

**TRUSTEES FOR ALASKA
AND
TRUSTEES FOR ALASKA ENDOWMENT FUND**

CONSOLIDATED FINANCIAL
STATEMENTS AND SUPPLEMENTARY
INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2025

TOGETHER WITH INDEPENDENT ACCOUNTANTS'
REVIEW REPORT



TRUSTEES FOR ALASKA

PROTECT | DEFEND | REPRESENT

**TRUSTEES FOR ALASKA
AND
TRUSTEES FOR ALASKA ENDOWMENT FUND**
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Trustees for Alaska
Trustees for Alaska Endowment Fund
Anchorage, Alaska

We have reviewed the accompanying consolidated financial statements of **Trustees for Alaska** and **Trustees for Alaska Endowment Fund** (Alaskan nonprofit corporations), collectively referred to as Trustees for Alaska, which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated 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. 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.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Trustees for Alaska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements for the year ended September 30, 2025, in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Fiscal Year 2024 Consolidated Financial Statements

The fiscal year 2024 consolidated financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated February 4, 2025. We have not performed any auditing procedures since that date.

Other Matter

The accompanying supplementary information on pages 18 to 21 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.

Taylor Roth and Company PLLC

Taylor, Roth and Company, PLLC
Certified Public Accountants
Albuquerque, New Mexico
March 4, 2026

TRUSTEES FOR ALASKA
AND
TRUSTEES FOR ALASKA ENDOWMENT FUND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>2025</u> <u>(reviewed)</u>	<u>2024</u> <u>(audited)</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 316,417	\$ 260,197
Accounts receivable	16,135	5,681
Grants receivable (Note 4)	925,000	125,000
Prepaid expenses	16,355	24,383
Investments (Note 5)	8,684,027	8,507,958
Property and equipment, net (Note 6)	83,709	99,990
Operating lease right-of-use assets (Note 7)	434,328	513,847
Total assets	<u>\$ 10,475,971</u>	<u>\$ 9,537,056</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 9,329	\$ 19,372
Accrued payroll expenses	93,343	109,483
Finance lease liability	-	2,985
Operating lease liabilities (Note 7)	451,908	528,641
Total liabilities	<u>554,580</u>	<u>660,481</u>
<u>Net assets</u>		
Without donor restrictions		
Undesignated	392,793	238,883
Board-designated (Note 8)	8,277,653	8,116,526
Net investment in property and equipment	83,709	97,005
	<u>8,754,155</u>	<u>8,452,414</u>
With donor restrictions (Note 9)	<u>1,167,236</u>	<u>424,161</u>
Total net assets	<u>9,921,391</u>	<u>8,876,575</u>
Total liabilities and net assets	<u>\$ 10,475,971</u>	<u>\$ 9,537,056</u>

See accompanying notes and independent accountants' review report.

TRUSTEES FOR ALASKA
AND
TRUSTEES FOR ALASKA ENDOWMENT FUND
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025 (reviewed)			2024 (audited)
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING ACTIVITIES				
<u>Revenue and other support</u>				
Grants	\$ 674,713	\$ 1,145,000	\$ 1,819,713	\$ 1,027,000
Contributions	752,319	-	752,319	412,875
Program service revenue	156,352	-	156,352	-
Special events	-	-	-	3,446
All other income	15,833	-	15,833	20,012
Net assets released from restrictions (Note 1C)	415,000	(415,000)	-	-
Total revenue and other support	2,014,217	730,000	2,744,217	1,463,333
<u>Expense</u>				
Program services				
Arctic	747,669	-	747,669	928,724
Wild Lands and Wildlife	594,519	-	594,519	303,268
Clean Air and Water	375,893	-	375,893	295,098
Total program services	1,718,081	-	1,718,081	1,527,090
Supporting services				
Management and general	233,518	-	233,518	231,277
Fund-raising	245,655	-	245,655	200,873
Total expense	2,197,254	-	2,197,254	1,959,240
Change in net assets from operations	(183,037)	730,000	546,963	(495,907)
NONOPERATING ACTIVITIES				
Investment income(loss) (Note 5)	484,778	13,075	497,853	1,513,994
Change in net assets	301,741	743,075	1,044,816	1,018,087
Net assets, beginning of year	8,452,414	424,161	8,876,575	7,858,488
Net assets, end of year	\$ 8,754,155	\$ 1,167,236	\$ 9,921,391	\$ 8,876,575

See accompanying notes and independent accountants' review report.

