



Trustees for Alaska

Consolidated Financial Statements Years Ended September 30, 2021 and 2020

Trustees for Alaska

Consolidated Financial Statements
Years Ended September 30, 2021 and 2020

Trustees for Alaska

Contents

	Page
Independent Auditor's Report	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-21
Supplementary Information	
Consolidating Statements of Financial Position	23
Consolidating Statements of Activities	24



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Board of Directors
Trustees for Alaska
Anchorage, Alaska

Opinion

We have audited the consolidated financial statements of Trustees for Alaska, which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Trustees for Alaska, as of September 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Trustees for Alaska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Trustees for Alaska's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statements of Financial Position and the Consolidating Statements of Activities are presented for purposes of additional analysis and are not a required part of the 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. Such 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 as a whole.

BDO USA, LLP

Anchorage, Alaska
January 31, 2022

Consolidated Financial Statements

Trustees for Alaska
Consolidated Statements of Financial Position

<i>September 30,</i>	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 938,008	\$ 888,488
Receivables:		
Foundation grants	-	90,000
Other	6,818	12,765
Prepaid expenses	19,501	23,090
Total Current Assets	964,327	1,014,343
Property and equipment, net	27,412	22,177
Investments	7,223,176	6,236,925
Total Assets	\$ 8,214,915	\$ 7,273,445
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 2,624	\$ 9,049
Accrued payroll liabilities and leave	69,343	73,749
Current portion, loan payable	-	123,156
Current portion, capital lease payable	3,238	3,142
Total Current Liabilities	75,205	209,096
Long-term liabilities:		
Loan payable	-	78,372
Capital lease payable	9,720	12,958
Total Liabilities	84,925	300,426
Net Assets		
Without donor restrictions:		
Designated by the Board - quasi-endowment	5,619,613	4,825,374
Designated by the Board - operating reserve	1,486,343	1,276,321
Designated by the Board for operations	150,000	150,000
Undesignated	581,099	333,351
With donor restrictions	292,935	387,973
Total Net Assets	8,129,990	6,973,019
Total Liabilities and Net Assets	\$ 8,214,915	\$ 7,273,445

See accompanying notes to consolidated financial statements.

Trustees for Alaska
Consolidated Statements of Activities

Years Ended September 30,	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Foundation grants	\$ 730,000	\$ 190,000	\$ 920,000	\$ 732,998	\$ 343,002	\$ 1,076,000
Contributions	545,589	10,000	555,589	425,042	13,298	438,340
In-kind revenue	6,700	-	6,700	16,464	-	16,464
Interest income	148,187	-	148,187	77,961	-	77,961
Other	17,240	-	17,240	13,807	-	13,807
Net assets released from restrictions in satisfaction of program requirements	317,980	(317,980)	-	359,981	(359,981)	-
Total Revenue and Support	1,765,696	(117,980)	1,647,716	1,626,253	(3,681)	1,622,572
Expenses						
Program services:						
Arctic and Climate Change	685,180	-	685,180	651,583	-	651,583
Clean Air and Water	222,676	-	222,676	277,572	-	277,572
Marine	10,374	-	10,374	19,893	-	19,893
Wildlife	313,449	-	313,449	176,486	-	176,486
Total Program Services	1,231,679	-	1,231,679	1,125,534	-	1,125,534
Support services:						
General and administrative	153,696	-	153,696	165,048	-	-
Fundraising	194,863	-	194,863	164,789	-	164,789
Total Support Services	348,559	-	348,559	329,837	-	329,837
Total Expenses	1,580,238	-	1,580,238	1,455,371	-	1,455,371
Increase (decrease) in net assets from operating activities	185,458	(117,980)	67,478	170,882	(3,681)	167,201
Non-operating Activities						
Other revenue	13,551	-	13,551	302,374	-	302,374
PPP loan forgiven	201,528	-	201,528	-	-	-
Other expenses	(41,187)	-	(41,187)	(38,890)	-	(38,890)
Gain (loss) on investments	892,659	22,942	915,601	(873,346)	(25,896)	(899,242)
Change in net assets	1,252,009	(95,038)	1,156,971	(438,980)	(29,577)	(468,557)
Net Assets, beginning of year	6,585,046	387,973	6,973,019	7,024,026	417,550	7,441,576
Net Assets, end of year	\$ 7,837,055	\$ 292,935	\$ 8,129,990	\$ 6,585,046	\$ 387,973	\$ 6,973,019

See accompanying notes to consolidated financial statements.

