Functional Expenses

Years Ended September 30, 2008 and 2008

2008

	Program Services						Support Services		Total
	Clean Air and Water	Global Warming	Marine	Public Lands	Wildlife	Statewide	General and Administrative	Fundraising	
\$	49,325	188,987	29,037	23,280	31,256	7,911	15,768	7,030	565,131
Salaries and benefits	180	35,917	253	337	320	211	45,633	1,353	86,339
Contract and professional	25,428	76,501	14,740	11,042	16,853	4,322	6,507	1,974	384,857
In-kind legal and management support	7,810	26,415	4,585	3,857	5,242	1,225	2,340	884	89,150
Occupancy costs	304	1,364	168	117	188	39	260	7	3,340
Training and recruitment	848	3,332	458	343	522	205	1,110	67	11,439
Communications	859	2,987	505	407	574	126	5,063	97	14,755
Insurance	781	2,736	503	593	891	333	86	8	11,839
Library	758	10,447	1,347	646	492	142	1,744	522	10,640
Equipment maintenance and depreciation	15,835	881	18	13	288	4	545	11,370	62,902
Travel	32	7,275	77	59	88	16	307	61	17,050
Printing and publications	137	470	327	113	180	35	233	812	2,233
Supplies and office expense	284	871	-	-	-	-	3,292	-	4,622
Dues and subscriptions	-	-	-	-	-	-	1,184	3	3,292
Board activities	127	4,946	79	54	82	3,420	1,184	3	12,048
Other	83	588	47	40	163	9	353	2,737	6,232
Postage	-	-	-	-	-	-	1,015	1,348	2,363
Interest and bank charges	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>102,771</b>	<b>336,590</b>	<b>52,568</b>	<b>41,276</b>	<b>57,748</b>	<b>18,285</b>	<b>91,423</b>	<b>36,266</b>	<b>1,288,333</b>

(continued)

TRUSTEES FOR ALASKA

Statements of Functional Expenses, Continued

2008

	Program Services					Support Services		Total	
	Clean Air and Water	Global Warming	Marine	Public Lands	Wildlife	Statewide	General and Administrative		Fundraising
\$	30,179	91,703	66,721	70,227	27,964	5,467	78,110	65,636	6,36,579
Salaries and benefits	817	14,888	1,590	2,213	700	185	14,181	2,751	42,661
Contract and professional	12,672	43,624	15,336	24,555	6,709	244	1,538	2,307	169,798
In-kind legal and management support	4,215	27,355	8,016	10,496	3,471	826	6,926	6,198	82,643
Occupancy costs	11	92	35	44	11	4	76	354	1,189
Training and recruitment	514	3,564	962	1,265	432	125	1,704	844	11,164
Communications	829	1,776	990	1,165	378	88	3,472	101	12,146
Insurance	514	2,003	2,327,000	1,185	916	128	-	-	11,624
Library	581	4,570	1,066	1,396	462	110	1,187	824	10,993
Equipment maintenance and depreciation	2,102	3,639	1,748	1,540	192	83	515	2,695	13,729
Travel	36	1,187	967,000	1,540	192	36	1,550	3,572	10,047
Printing and publications	154	1,672	451	611	36	717	397	227	3,037
Supplies and office expense	218	1,001	293	384	127	30	55	38	3,094
Dues and subscriptions	-	1,218	340	401	130	30	5,244	-	5,144
Board activities	75	-	142	-	-	-	373	150	8,237
Other	37	839	122	186	61	4,879	232	1,111	2,760
Postage	43	739	83	248	30	60	235	1,281	2,212
Interest and bank charges	-	282	108	108	36	9	117,695	88,079	1,027,087
<b>TOTAL EXPENSES</b>	<b>52,775</b>	<b>178,675</b>	<b>99,441</b>	<b>116,004</b>	<b>41,655</b>	<b>12,986</b>	<b>117,695</b>	<b>88,079</b>	<b>1,027,087</b>

See accompanying notes to financial statements.