**TRUSTEES FOR ALASKA
AND
TRUSTEES FOR ALASKA ENDOWMENT FUND**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025 (reviewed)							2024 (audited)
	Program Services			Supporting Services				
	Arctic	Wild Lands and Wildlife	Clean Air and Water	Total	Management and General	Fund- raising	Total	Total
Salaries and wages	\$ 502,161	\$ 411,343	\$ 259,066	\$ 1,172,570	\$ 85,842	\$ 171,552	\$ 1,429,964	\$ 1,243,197
Payroll taxes, benefits	122,657	104,002	60,488	287,147	19,151	41,966	348,264	259,183
Rent	47,709	29,651	21,326	98,686	7,610	14,052	120,348	117,978
Professional services	23,790	16,736	13,087	53,613	3,955	9,032	66,600	86,353
Investment management fees	-	-	-	-	47,300	-	47,300	45,322
Accounting	-	-	-	-	31,051	-	31,051	29,575
Dues and subscriptions	11,715	9,319	6,802	27,836	715	1,649	30,200	28,485
Travel	12,353	4,873	3,609	20,835	68	2,660	23,563	29,103
Insurance	6,465	4,304	3,250	14,019	1,920	1,298	17,237	18,494
Litigation costs	6,282	3,500	-	9,782	-	-	9,782	8,189
Telecommunications	3,006	2,107	1,645	6,758	499	984	8,241	8,191
Special events donor benefits	-	-	-	-	-	-	-	58,027
Communications	-	-	-	-	-	-	-	12,930
All other	11,531	8,684	6,620	26,835	7,229	2,462	36,526	45,160
	747,669	594,519	375,893	1,718,081	205,340	245,655	2,169,076	1,990,187
Depreciation	-	-	-	-	28,178	-	28,178	27,080
Total expenses by function	747,669	594,519	375,893	1,718,081	233,518	245,655	2,197,254	2,017,267
Less expenses included with revenues on the statement of activities								
Cost of direct benefits to donors	-	-	-	-	-	-	-	(58,027)
Total expenses included in expense section on the statement of activities	<u>\$ 747,669</u>	<u>\$ 594,519</u>	<u>\$ 375,893</u>	<u>\$ 1,718,081</u>	<u>\$ 233,518</u>	<u>\$ 245,655</u>	<u>\$ 2,197,254</u>	<u>\$ 1,959,240</u>

See accompanying notes and independent accountants' review report.

TRUSTEES FOR ALASKA
AND
TRUSTEES FOR ALASKA ENDOWMENT FUND
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025 <u>(reviewed)</u>	2024 <u>(audited)</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 1,044,816	\$ 1,018,087
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized (gains) losses on investments	(286,735)	(1,255,233)
Contributions of stock	(195,225)	(56,096)
Depreciation and amortization	28,178	27,080
<u>Changes in operating assets and liabilities</u>		
(Increase) decrease in receivables	(810,454)	(124,043)
(Increase) decrease in prepaid expenses	8,028	(9,131)
Increase(decrease) in accounts payable	(10,043)	11,028
Increase(decrease) in accrued payroll expenses	(16,140)	5,197
Increase(decrease) in deferred revenue	-	(50,000)
Increase(decrease) in operating lease ROU assets and liabilities, net	2,786	5,860
Net cash provided(used) by operating activities	<u>(234,789)</u>	<u>(427,251)</u>
<u>Cash flows from investing activities</u>		
Reinvestment of investment earnings	(162,324)	(213,439)
(Purchases) proceeds of investments	468,215	331,956
(Purchases) of property and equipment	<u>(11,897)</u>	<u>(10,155)</u>
Net cash provided(used) by investing activities	<u>293,994</u>	<u>108,362</u>
<u>Cash flows from financing activities</u>		
(Payments) of finance lease liability	<u>(2,985)</u>	<u>(3,497)</u>
Net increase(decrease) in cash and cash equivalents	56,220	(322,386)
Cash and cash equivalents, beginning of year	<u>260,197</u>	<u>582,583</u>
Cash and cash equivalents, end of year	<u>\$ 316,417</u>	<u>\$ 260,197</u>
<u>Supplemental disclosure of information:</u>		
Operating lease right-of-use asset obtained in exchange for operating lease liability	<u>\$ 20,033</u>	<u>\$ -</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows—operating leases	<u>\$ 115,346</u>	<u>\$ 111,169</u>
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ 86</u>

See accompanying notes and independent accountants' review report.