Trustees for Alaska
Consolidated Statement of Functional Expenses

<i>Year Ended September 30, 2021</i>	Arctic and Climate Change	Clean Air and Water	Marine	Wildlife	General and Admin- istrative	Fund- raising	Total
Salaries and benefits	\$ 560,450	\$ 176,878	\$ 4,299	\$ 265,342	\$ 118,702	\$ 156,314	\$ 1,281,985
Occupancy costs	37,551	19,068	2,503	19,355	8,379	12,630	99,486
Contract and professional	38,839	12,660	1,677	12,718	14,990	12,571	93,455
Dues and subscriptions	20,561	3,340	448	4,988	325	2,216	31,878
Insurance	7,417	3,828	514	3,785	3,465	1,717	20,726
Equipment costs	2,817	1,451	200	1,436	980	938	7,822
Communications	2,833	1,454	193	1,451	630	949	7,510
Depreciation	2,780	1,408	184	1,436	621	936	7,365
Travel	6,221	-	-	-	-	-	6,221
Meetings and events	2,506	1,029	136	1,021	590	232	5,514
Printing and publications	94	47	6	48	21	4,430	4,646
Supplies and office expense	1,679	860	125	858	311	452	4,285
Bank fees	-	-	-	-	3,839	-	3,839
Postage	633	241	35	322	95	1,340	2,666
Training and recruitment	799	405	53	412	-	138	1,807
Case-related expenses	-	7	1	277	748	-	1,033
Board activities	-	-	-	-	-	-	-
Total Expenses	\$ 685,180	\$ 222,676	\$ 10,374	\$ 313,449	\$ 153,696	\$ 194,863	\$ 1,580,238

See accompanying notes to consolidated financial statements.

Trustees for Alaska
Consolidated Statement of Functional Expenses

<i>Year Ended September 30, 2020</i>	Arctic and Climate Change	Clean Air and Water	Marine	Wildlife	General and Admin- istrative	Fund- raising	Total
Salaries and benefits	\$ 511,825	\$ 225,713	\$ 7,261	\$ 131,815	\$ 122,857	\$ 126,068	\$ 1,125,539
Occupancy costs	36,193	22,906	4,003	15,573	7,648	11,049	97,372
Contract and professional	54,616	6,119	4,696	9,126	6,237	11,222	92,016
Dues and subscriptions	15,986	9,087	1,646	8,044	747	1,148	36,658
Insurance	7,137	4,521	788	3,073	3,358	1,528	20,405
Equipment costs	3,230	2,041	347	1,389	-	1,087	8,094
Communications	2,665	1,600	273	1,083	527	759	6,907
Depreciation	2,767	1,769	302	1,197	573	839	7,447
Travel	5,585	1,052	180	712	-	4,213	11,742
Meetings and events	1,369	869	147	596	609	34	3,624
Printing and publications	405	155	26	105	50	5,224	5,965
Supplies and office expense	707	423	81	303	110	161	1,785
Bank fees	-	-	-	-	3,558	-	3,558
Postage	811	248	37	240	71	1,164	2,571
Training and recruitment	-	-	-	-	193	-	193
Case-related expenses	8,287	1,069	106	3,230	200	293	13,185
Board activities	-	-	-	-	3,310	-	3,310
In-kind IT and consulting	-	-	-	-	15,000	-	15,000
Total Expenses	\$ 651,583	\$ 277,572	\$ 19,893	\$ 176,486	\$ 165,048	\$ 164,789	\$ 1,455,371

See accompanying notes to consolidated financial statements.