TRUSTEES FOR ALASKA

Statements of Cash Flows

Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,484,555	(187,803)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	-	818
(Increase) decrease in assets:		
Foundation grants receivable	(25,520)	110,000
Pledges receivable	104,920	(17,379)
Costs receivable	87	4,437
Prepaid expenses	6,428	(3,082)
Increase (decrease) in liabilities:		
Accounts payable	(3,966)	4,347
Other liabilities	9,646	(63)
Accrued leave	419	(6,097)
	<u>2,576,569</u>	<u>(94,822)</u>
Net cash provided (used) by operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in Endowment	<u>(2,532,519)</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	44,050	(94,822)
CASH AND CASH EQUIVALENTS, beginning of year	<u>158,938</u>	<u>253,760</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>202,988</u></u>	<u><u>158,938</u></u>

See accompanying notes to financial statements.

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## TRUSTEES FOR ALASKA

### Notes to Financial Statements

September 30, 2009 and 2008

#### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Trustees for Alaska (Trustees, the Organization) is presented to aid in understanding the Organization's financial statements. The financial statements and notes are the representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting principles conform to generally accepted accounting principles.

##### Nature of the Organization

Trustees for Alaska 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. The Board of Directors of the Endowment Fund are appointed by the Board of Directors of Trustees for Alaska and it is classified as a Section 509 (a)(3) "Type I" supporting organization by the Internal Revenue Service to Trustees for Alaska. 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, global warming, mining, and air and water pollution, to wildlife conservation and terrestrial, aquatic and marine ecosystem protection. Trustees for Alaska works in six main areas:

- Protecting America's unique Arctic ecosystems
- Addressing the impacts of global warming on Alaska's communities and ecosystems
- Protecting Alaska's vast marine ecosystems
- Protecting Alaska's spectacular wilderness areas, parks, wildlife refuges, forests, rivers and other public lands and waters
- Assuring clean air, clean water, and continued access to subsistence resources
- Promoting biodiversity for Alaska's wildlife

##### Basis of Accounting

The Organization's accounting records are maintained on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

## TRUSTEES FOR ALASKA

### Notes to Financial Statements, Continued

#### **Note A – Summary of Significant Accounting Policies, *continued***

##### Financial Statement Presentation

The financial statement presentation reports information regarding the Organization's 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 represent that portion of net assets of the Organization that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

*Temporarily restricted* net assets represent assets of the Organization 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 represent the part of the 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.

##### 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.

##### Functional Expense Allocation

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.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers the unrestricted balances in its checking and money market accounts to be cash.

##### Fair Value of Financial Instruments

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

## TRUSTEES FOR ALASKA

### Notes to Financial Statements, Continued

The carrying amount of Foundation grants receivable 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.

#### Equipment

Equipment, 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 – generally three or five years – of the assets. The cost of maintenance and repairs is charged to expense when incurred.

#### Contributed Services, Materials, and Utilities

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.

Donated materials, supplies and utilities are valued at fair market on the date contributed.

#### Fee Awards

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

#### Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### 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.

#### 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 promises become unconditional. Promises to give are recorded at net realizable value if expected to be collected in more than one year.



TRUSTEES FOR ALASKA

Notes to Financial Statements, Continued

**NOTE B – CASH AND RESTRICTED CASH**

Cash balances are comprised of the following amounts at September 30:

	<u>2009</u>	<u>2008</u>
Demand deposits	\$ 117,855	156,116
Money market funds	<u>85,133</u>	<u>2,822</u>
	<u>\$ 202,988</u>	<u>158,938</u>

Funds, in the aggregate, are insured by the Federal Deposit Insurance Corporation (FDIC) to a maximum of \$250,000 per financial institution. Amounts in excess of the FDIC limit throughout the year are neither insured nor collateralized. There were no uninsured deposits at September 30, 2009 and 2008.

**NOTE C – 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:

	<u>2009</u>	<u>2008</u>
Alaska Conservation Foundation	\$ 50,000	45,000
True North Foundation	76,520	-
Wilburforce Foundation	<u>19,000</u>	<u>75,000</u>
Total grants receivable	145,520	120,000
Less Non-Current Portion	<u>(38,260)</u>	<u>-</u>
Total	<u>\$ 107,260</u>	<u>120,000</u>

Foundation grants receivable are restricted for the following purposes:

	<u>2009</u>	<u>2008</u>
Mining	\$ 126,520	45,000
Arctic	<u>19,000</u>	<u>75,000</u>
Total	<u>\$ 145,520</u>	<u>120,000</u>

Management believes all amounts to be collectible; accordingly, no provision for uncollectible amounts has been included in these financial statements. Amounts due within one year from the balance sheet date are shown as current assets in the statement of financial position.

