



Trustees for Alaska

Consolidated Financial Statements
Years Ended September 30, 2020 and 2019

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 statements of financial position as of September 30, 2020 and 2019, 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 Consolidated 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, 2020 and 2019, 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.

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 28, 2021

Consolidated Financial Statements

Trustees for Alaska
Consolidated Statements of Financial Position

<i>September 30,</i>	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 888,488	\$ 451,795
Receivables:		
Foundation grants	90,000	100,000
Other	12,765	14,237
Prepaid expenses	23,090	14,156
Total Current Assets	1,014,343	580,188
Property and equipment, net	22,177	17,521
Investments	6,236,925	6,924,984
Total Assets	\$ 7,273,445	\$ 7,522,693
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 9,049	\$ 21,175
Accrued payroll liabilities and leave	73,749	49,591
Current portion, loan payable	123,156	-
Current portion, capital lease payable	3,142	3,573
Total Current Liabilities	209,096	74,339
Long-term liabilities:		
Loan payable	78,372	-
Capital lease payable	12,958	6,778
Total Liabilities	300,426	81,117
Net Assets		
Without donor restrictions:		
Designated by the Board - quasi-endowment	4,825,374	5,645,802
Designated by the Board - operating reserve	1,276,321	1,195,661
Designated by the Board for operations	150,000	150,000
Undesignated (deficit)	333,351	32,563
With donor restrictions	387,973	417,550
Total Net Assets	6,973,019	7,441,576
Total Liabilities and Net Assets	\$ 7,273,445	\$ 7,522,693

See accompanying notes to consolidated financial statements.

Trustees for Alaska
Consolidated Statements of Activities

<i>Years Ended September 30,</i>	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Foundation grants	\$ 732,998	\$ 343,002	\$ 1,076,000	\$ 465,090	\$ 382,300	\$ 847,390
Contributions	425,042	13,298	438,340	305,168	75,000	380,168
In-kind revenue	16,464	-	16,464	9,565	-	9,565
Interest income	77,961	-	77,961	127,372	6,079	133,451
Other	13,807	-	13,807	23,601	-	23,601
Net assets released from restrictions in satisfaction of program requirements	359,981	(359,981)	-	419,193	(419,193)	-
Total Revenue and Support	1,626,253	(3,681)	1,622,572	1,349,989	44,186	1,394,175
Expenses						
Program services:						
Arctic and Climate Change	651,583	-	651,583	630,004	-	630,004
Clean Air and Water	277,572	-	277,572	294,265	-	294,265
Marine	19,893	-	19,893	35,267	-	35,267
Wildlife	176,486	-	176,486	141,002	-	141,002
Total Program Services	1,125,534	-	1,125,534	1,100,538	-	1,100,538
Support services:						
General and administrative	165,048	-	165,048	141,411	-	141,411
Fundraising	164,789	-	164,789	209,361	-	209,361
Total Support Services	329,837	-	329,837	350,772	-	350,772
Total Expenses	1,455,371	-	1,455,371	1,451,310	-	1,451,310
Increase (decrease) in net assets from operating activities	170,882	(3,681)	167,201	(101,321)	44,186	(57,135)
Non-operating Activities						
Other revenue	302,374	-	302,374	6,296	-	6,296
Other expenses	(38,890)	-	(38,890)	(39,603)	-	(39,603)
Gain (loss) on investments	(873,346)	(25,896)	(899,242)	162,345	-	162,345
Change in net assets	(438,980)	(29,577)	(468,557)	27,717	44,186	71,903
Net Assets, beginning of year	7,024,026	417,550	7,441,576	6,996,309	373,364	7,369,673
Net Assets, end of year	\$ 6,585,046	\$ 387,973	\$ 6,973,019	\$ 7,024,026	\$ 417,550	\$ 7,441,576