Trustees for Alaska

Consolidated Statements of Cash Flows

Years Ended September 30,	2021	2020
Cash Flows from Operating Activities		
Receipts from grants and contributions	\$ 1,565,589	\$ 1,524,340
Payments to employees and suppliers	(1,573,415)	(1,428,362)
Receipts from other revenue sources, net of attorney fees paid	36,737	317,653
Payments for investment fees	(41,186)	(38,890)
Interest and dividends received	148,187	77,961
Net Cash Flows from Operating Activities	135,912	452,702
Cash Flows from Investing Activities		
Purchases of investments	(9,552,662)	(10,825,206)
Proceeds from sale of investments	9,482,012	10,614,023
Purchases of property and equipment	(12,600)	(3,223)
Net Cash for Investing Activities	(83,250)	(214,406)
Cash Flows from Financing Activities		
Proceeds from issuance of loan payable	-	201,528
Principal payments on capital lease obligations	(3,142)	(3,131)
Net Cash from (for) Financing Activities	(3,142)	198,397
Net change in cash and cash equivalents	49,520	436,693
Cash and Cash Equivalents, beginning of year	888,488	451,795
Cash and Cash Equivalents, end of year	\$ 938,008	\$ 888,488
Reconciliation of change in net assets to net cash from operating activities:		
Change in net assets	\$ 1,156,971	\$ (468,557)
Adjustments to reconcile change in net assets to cash from operating activities:		
Depreciation	7,365	7,447
PPP loan forgiven	(201,528)	-
Realized and unrealized losses (gains) on investments	(915,601)	899,242
(Increase) decrease in assets:		
Foundation grants receivable	90,000	10,000
Other receivables	5,947	1,472
Prepaid expenses	3,589	(8,934)
Increase (decrease) in liabilities:		
Accounts payable	(6,425)	(12,126)
Accrued payroll liabilities and leave	(4,406)	24,158
Net Cash from (for) Operating Activities	\$ 135,912	\$ 452,702
Supplemental Information - Cash Paid During the Year for Interest	\$ 440	\$ 308
Supplemental Disclosure of Noncash Information -		
Purchase of property and equipment with capital lease	\$ -	\$ 16,615

See accompanying notes to consolidated financial statements.

Trustees for Alaska

Notes to Consolidated Financial Statements September 30, 2021 and 2020

1. Organization and Summary of Significant Accounting Policies

Organization and Nature of Activities

Trustees for Alaska (TFA or the Organization) is a public interest law firm whose mission is to protect and defend Alaska's lands, waters, wildlife, and people. Founded in 1974 to address anticipated impacts from the then-proposed Trans-Alaska Pipeline System, TFA 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. TFA'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 four main areas:

- Protecting America's unique Arctic ecosystems and 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

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

Principles of Consolidation

The consolidated financial statements of TFA include the accounts of the Organization and its controlled entity, the Trustees for Alaska Endowment Fund.

Trustees for Alaska

Notes to Consolidated Financial Statements

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.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent funds available for expenses which are not otherwise limited by donor restrictions.

Net assets with donor restrictions consist of contributed funds subject to specific donor restrictions contingent upon specific performance, or a future event, or a specific passage of time.

Cash and Cash Equivalents

For purposes of the statement of cash flows, TFA 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 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.

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 stocks 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. TFA'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

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 TFA.

Revenue Recognition

Contributions: In accordance with ASC Sub-Topic 958-605, Revenue Recognition, TFA must determine whether a contribution, or promise, is conditional or unconditional. A contribution is considered to be conditional if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable stipulations that limit discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that TFA should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give are reported at fair value when received and 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 benefit to be received. Conditional pledges are considered unconditional if the possibility that the condition will not be met is remote.

Conditional promises to give that are contingent upon meeting substantive conditions are recognized in the period in which the conditions are met. Conditional promises to give and indications of intentions to give are reported at the fair value at the date the gift is received. The gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, donor restricted net assets are reclassified as net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same period they are received are reported as contributions without donor restrictions in the accompanying financial statements.