TRUSTEES FOR ALASKA

Notes to Financial Statements, Continued

**NOTE D – PREPAID EXPENSES**

Prepaid expenses consisted of the following at September 30:

	<u>2009</u>	<u>2008</u>
Rent	\$ 1,800	6,750
Security deposit	5,754	5,754
Employee benefits	5,509	8,166
Insurance	2,342	4,160
Other	4,548	1,551
	<u>19,953</u>	<u>26,381</u>
Total	\$ <u>19,953</u>	\$ <u>26,381</u>

**NOTE E – LEASES**

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 three (3) year period beginning August 1, 2009 and ending July 31, 2012. The tenant agrees to pay the Landlord as follows:

August 1, 2009-July 31, 2010	\$ 81,000
August 1, 2010-July 31, 2011	83,400
August 1, 2011-July 31, 2012	87,000
	\$ <u>251,400</u>

Operating Lease – Copier

In February 2008, the Organization acquired the use of a copy machine pursuant to the terms of a non-cancelable operating lease agreement requiring minimum monthly payments of \$399. Lease expense under these agreements totaled \$6,385 and \$6,463, for fiscal years 2009 and 2008, respectively. Future minimum lease payments are as follows for fiscal year:

	<u>2009</u>	<u>2008</u>
2009	\$ -	4,788
2010	4,788	4,788
2011	4,788	4,788
2012	4,788	4,788
2013	1,995	1,995
	<u>16,359</u>	<u>21,147</u>
	\$ <u>16,359</u>	\$ <u>21,147</u>

TRUSTEES FOR ALASKA

Notes to Financial Statements, Continued

**NOTE F – 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 were as follows at September 30:

	<u>2009</u>	<u>2008</u>
Arctic Alaska	\$ 20,463	82,550
Mining	116,520	87,009
Coal Project	77,152	-
South Central	7,027	-
E. Director Search and Training	943	6,102
Laptops and Equipment	2,400	-
Endowment fund	1,506	-
Total	\$ <u>226,011</u>	<u>175,661</u>

Net assets totaling \$411,870 and \$269,874 for FY09 and FY08, respectively, were released from restriction as expenses satisfying the restricted purposes specified by donors were incurred.

**NOTE G – INKIND REVENUE AND EXPENSE**

The value of donated goods and services is as follows for year ended September 30, 2009:

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
In-kind personnel:			
Attorneys and Interns	\$ 329,139	-	329,139
Management support	18,571	18,572	37,143
Information technology	14,958	3,417	18,375
	\$ <u>362,668</u>	<u>21,989</u>	<u>384,657</u>

The value of donated goods and services is as follows for year ended September 30, 2008:

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
In-kind personnel:			
Attorneys and Interns	\$ 162,108	-	162,108
Management support	3,845	3,845	7,690
Information technology	11,661	2,664	14,325
	\$ <u>177,614</u>	<u>6,509</u>	<u>184,123</u>

## TRUSTEES FOR ALASKA

### Notes to Financial Statements, Continued

Trustees for Alaska received the services of first and second year law students and one paralegal working on special research projects during a summer internship program in FY09 and FY08. Some interns are compensated according to the Alaska minimum wage schedule. 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 \$75 and amounts actually paid for hours worked.

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.

#### **Note H – 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, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Although TAEF 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. TAEF was formed as a "public charity" under section 509(a)(3) of the Internal Revenue Code as a supporting organization for Trustees for Alaska. TAEF is a "Type I" supporting organization within the meaning of 509(a)(3)(B)(i).

TAEF holds non-managing membership units with 99.99% interest in three Oshima General Holding LLCs. The only assets of the three LLC's consist of 3,500,000 shares of Allied Telesis KK each for a total of 10,500,000 shares. The value of the investment donated to TAEF is valued at the current market value of the stock minus the blockage discount of 45.5% determined by appraisers. The interests in the companies are being held for resale, See Note M – Subsequent Event for more information regarding the purchase agreement.