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
In-kind IT and consulting	-	-	-	-	15,000	-	15,000
Case-related expenses	8,287	1,069	106	3,230	200	293	13,185
Travel	5,585	1,052	180	712	-	4,213	11,742
Equipment costs	3,230	2,041	347	1,389	-	1,087	8,094
Depreciation	2,767	1,769	302	1,197	573	839	7,447
Communications	2,665	1,600	273	1,083	527	759	6,907
Printing and publications	405	155	26	105	50	5,224	5,965
Meetings and events	1,369	869	147	596	609	34	3,624
Bank fees	-	-	-	-	3,558	-	3,558
Board activities	-	-	-	-	3,310	-	3,310
Postage	811	248	37	240	71	1,164	2,571
Supplies and office expense	707	423	81	303	110	161	1,785
Training and recruitment	-	-	-	-	193	-	193
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 Statement of Functional Expenses

<i>Year Ended September 30, 2019</i>	Arctic and Climate Change	Clean Air and Water	Marine	Wildlife	General and Admin- istrative	Fund- Raising	Total
Salaries and benefits	\$ 488,848	\$ 205,431	\$ 19,355	\$ 99,833	\$ 104,674	\$ 132,118	\$ 1,050,259
Contract and professional	22,613	44,468	5,377	9,284	8,007	15,698	105,447
Occupancy costs	34,946	20,304	4,708	14,045	9,562	12,055	95,620
Travel	32,654	2,180	279	1,430	-	6,033	42,576
Dues and subscriptions	15,085	8,222	2,161	6,181	827	1,661	34,137
Equipment costs	3,058	1,724	409	1,216	534	22,077	29,018
Insurance	7,028	4,057	940	2,823	3,607	1,686	20,141
Board activities	2,741	146	98	273	10,076	1,720	15,054
Communications	5,906	1,983	374	1,140	915	1,017	11,335
In-kind IT and consulting	4,118	1,941	246	958	933	1,369	9,565
Case-related expenses	5,879	481	105	795	217	277	7,754
Printing and publications	481	265	61	192	127	6,463	7,589
Depreciation	2,807	1,548	357	1,122	738	946	7,518
Training and recruitment	1,655	390	546	849	924	415	4,779
Bank fees	-	-	-	-	-	3,949	3,949
Postage	772	297	62	300	124	1,611	3,166
Supplies and office expense	574	392	79	233	107	210	1,595
Meetings and events	839	436	110	328	39	56	1,808
Total Expenses	\$ 630,004	\$ 294,265	\$ 35,267	\$ 141,002	\$ 141,411	\$ 209,361	\$ 1,451,310

See accompanying notes to consolidated financial statements.

Trustees for Alaska
Consolidated Statements of Cash Flows

<i>Years Ended September 30,</i>	2020	2019
Cash Flows from Operating Activities		
Receipts from grants and contributions	\$ 1,524,340	\$ 1,242,558
Payments to employees and suppliers	(1,428,362)	(1,409,250)
Receipts from other revenue sources, net of attorney fees paid	317,653	25,817
Payments for investment fees	(38,890)	(39,603)
Interest and dividends received	77,961	133,451
Net Cash Flows from (for) Operating Activities	452,702	(47,027)
Cash Flows from Investing Activities		
Purchases of investments	(10,825,206)	(2,511,474)
Proceeds from sale of investments	10,614,023	2,664,699
Purchases of property and equipment	(3,223)	(1,169)
Net Cash from (for) Investing Activities	(214,406)	152,056
Cash Flows from Financing Activities		
Proceeds from issuance of loan payable	201,528	-
Principal payments on capital lease obligations	(3,131)	(3,459)
Net Cash from Financing Activities	198,397	152,056
Net change in cash and cash equivalents	436,693	101,570
Cash and Cash Equivalents, beginning of year	451,795	350,225
Cash and Cash Equivalents, end of year	\$ 888,488	\$ 451,795
Reconciliation of change in net assets to net cash from (for) operating activities:		
Change in net assets	\$ (468,557)	\$ 71,903
Adjustments to reconcile change in net assets to cash from (for) operating activities:		
Depreciation	7,447	7,518
Realized and unrealized losses (gains) on investments	899,242	(162,345)
(Increase) decrease in assets:		
Foundation grants receivable	10,000	15,000
Other receivables	1,472	(4,080)
Prepaid expenses	(8,934)	8,298
Increase (decrease) in liabilities:		
Accounts payable	(12,126)	9,873
Accrued payroll liabilities and leave	24,158	6,806
Net Cash from (for) Operating Activities	\$ 452,702	\$ (47,027)
Supplemental Information - Cash Paid During the Year for Interest	\$ 308	\$ 367
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, 2020 and 2019