Grants: Cost reimbursable grant revenues are recorded as earned when related expenses are incurred. Unearned grant receipts are recorded as reimbursable advances until expended for the purpose of the grant.

Fee Awards: Court-awarded case attorney fees and costs are recognized in the period which the court order is issued at the estimated net realizable amount.

Trustees for Alaska

Notes to Consolidated Financial Statements

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 TFA's Statement of Activities in the following circumstances:

- a) the services performed create or enhance nonfinancial 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.

Income Taxes

The activities of TFA are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Although TFA 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.

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

TFA 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 31, 2022, the date on which the financial statements were available to be issued.

Liquidity and Availability of Resources

Trustees for Alaska's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 938,008
Other accounts receivable	6,818
Certain prepaid expenses	13,747
Total Financial Assets	\$ 958,573

TFA has \$133,934 of financial assets available within one year of the statement of financial position date to meet cash needs for restricted program work in the areas of the Arctic and mining work expenditures consisting of cash.

Trustees for Alaska

Notes to Consolidated Financial Statements

Trustees for Alaska also has a supporting organization, the Trustees for Alaska Endowment Fund, which is a quasi-endowment that maintains cash to meet short-term budget needs, in addition to a large corpus of long-term investments. TFA has a general fiscal policy of having \$150,000 in unrestricted cash available each month. Trustees structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

2. Cash and Cash Equivalents

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

	2021	2020
Demand deposits	\$ 896,217	\$ 884,649
Cash on hand	10	10
Total - nonendowment funds	896,227	884,659
Demand deposits	3,330	3,462
Money market funds	38,451	367
Total - endowment funds	41,781	3,829
Total Cash and Cash Equivalents	\$ 938,008	\$ 888,488

Cash and cash equivalents are insured by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Share Insurance Fund (NCUSIF) to a maximum of \$250,000 per financial institution. Certificates of deposit are insured by the Securities Investor Protection Corporation (SIPC) to a maximum of \$500,000 per financial institution. Amounts in excess of the FDIC, NCUSIF and SIPC limits throughout the year are neither insured nor collateralized. At September 30, 2021 and 2020, uninsured deposits were \$209,214 and \$502,857, 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:

	2021	2020
Wilburforce Foundation	-	50,000
Patagonia	-	40,000
Total Grants Receivable	\$ -	\$ 90,000

Trustees for Alaska

Notes to Consolidated Financial Statements

4. Prepaid Expenses

Prepaid expenses consisted of the following at September 30:

	2021	2020
Security deposit	\$ 5,754	\$ 5,754
Employee benefits	-	-
Insurance	3,018	1,433
Software subscription	-	2,301
Rent	8,277	8,100
Dell computers	-	4,683
Firewall/Routers	1,494	-
Other	958	819
Total	\$ 19,501	\$ 23,090

5. Loan Payable

In May 2020, the Organization received a loan under the Paycheck Protection Program (PPP) in the amount of \$201,528. The loan had a term of two years, was unsecured, and guaranteed by the Small Business Administration (SBA). Loan proceeds were to be used for covered payroll payments, covered mortgage interest payments, covered rent payments, and covered utilities payments during the 24-week period following the loan origination date. This PPP Loan was forgivable subject to the Organization's eligible expenditures during the period as outlined in the legislation and additional SBA guidance. The Organization evaluated the economic impact that the pandemic has had, and is expected to continue to have, on its business operations. The PPP loan funding was forgiven in March 2021 in the full amount of \$201,528.

Loan Payable	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
Northrim Bank Loan, under PPP, interest of 1% per annum, to accrue instantly, with monthly principal payments to begin 180 days after date of loan	\$ 201,528	\$ -	\$ (201,528)	\$ -	-

The remainder of this page intentionally left blank.