**TRUSTEES FOR ALASKA
AND
TRUSTEES FOR ALASKA ENDOWMENT FUND**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

Trustees for Alaska (the Organization or TFA) is the only nonprofit, public interest, environmental law firm founded and based in Alaska, providing free legal counsel to protect and defend Alaska's lands, waters, wildlife, and communities. TFA has been a legal force of environmental advocacy in Alaska since 1974. We work for a variety of clients who bravely fight for their rights and for the health and cultures of Alaska for future generations.

The Organization fills an important niche in protecting Alaska's environment, communities, and wildlife by providing the legal expertise and ability to hold decision makers and polluters accountable in court. TFA attorneys are pivotal in shaping Alaska's environmental future.

TFA's clients and conservation partners include Alaska Native villages and organizations, community groups, local and national conservation groups, statewide coalitions, fishing groups, and individual Alaskans. These clients would not be able to afford legal counsel to protect Alaska without TFA. TFA works hand-in-hand with its clients to build legal strategies that integrate their united goals, grassroots organizing efforts, education and media campaigns, and administrative and legislative initiatives. The collaborative and cooperative relationships TFA has with its partners is one of its great strengths.

The Organization is dedicated to matters affecting the State of Alaska. Its work covers a wide range of issues from oil and gas extraction, the climate crisis, mining, and air and water pollution, to wildlife conservation and terrestrial, aquatic and marine ecosystem protection. TFA works in three main areas:

- Protecting America's unique Arctic ecosystems and addressing the impacts of the climate crisis on Alaska's communities and ecosystems.
- Protecting Alaska's spectacular wilderness areas and vast marine ecosystems to promote the biodiversity of Alaska's wildlife and marine species.
- Assuring clean air, clean water, and continued access to subsistence resources.

On December 31, 2008, TFA established the Trustees for Alaska Endowment Fund (TAEF) to provide financial support to the charitable activities, projects and programs of TFA. 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 consolidated financial statements.

TFA's support comes primarily from foundation grants and individual contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The consolidated financial statements of TFA include the accounts of the Organization and its controlled entity, the Trustees for Alaska Endowment Fund. The consolidated financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

2. Basis of Presentation

The consolidated financial statements of TFA and TAEF have been prepared in accordance with U.S. generally accepted accounting principles, which require TFA and TAEF to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of TFA and TAEF's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of TFA and TAEF or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

3. Measure of Operations

The consolidated statement of activities reports all changes in net assets, including changes from operating and nonoperating activities. Operating activities consist of those items attributable to TFA's ongoing program services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

4. Cash and Cash Equivalents

TFA considers unrestricted balances in its checking, savings, and money markets to be cash, as well as certificates of deposit that mature within one year, unless held as a component of the Trustees for Alaska Endowment Fund.

5. Receivables

Management assesses the need for an allowance for uncollectable receivables based on historical experience and a review of subsequent collections. Management provides for probable uncollected amounts through a provision for bad debt expense. No provision was deemed necessary at September 30, 2025, as management believes all receivables are fully collectible.

6. Contributions of Property and Equipment

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

7. Capitalization and Depreciation

TFA follows a practice of capitalizing all expenditures for property and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis, ranging from 3 to 10 years. Leasehold improvements are depreciated over the term of the lease.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

8. Leases

TFA accounts for leases in accordance with Accounting Standards Update (ASU) No. 2016-02, *Leases* (ASC 842), as amended. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right of use (ROU) assets and operating lease liabilities in the statement of financial position. Finance leases are included in property and equipment and finance lease liabilities on the statement of financial position.

ROU assets represent TFA's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. TFA uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, TFA has made an accounting policy election by asset class to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. TFA's lease terms may include options to extend or terminate the lease when it is reasonably certain that TFA will exercise the option.

TFA may have lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices.

TFA does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

9. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

10. Fair Value Measurements

TFA is subject to the provisions of the *Fair Value Measurements and Disclosures* accounting standard. This standard requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

11. In-kind Donations

Donated services are recognized as contributions in accordance with generally accepted accounting principles (GAAP), if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The value of donated services is based on current market rates and approximates what the Organization would have paid if not donated. Donated goods and materials are reflected in the accompanying statements at their estimated values at date of receipt.

12. Revenue Recognition

Contributions: In accordance with ASC Subtopic 958-605, *Not-for-Profit Entities—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 consolidated 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.