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 five 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 28, 2021, 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	\$ 888,488
Other accounts receivable	12,765
Foundation grants receivable	90,000
Certain prepaid expenses	17,336
<hr/>	
Total Financial Assets	\$ 1,008,589

Trustees for Alaska

Notes to Consolidated Financial Statements

TFA has \$158,914 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 National Wildlife Refuge, the proposed Pebble mine, and mining work expenditures consisting of cash. The contributions receivable of \$90,000 are subject to one-year time restrictions but are expected to be collected within one year, \$50,000 of which is restricted to program work in protection Arctic ecosystems, special places and wildlife, and \$40,000 for program work in the Arctic Refuge and Western Arctic. TFA also has \$843,902 of financial assets available for general expenditures within one year of the statement of financial position.

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:

	2020	2019
Demand deposits	\$ 884,649	\$ 370,345
Cash on hand	10	16
Total - non-endowment funds	884,659	370,361
Demand deposits	3,462	2,594
Money market funds	367	78,840
Total - endowment funds	3,829	81,434
Total Cash and Cash Equivalents	\$ 888,488	\$ 451,795

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, 2020 and 2019, uninsured deposits were \$251,777 and \$5,595, respectively.

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Trustees for Alaska

Notes to Consolidated Financial Statements

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:

	2020	2019
True North Foundation	\$ -	\$ 100,000
Wilburforce Foundation	50,000	-
Patagonia	40,000	-
Total Grants Receivable	\$ 90,000	\$ 100,000

4. Prepaid Expenses

Prepaid expenses consisted of the following at September 30:

	2020	2019
Security deposit	\$ 5,754	\$ 5,754
Employee benefits	-	638
Insurance	1,433	1,366
Software subscription	2,301	-
Rent	8,100	5,696
Dell computers	4,683	-
Other	819	702
Total	\$ 23,090	\$ 14,156

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 has a term of two years, is unsecured, and guaranteed by the Small Business Administration (SBA). Loan proceeds are 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. The PPP loan funding may be forgivable subject to the Organization's eligible expenditures during the period as outlined in the legislation and additional SBA guidance. The Organization is currently evaluating the economic impact that the pandemic has had, and is expected to continue to have, on its business operations. It is possible all or a portion of the loan will be forgiven based on this evaluation. TFA expects the loan to be forgiven in fiscal year 2021.

Loan Payable	Balance October 1, 2019	Additions	Repay ments	Balance September 30, 2020	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	\$ 123,156

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, 2020, \$554 of depreciation has been recorded, leaving a remaining net book value of \$16,061 at September 30, 2020. Future required minimum lease payments are as follows:

Fiscal Year Ending

2021	\$	3,583
2022		3,583
2023		3,583
2024		3,583
2025		2,983
Total value of payments to be made		17,315
Less amount representing interest		(1,215)
Present value of net minimum lease payments under capital lease		16,100
Current portion due next year		(3,142)
Long-term Portion		\$ 12,958

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

2021	\$	97,549
2022		82,766

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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, 2020 and 2019 are as follows:

	2020	2019
Grants and donations - time restricted - Operational	\$ -	\$ 30,000
Grants and donations - purpose restricted - Arctic and Climate Change	208,651	110,000
Clean Air and Water	40,263	112,595
Colleen Burgh Fund	139,059	164,955
Total purpose restricted	387,973	387,550
Total Purpose Restricted and Time Restricted Net Assets	\$ 387,973	\$ 417,550

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

	2020	2019
Arctic and Climate Change	\$ 224,807	\$ 130,791
Clean Air and Water	97,332	156,696
Colleen Burgh Fund	-	7,500
Operational	30,000	109,206
Wild Lands/Wild Life	7,842	15,000
Total	\$ 359,981	\$ 419,193