Trustees for Alaska

Notes to Consolidated Financial Statements

6. Leases

Capital Lease - Copier

In August 2020, the Organization entered into a 60-month capital lease for a copy machine with minimum monthly payments of \$298 and an effective interest rate of 3%. The cost of the copier was \$16,615 and is being depreciated over an estimated 5-year useful life. As of September 30, 2021, \$3,877 of depreciation has been recorded, leaving a remaining net book value of \$12,738 at September 30, 2021. Future required minimum lease payments are as follows:

Fiscal Year Ending

2022	\$	3,583
2023		3,583
2024		3,583
2025		2,985
Total value of payments to be made		13,734
Less amount representing interest		(776)
Present value of net minimum lease payments under capital lease		12,958
Current portion due next year		(3,238)
Long-term Portion		\$ 9,720

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 June 7, 2017 and ending August 1, 2022. Future minimum required payments are as follows:

Fiscal Year Ending

2022	\$	82,766
------	----	--------

The remainder of this page intentionally left blank.

Trustees for Alaska

Notes to Consolidated Financial Statements

7. Net Assets with Donor Restrictions - Purpose Restricted and Time Restricted

Purpose and time restricted net assets consist of grants and donations designated for specific purposes or designated to be expended in subsequent years, as of September 30, 2021 and 2020 are as follows:

	2021	2020
Grants and donations - time restricted - Operational	\$ -	\$ -
Grants and donations - purpose restricted - Arctic and Climate Change	48,934	208,651
Clean Air and Water	40,000	40,263
Colleen Burgh Fund	159,001	139,059
Operational	45,000	-
Total purpose restricted	292,935	387,973
Total Purpose Restricted and Time Restricted Net Assets	\$ 292,935	\$ 387,973

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

	2021	2020
Arctic and Climate Change	\$ 229,717	\$ 224,807
Clean Air and Water	40,263	97,332
Colleen Burgh Fund	3,000	-
Operational	45,000	30,000
Wild Lands/Wild Life	-	7,842
Total	\$ 317,980	\$ 359,981

8. In-Kind Revenue and Expense

The value of donated goods and services is as follows for the year ended September 30, 2021:

	Support Services
In-kind personnel - Organizational consulting	\$ 6,700
Fundraising events - Operational support	-
	\$ 6,700

Trustees for Alaska

Notes to Consolidated Financial Statements

The value of donated goods and services is as follows for the year ended September 30, 2020:

	Support Services
In-kind personnel -	
Organizational consulting	\$ 15,000
Fundraising events -	
Operational support	1,464
	\$ 16,464

The in-kind contributions for professional services were valued at the excess of market rates over amounts actually charged.

9. 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).

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

	2021	2020
Endowment net assets, beginning of year	\$ 6,240,754	\$ 7,006,418
Contributions	9,734	349,589
Investment return:		
Interest and dividend income	148,187	77,961
Unrealized gain (loss) on investments	842,258	(2,100,035)
Realized gain on sale of investments	73,342	1,200,793
Investment fees	(41,186)	(38,890)
Total investment return (loss)	1,022,601	(860,171)
Amounts appropriated for expenditures:		
Contribution to TFA	3,000	250,000
Other expenses	5,132	5,082
Total expenditures	8,132	255,082
Endowment Net Assets, End of Year	7,264,957	6,240,754
With Donor Restrictions for Colleen Burgh Fund	159,001	139,059
Endowment Net Assets Without Donor Restrictions, End of Year	\$ 7,105,956	\$ 6,101,695

Trustees for Alaska

Notes to Consolidated Financial Statements

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”). The majority of the endowment funds are internally designated and do not have restrictions on time or purpose.
- 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.
- 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 baseline targets for investment managers.

10. Fair Value Measurements and Investments

All of the Organization’s investment assets as of September 30, 2021 and 2020 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 and mutual funds across a diversified group of industries.

11. 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. Starting in June 2020, the employer match was increased to 5.0% of employee annual compensation. Employer contributions totaled \$39,998 and \$29,479 for years ending September 30, 2021 and 2020, respectively.