TRUSTEES FOR ALASKA

Notes to Financial Statements, Continued

In the year ended September 30, 2009, the TAEF had the following endowment-related activity:

		Temporarily <u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$	-	-	-
Transfer to create board - designated endowment fund		25,100	2,532,519	2,557,619
Investment return – Net appreciation		-	520,227	520,227
Amounts appropriated for expenditures		<u>23,594</u>	<u>-</u>	<u>(23,594)</u>
Endowment net assets, end of year	\$	<u>1,506</u>	<u>3,052,746</u>	<u>3,054,252</u>

**NOTE I – TAX-DEFERRED ANNUITY PLAN**

In 1994, the Organization adopted a tax-deferred annuity plan pursuant to Internal Revenue Code Section 403(b). The plan covers all employees. Beginning with an employee's second year, the organization matches employee contributions to a maximum of 3.5% of annual compensation. Employer contributions totaled \$ 7,847 and \$10,930 for fiscal years 2009 and 2008 respectively.

**NOTE J – CONCENTRATIONS**

The Organization received approximately 54% of its total revenue (excluding in-kind contributions) from seven contributors in fiscal year 2009 and 52% from seven contributors in fiscal year 2008. The Organization is at risk that funding from these or other significant sources may be either reduced or eliminated in future periods.

**NOTE K – BOARD DESIGNATED OPERATING FUNDS**

Organizational fiscal policies stipulate an operational goal of three months cash designated as an operating reserve. Cash flow projections for a rolling twelve month period are prepared on a regular basis so that the Organization is aware of immediate cash needs. Based on the fiscal year 2010 budget and available unrestricted net assets the designated operating reserve is approximately \$225,000 at September 30, 2009 and \$238,353 at September 30, 2008.

TRUSTEES FOR ALASKA

Notes to Financial Statements, Continued

**NOTE L – FAIR VALUE MEASUREMENTS**

Information related to the Organization's assets measured at fair value on a recurring basis at September 30, is as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2008</u>				
Cash and cash equivalents	\$ <u>158,938</u>	<u>158,938</u>	<u>-</u>	<u>-</u>
<u>2009</u>				
Cash and cash equivalents	\$ 202,988	202,988	-	-
Available-for-sale securities	<u>3,052,746</u>	<u>-</u>	<u>-</u>	<u>3,052,746</u>
Total	\$ <u>3,255,734</u>	<u>202,988</u>	<u>-</u>	<u>3,052,746</u>

Activity of assets using Level 3 inputs are as follows:

Beginning balance	\$ -
Contribution of membership units	4,646,825
Unrealized gains	954,544
Discount to estimated realizable value	<u>(2,548,623)</u>
Ending balance	\$ <u>3,052,746</u>

The carrying amount of the membership units in the three Oshima General Holding LLCs is based on the market value of the underlying shares of stock in Allied Telsis Holdings KK as reported on the Tokyo Stock Exchange discounting by 45.5% due to the lack of a market for such membership units.

**NOTE M – SUBSEQUENT EVENT**

Management has evaluated subsequent events through January 15, 2010, the date which the financial statements were available for issue.

A purchase agreement was entered into December 21, 2009 between Takayoshi Oshima (Oshima) and Trustees for Alaska Endowment Fund (TAEF), whereby TAEF agrees to sell the interest in the three Oshima General Holding, LLCs' to Oshima in the amount of \$3,442,802 plus accrued interest. The first payment of \$1,749,486 will be due on May 17, 2010 and the second payment in the amount of \$1,778,187 will be due on November 16, 2010. Each payment reflects the inclusion of interest at a per annum rate equal to 3.25%.