8. In-Kind Revenue and Expense

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

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

Trustees for Alaska

Notes to Consolidated Financial Statements

The value of donated goods and services is as follows for the year ended September 30, 2019:

	Program Services	Support Services	Total
In-kind personnel:			
Information technology	\$ -	\$ 565	\$ 565
Organizational consulting	-	9,000	9,000
	\$ -	\$ 9,565	\$ 9,565

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:

	2020	2019
Endowment net assets, beginning of year	\$ 7,006,418	\$ 6,923,927
Contributions	349,589	103,618
Investment return:		
Interest and dividend income	77,961	133,451
Unrealized gain (loss) on investments	(2,100,035)	193,827
Realized/(loss) gain on sale of investments	1,200,793	(31,482)
Investment fees	(38,890)	(39,603)
Total investment return (loss)	(860,171)	256,193
Amounts appropriated for expenditures:		
Contribution to TFA	250,000	272,075
Other expenses	5,082	5,245
Total expenditures	255,082	277,320
Endowment Net Assets, End of Year	6,240,754	7,006,418
With Donor Restrictions for Colleen Burgh Fund	139,059	164,955
Endowment Net Assets Without Donor Restrictions, End of Year	\$ 6,101,695	\$ 6,841,463

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, 2020 and 2019 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 \$29,479 and \$25,174 for years ending September 30, 2020 and 2019, respectively.

12. Concentrations

The Organization received approximately 39% of its total revenue (excluding in-kind contributions) in fiscal year 2020 and 20% in fiscal year 2019 from three contributors.

Trustees for Alaska

Notes to Consolidated Financial Statements

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. Recently-Adopted Accounting Standards

Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

The Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958) - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* using the modified prospective method. Under the modified prospective method, this ASU only applies to agreements not completed or entered into as of October 1, 2019. There were no material changes to the recognition of revenue and did not result in a cumulative effect adjustment to the opening balance of net assets as of October 1, 2019. There were no material changes to the recognition of contribution revenue for 2020.

Restricted Cash

The Organization adopted FASB's ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This ASU amends the presentation of restricted cash and cash equivalents within the statement of cash flows and requires that a statement of cash flows explain the change in the total cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents.

Thus, amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Organization has applied this update retrospectively to all periods presented.

15. Upcoming Accounting Pronouncements

Revenue from Contracts with Customers (Topic 606)

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 that deferred the effective date for the Organization until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application.

Trustees for Alaska

Notes to Consolidated Financial Statements

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, 2021. The Organization will evaluate the effect that adoption of this new standard will have on the Organization's financial statements.

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 non-lease 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.

16. 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, 2020 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 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 2021. 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 2021. In response to the COVID-19 outbreak, TFA has reduced functional expenses.

Trustees for Alaska

Notes to Consolidated Financial Statements

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. 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.