Trustees for Alaska

Notes to Consolidated Financial Statements

12. Concentrations

The Organization received approximately 27% of its total revenue (excluding in-kind contributions) in fiscal year 2021 and 39% in fiscal year 2020 from three contributors.

13. 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.

14. Upcoming Accounting Pronouncements

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, which supersedes the current lease guidance under Leases (Topic 840) and makes several changes, such as requiring an entity to recognize a right-of-use ("ROU") asset and corresponding lease obligation on the balance sheet, classified as financing or operating, as appropriate. The update is effective for private companies for annual and interim reporting periods beginning after December 15, 2019 and should be adopted under the modified retrospective approach.

In July 2018, the FASB issued ASU 2018-10 "Codification Improvements to Topic 842, Leases" to add clarity to certain areas within ASU 2016-02 and ASU 2018-11 "Targeted Improvements", to add an additional and optional transition method to adopt the new leases standard by allowing recognition of a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. In December 2018, the FASB issued ASU 2018-20 "Narrow-Scope Improvements for Lessors" to add clarity to lessors accounting for sales taxes and other similar taxes collected from lessees, accounting for variable payments for contracts with lease and nonlease components, and accounting for certain lessor costs. The effective date and transition requirements of these updates will be the same as ASU 2016-02.

On July 17, 2019, the FASB decided to postpone the effective date for private companies for twelve months pending a public comment period. On May 20, 2020, the FASB decided to postpone the effective date for private companies to fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2022. The Organization will evaluate the effect that adoption of this new standard will have on the Organization's financial statements.

15. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

TFA evaluated its September 30, 2021 financial statements for financial statements impacts and any subsequent events through the date the financial statements were issued. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation

Trustees for Alaska

Notes to Consolidated Financial Statements

on its financial condition, liquidity, operations, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global response to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022. Although the Organization cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it is not anticipated that there will be a material impact on the Organization's results of future operations, financial position, and liquidity in fiscal year 2022. In response to the COVID-19 outbreak, TFA has reduced functional expenses.

On March 27, 2020, the "Coronavirus Aid, Relief and Economic Security (CARES) Act" was enacted. The CARES Act, among other things, includes provisions relating to deferment of employer side social security payments and significant grant relief funding programs. It also appropriated funds for Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. The Organization has not yet received any grant funding under CARES. The Organization received a loan under the PPP in May 2020. See Note 5 for additional information. The Organization continues to examine the impact that the CARES Act may have on the Organization's results of future operations, financial position, and liquidity.

This page intentionally left blank.

Supplementary Information

Trustees for Alaska
Consolidating Statements of Financial Position

<i>September 30,</i>	2021			2020		
	Trustees for Alaska	Trustees for Alaska Endowment	Total	Trustees for Alaska	Trustees for Alaska Endowment	Total
Assets						
Current Assets						
Cash and cash equivalents	\$ 896,227	\$ 41,781	\$ 938,008	\$ 884,659	\$ 3,829	\$ 888,488
Receivables:						
Foundation grants	-	-	-	90,000	-	90,000
Other receivables	6,818	-	6,818	12,765	-	12,765
Prepaid expenses	19,501	-	19,501	23,090	-	23,090
Total Current Assets	922,546	41,781	964,327	1,010,514	3,829	1,014,343
Property and equipment	89,736	-	89,736	77,136	-	77,136
Less accumulated depreciation	(62,324)	-	(62,324)	(54,959)	-	(54,959)
Property and equipment, net	27,412	-	27,412	22,177	-	22,177
Investments	-	7,223,176	7,223,176	-	6,236,925	6,236,925
Total Assets	\$ 949,958	\$ 7,264,957	\$ 8,214,915	\$ 1,032,691	\$ 6,240,754	\$ 7,273,445
Liabilities and Net Assets						
Current Liabilities						
Accounts payable	\$ 2,624	\$ -	\$ 2,624	\$ 9,049	\$ -	\$ 9,049
Accrued payroll liabilities and leave	69,343	-	69,343	73,749	-	73,749
Current portion, loan payable	-	-	-	123,156	-	123,156
Current portion, capital lease payable	3,238	-	3,238	3,142	-	3,142
Total Current Liabilities	75,205	-	75,205	209,096	-	209,096
Long-term Liabilities						
Loan payable	-	-	-	78,372	-	78,372
Capital lease payable	9,720	-	9,720	12,958	-	12,958
Total Liabilities	84,925	-	84,925	300,426	-	300,426
Net Assets						
Without donor restrictions:						
Designated by the Board - quasi-endowment	-	5,619,613	5,619,613	-	4,825,374	4,825,374
Designated by the Board - operating reserve	-	1,486,343	1,486,343	-	1,276,321	1,276,321
Designated by the Board for operations	150,000	-	150,000	150,000	-	150,000
Undesignated	581,099	-	581,099	333,351	-	333,351
With donor restrictions	133,934	159,001	292,935	248,914	139,059	387,973
Total Net Assets	865,033	7,264,957	8,129,990	732,265	6,240,754	6,973,019
Total Liabilities and Net Assets	\$ 949,958	\$ 7,264,957	\$ 8,214,915	\$ 1,032,691	\$ 6,240,754	\$ 7,273,445