Program Service Revenue: Court-awarded case attorney fees and costs are recognized as program service revenue in the period which the court order is issued at the estimated net realizable amount. TFA expenses costs related to litigation when incurred or as soon as probable costs can be reasonably estimated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (concluded)

13. Income Taxes

The activities of TFA and TFAEF are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Although the organizations are 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. As separate legal entities, each organization is responsible for filing a federal Form 990 tax return. TFA adopted the 501(h) election which provides a safe harbor measure for lobbying expenditures.

No provision or liability for income taxes is recorded in the accompanying consolidated financial statements for either organization.

14. Principles of Consolidation

The consolidated financial statements of TFA include the accounts of Trustees for Alaska and its controlled entity, the Trustees for Alaska Endowment Fund. Intercompany transactions and balances have been eliminated in the consolidation.

15. Functional Reporting of Expenses

Direct expenses are charged to programs, management and general, and fundraising 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 specific function but provide for the overall support and direction of TFA.

16. Summarized Prior-Year Information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2024, from which the summarized information was derived.

17. Reclassifications

Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year consolidated financial statements.

18. Subsequent Events

Management has evaluated subsequent events through March 4, 2026, the date the consolidated financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents TFA's financial assets on September 30, 2025:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 316,417
Receivables	941,135
Investments	<u>8,684,027</u>
Total financial assets	<u>9,941,579</u>
Less amounts not available or budgeted for operational use within one year:	
Donor-restricted net assets less receivables due within one year	(1,167,236)
Board-designated - Quasi-endowment fund	(8,127,653)
Board-designated - TFAEF Reserve	(150,000)
Plus:	
General support receivables due within one year	250,000
General support from endowment	<u>275,000</u>
	<u>(8,919,889)</u>
Financial assets available to meet general expenditures over the next 12 months	<u><u>\$ 1,021,690</u></u>

TFA structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has a fiscal policy to maintain a board-designated operating reserve of \$150,000 in cash to meet unexpected or emergency needs.

In addition, the Trustees for Alaska Endowment Fund, TFA's supporting organization, holds quasi-endowment funds that may be used to support TFA operations, if needed. Funds held by TFAEF are invested for long-term appreciation to provide a lasting source of support for the Organization.

NOTE 4 - GRANTS RECEIVABLE

Payment for grants receivable is expected as follows:

<u>Due in</u>	<u>Amount</u>
Less than one year	\$ 425,000
One to two years	<u>500,000</u>
Total	<u><u>\$ 925,000</u></u>

NOTE 5 - INVESTMENTS

Investments are carried at market value and consisted of the following at year-end:

<u>Description</u>	<u>Cost Basis</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equities	\$ 3,131,283	\$ 5,155,079	\$ 2,023,796
Government securities	1,966,169	1,964,641	(1,528)
Mutual funds	779,765	779,940	
Exchange-traded funds	337,055	383,680	46,625
Cash and cash equivalents	400,687	400,687	-
Total	<u>\$ 6,614,959</u>	<u>\$ 8,684,027</u>	<u>\$ 2,069,068</u>

Investment returns are summarized as follows for the year ended September 30, 2025:

<u>Description</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest - demand accounts	\$ 1,494	\$ -	\$ 1,494
Interest and dividends	202,283	7,341	209,624
Realized gains(losses)	212,142	4,329	216,471
Unrealized gains(losses)	68,859	1,405	70,264
Total	<u>\$ 484,778</u>	<u>\$ 13,075</u>	<u>\$ 497,853</u>

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at year-end:

<u>Description</u>	<u>Amount</u>
Leasehold improvements	\$ 111,552
Furniture and equipment	63,819
Total	175,371
Less: accumulated depreciation	(91,662)
Net property and equipment	<u>\$ 83,709</u>

Depreciation expense for the year was \$28,178.

NOTE 7 - LEASES

TFA evaluated current contracts to determine which met the criteria of a lease. The right-of-use asset (ROU) represents the Organization’s right to use the underlying asset for the lease term, and the lease liability represents its obligation to make lease payments arising from the lease. The ROU asset and lease liability, which arose from an operating lease, were calculated based on the present value of future lease payments over the lease term.

Operating lease cost is recognized on a straight-line basis over the lease term as expense on the Statement of Functional Expenses. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

Office space

TFA leases office space under a long-term non-cancellable operating lease agreement dated January 11, 2022. The lease expires in July 2029, and lease expense increases \$0.05 per square foot each 12-month period (approximately \$3,074 per year). There is one option for renewal for a sixty (60) month period which is not included in the lease calculations.

Office equipment

TFA also leases office equipment under a long-term non-cancellable operating lease agreement dated June 24, 2025. The lease expires in June 2030, and lease expense is \$368 per month.