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Supplementary Information

Trustees for Alaska
Consolidating Statements of Financial Position

<i>September 30,</i>	2020			2019		
	Trustees for Alaska	Trustees for Alaska Endowment	Total	Trustees for Alaska	Trustees for Alaska Endowment	Total
Assets						
Current Assets						
Cash and cash equivalents	\$ 884,659	\$ 3,829	\$ 888,488	\$ 370,361	\$ 81,434	\$ 451,795
Receivables:						
Foundation grants	90,000	-	90,000	100,000	-	100,000
Other receivables	12,765	-	12,765	14,237	-	14,237
Prepaid expenses	23,090	-	23,090	14,156	-	14,156
Total Current Assets	1,010,514	3,829	1,014,343	498,754	81,434	580,188
Property and equipment	77,136	-	77,136	73,870	-	73,870
Less accumulated depreciation	(54,959)	-	(54,959)	(56,349)	-	(56,349)
Property and equipment, net	22,177	-	22,177	17,521	-	17,521
Investments	-	6,236,925	6,236,925	-	6,924,984	6,924,984
Total Assets	\$ 1,032,691	\$ 6,240,754	\$ 7,273,445	\$ 516,275	\$ 7,006,418	\$ 7,522,693
Liabilities and Net Assets						
Current Liabilities						
Accounts payable	\$ 9,049	\$ -	\$ 9,049	\$ 21,175	\$ -	\$ 21,175
Accrued payroll liabilities and leave	73,749	-	73,749	49,591	-	49,591
Current portion, loan payable	123,156	-	123,156	-	-	-
Current portion, capital lease payable	3,142	-	3,142	3,573	-	3,573
Total Current Liabilities	209,096	-	209,096	74,339	-	74,339
Long-term Liabilities						
Loan payable	78,372	-	78,372	-	-	-
Capital lease payable	12,958	-	12,958	6,778	-	6,778
Total Liabilities	300,426	-	300,426	81,117	-	81,117
Net Assets						
Without donor restrictions:						
Designated by the Board - quasi-endowment	-	4,825,374	4,825,374	-	5,645,802	5,645,802
Designated by the Board - operating reserve	-	1,276,321	1,276,321	-	1,195,661	1,195,661
Designated by the Board for operations	150,000	-	150,000	150,000	-	150,000
Undesignated	333,351	-	333,351	32,563	-	32,563
With donor restrictions	248,914	139,059	387,973	252,595	164,955	417,550
Total Net Assets	732,265	6,240,754	6,973,019	435,158	7,006,418	7,441,576
Total Liabilities and Net Assets	\$ 1,032,691	\$ 6,240,754	\$ 7,273,445	\$ 516,275	\$ 7,006,418	\$ 7,522,693

Trustees for Alaska
Consolidating Statements of Activities

Years Ended September 30,	2020				2019			
	Trustees for Alaska	Trustees for Alaska Endowment	Eliminations	Total	Trustees for Alaska	Trustees for Alaska Endowment	Eliminations	Total
Revenue and Support								
Foundation grants	\$ 1,076,000	\$ -	\$ -	\$ 1,076,000	\$ 847,390	\$ -	\$ -	\$ 847,390
Contributions *	338,751	349,589	(250,000)	438,340	548,625	103,618	(272,075)	380,168
In-kind revenue	16,464	-	-	16,464	9,565	-	-	9,565
Interest income	-	77,961	-	77,961	-	133,451	-	133,451
Other	13,807	-	-	13,807	23,601	-	-	23,601
Total Revenue and Support	1,445,022	427,550	(250,000)	1,622,572	1,429,181	237,069	(272,075)	1,394,175
Expenses								
Program Services								
Arctic and Climate Change	651,583	-	-	651,583	630,004	-	-	630,004
Clean Air and Water	277,572	-	-	277,572	294,265	-	-	294,265
Marine	19,893	-	-	19,893	35,267	-	-	35,267
Wildlife	176,486	-	-	176,486	141,002	-	-	141,002
Total Program Services	1,125,534	-	-	1,125,534	1,100,538	-	-	1,100,538
Support Services								
General and administrative	159,966	5,082	-	165,048	136,166	5,245	-	141,411
Fundraising	164,789	-	-	164,789	209,361	-	-	209,361
Total Support Services	324,755	5,082	-	329,837	345,527	5,245	-	350,772
Total Expenses	1,450,289	5,082	-	1,455,371	1,446,065	5,245	-	1,451,310
Increase (decrease) in net assets from operating activities	(5,267)	422,468	(250,000)	167,201	(16,884)	231,824	(272,075)	(57,135)
Non-operating Activities:								
Contribution to TFA *	-	(250,000)	250,000	-	-	(272,075)	272,075	-
Other revenue	302,374	-	-	302,374	6,296	-	-	6,296
Other expenses	-	(38,890)	-	(38,890)	-	(39,603)	-	(39,603)
Gain (loss) on investments	-	(899,242)	-	(899,242)	-	162,345	-	162,345
Change in net assets	297,107	(765,664)	-	(468,557)	(10,588)	82,491	-	71,903
Net Assets, beginning of year	435,158	7,006,418	-	7,441,576	445,746	6,923,927	-	7,369,673
Net Assets, end of year	\$ 732,265	\$ 6,240,754	\$ -	\$ 6,973,019	\$ 435,158	\$ 7,006,418	\$ -	\$ 7,441,576

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