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TRUSTEES FOR ALASKA

Combining Schedule of Financial Position

September 30, 2009 and 2008

<u>Assets</u>	2009			2008
	<u>Trustees for Alaska</u>	<u>Trustees for Alaska Endowment</u>	<u>Total</u>	<u>Total</u>
<b>Current assets:</b>				
Cash	\$ 201,482	1,506	202,988	158,938
Receivables:				
Foundation grants	107,260	-	107,260	120,000
Pledges (net of allowance of \$1,294 and \$1,654 respectively)	5,288	-	5,288	110,208
Other receivables	1,153	-	1,153	1,240
Prepaid expenses	19,953	-	19,953	26,381
<b>Total current assets</b>	<u>335,136</u>	<u>1,506</u>	<u>336,642</u>	<u>416,767</u>
<b>Non-current assets:</b>				
Foundation grants receivable	38,260	-	38,260	-
Stock ownership - Endowment	-	3,052,746	3,052,746	-
<b>Total non-current assets</b>	<u>38,260</u>	<u>3,052,746</u>	<u>3,091,006</u>	<u>-</u>
Property and equipment	76,467	-	76,467	76,467
Less accumulated depreciation	(76,467)	-	(76,467)	(76,467)
Property and equipment, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 373,396</u>	<u>3,054,252</u>	<u>3,427,648</u>	<u>416,767</u>
<u>Liabilities and Net Assets</u>				
<b>Current liabilities:</b>				
Accounts payable	6,980	-	6,980	10,946
Accrued leave	18,659	-	18,659	9,013
Accrued payroll liabilities	1,644	-	1,644	1,225
<b>Total current liabilities</b>	<u>27,283</u>	<u>-</u>	<u>27,283</u>	<u>21,184</u>
<b>Net assets:</b>				
Unrestricted:				
Designated by the board - Endowment	-	3,052,746	3,052,746	-
Undesignated	121,508	-	121,508	219,922
Temporarily restricted	224,605	1,506	226,111	175,661
<b>Total net assets</b>	<u>346,113</u>	<u>3,054,252</u>	<u>3,400,365</u>	<u>395,583</u>
	<u>\$ 373,396</u>	<u>3,054,252</u>	<u>3,427,648</u>	<u>416,767</u>



TRUSTEES FOR ALASKA

Combining Schedule of Activities

Years Ended September 30, 2009 and 2008

	2009			2008
	Trustees for Alaska	Trustees for Alaska Endowment	Total	Total
<b>REVENUE AND SUPPORT</b>				
Foundation grants	\$ 577,120	-	577,120	359,500
Contributions	185,176	2,557,619	2,742,795	284,202
Fees	3,084	-	3,084	-
In-kind revenue	384,657	-	384,657	184,123
Interest income	1,086	-	1,086	7,339
Other	64,146	-	64,146	4,120
Total revenue and support	<u>1,215,269</u>	<u>2,557,619</u>	<u>3,772,888</u>	<u>839,284</u>
<b>EXPENSES</b>				
Program services:				
Arctic	102,771	-	102,771	52,775
Clean Air and Water	549,515	-	549,515	321,777
Global Warming	338,530	-	338,530	176,675
Marine	52,569	-	52,569	99,441
Public Lands	41,226	-	41,226	116,004
Wildlife	57,748	-	57,748	41,655
Statewide	18,285	-	18,285	12,986
Total program services	<u>1,160,644</u>	<u>-</u>	<u>1,160,644</u>	<u>821,313</u>
Support services:				
General and administrative	67,829	23,594	91,423	117,695
Fundraising	36,266	-	36,266	88,079
Total support services	<u>104,095</u>	<u>23,594</u>	<u>127,689</u>	<u>205,774</u>
Total expenses	<u>1,264,739</u>	<u>23,594</u>	<u>1,288,333</u>	<u>1,027,087</u>
Increase (decrease) in net assets from operating activities	(49,470)	2,534,025	2,484,555	(187,803)
Non-operating activities - gain on investment	-	520,227	520,227	-
<b>CHANGE IN NET ASSETS</b>	<b>(49,470)</b>	<b>3,054,252</b>	<b>3,004,782</b>	<b>(187,803)</b>
NET ASSETS, beginning of year	<u>395,583</u>	<u>-</u>	<u>395,583</u>	<u>583,386</u>
NET ASSETS, end of year	<u>\$ 346,113</u>	<u>3,054,252</u>	<u>3,400,365</u>	<u>395,583</u>