Trustees for Alaska

Consolidating Statements of Activities

Years Ended September 30,	2021				2020			
	Trustees for Alaska	Trustees for Alaska Endowment	Eliminations	Total	Trustees for Alaska	Trustees for Alaska Endowment	Eliminations	Total
Revenue and Support								
Foundation grants	\$ 920,000	\$ -	\$ -	\$ 920,000	\$ 1,076,000	\$ -	\$ -	\$ 1,076,000
Contributions *	548,855	9,734	(3,000)	555,589	338,751	349,589	(250,000)	438,340
In-kind revenue	6,700	-	-	6,700	16,464	-	-	16,464
Interest income	-	148,187	-	148,187	-	77,961	-	77,961
Other	17,240	-	-	17,240	13,807	-	-	13,807
Total Revenue and Support	1,492,795	157,921	(3,000)	1,647,716	1,445,022	427,550	(250,000)	1,622,572
Expenses								
Program Services								
Arctic and Climate Change	685,180	-	-	685,180	651,583	-	-	651,583
Clean Air and Water	222,676	-	-	222,676	277,572	-	-	277,572
Marine	10,374	-	-	10,374	19,893	-	-	19,893
Wildlife	313,449	-	-	313,449	176,486	-	-	176,486
Total Program Services	1,231,679	-	-	1,231,679	1,125,534	-	-	1,125,534
Support Services								
General and administrative	148,564	5,132	-	153,696	159,966	5,082	-	165,048
Fundraising	194,863	-	-	194,863	164,789	-	-	164,789
Total Support Services	343,427	5,132	-	348,559	324,755	5,082	-	329,837
Total Expenses	1,575,106	5,132	-	1,580,238	1,450,289	5,082	-	1,455,371
Increase (decrease) in net assets from operating activities	(82,311)	152,789	(3,000)	67,478	(5,267) 78	422,468	(250,000)	167,201
Non-operating Activities:								
Contribution to TFA *	-	(3,000)	3,000	-	-	(250,000)	250,000	-
Other revenue	13,551	-	-	13,551	302,374	-	-	302,374
PPP loan forgiven	201,528	-	-	201,528	-	-	-	-
Other expenses	-	(41,187)	-	(41,187)	-	(38,890)	-	(38,890)
Gain (loss) on investments	-	915,601	-	915,601	-	(899,242)	-	(899,242)
Change in net assets	132,768	1,024,203	-	1,156,971	297,107	(765,664)	-	(468,557)
Net Assets, beginning of year	732,265	6,240,754	-	6,973,019	435,158	7,006,418	-	7,441,576
Net Assets, end of year	\$ 865,033	\$ 7,264,957	\$ -	\$ 8,129,990	\$ 732,265	\$ 6,240,754	\$ -	\$ 6,973,019

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