Lease information included the following:

<u>Description</u>	<u>Amount</u>
<i>Components of lease cost in Statement of Functional Expenses:</i>	
Operating lease cost included in <i>Rent</i> expense	\$ 117,029
Operating lease cost included in <i>All other</i> expense	<u>1,103</u>
Total	<u>\$ 118,132</u>
<i>Other information for lease:</i>	
Weighted average remaining lease term	3.87 years
Weighted average discount rate	3.79%
<i>Future maturities of lease liability:</i>	
Fiscal years ending September 30th:	<u>Amount</u>
2026	\$ 121,727
2027	124,801
2028	127,874
2029	109,431
2030	<u>3,307</u>
Total lease payments	487,140
Less: present value discount	<u>(35,232)</u>
Total	<u>\$ 451,908</u>

NOTE 8 - BOARD-DESIGNATED NET ASSETS

As previously noted, the board of directors has designated funds for both short-term operating needs as well as long-term purposes. The balance of the board-designated amounts by entity as of September 30, 2025, included:

<u>Description</u>	<u>TFA</u>	<u>TFAEF</u>	<u>Total</u>
Quasi-endowment fund	\$ -	\$ 8,127,653	\$ 8,127,653
Operating reserve	150,000	-	150,000
Total	<u>\$ 150,000</u>	<u>\$ 8,127,653</u>	<u>\$ 8,277,653</u>

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

At year-end, net assets with donor restrictions were available for the following purposes:

<u>Description</u>	<u>TFA</u>	<u>TFAEF</u>	<u>Total</u>
<i>Restricted for time</i>			
General operations	\$ 750,000	\$ -	\$ 750,000
Colleen Burgh Fund	-	190,536	190,536
<i>Restricted for purpose</i>			
Arctic	226,700	-	226,700
Total	<u>\$ 976,700</u>	<u>\$ 190,536</u>	<u>\$ 1,167,236</u>

NOTE 10 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions as follows:

<u>Description</u>	<u>TFA</u>	<u>TFAEF</u>	<u>Total</u>
<i>Restricted for time</i>	\$ 125,000	\$ -	\$ 125,000
<i>Restricted for purpose</i>			
Arctic	248,300	-	248,300
Fellowship	31,700	-	31,700
Other	10,000	-	10,000
Total	<u>\$ 415,000</u>	<u>\$ -</u>	<u>\$ 415,000</u>

NOTE 11 - FAIR VALUE MEASUREMENTS

The Organization follows the *Fair Value Measurements and Disclosures Topic* of FASB ASC which requires enhanced disclosures about assets and liabilities that are measured and reported at fair value. The standard establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following table presents assets measured at fair value on a recurring basis as of September 30, 2025:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 5,155,079	\$ 5,155,079	\$ -	\$ -
Government securities	1,964,641	-	1,964,641	-
Mutual funds	779,940	779,940	-	-
Exchange-traded funds	383,680	383,680	-	-
Total	<u>\$ 8,283,340</u>	<u>\$ 6,318,699</u>	<u>\$ 1,964,641</u>	<u>\$ -</u>

NOTE 12 - BOARD-DESIGNATED ENDOWMENT

Trustees for Alaska established a legally separate entity in fiscal year 2009, 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. TAEF is a “Type I” supporting organization within the meaning of 509(a)(3)(B)(i).

TAEF holds a *quasi-endowment fund*, as well as *donor-restricted funds*, the Colleen Burgh Fund, which is donor restricted for time. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The quasi-endowment fund held by TAEF is board designated, and the intent is to provide future revenues for the long-term operational support of Trustees for Alaska.

NOTE 12 - BOARD-DESIGNATED ENDOWMENT (concluded)

The Board has adopted an investment policy statement describing the goals and objectives for the assets, including the following:

- Seek returns on its endowment assets (net of 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 the Executive Director, no later than the spring meeting, guidance as to the amount of and the restrictions (if any) on the use of 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 1st.
- 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.

Changes in the endowment fund for the year ended September 30, 2025, were as follows:

<u>Description</u>	<u>Quasi- Endowment</u>
Balance, beginning of year	\$ 5,967,187
Contributions	2,116,477
Investment return, net of fees	305,654
Appropriations - contributions to TFA	(250,000)
Administrative expense	(11,665)
Balance, end of year	<u>\$ 8,127,653</u>

NOTE 13 - 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 full-time and part-time employees' contributions to a maximum of 5.0% of employee annual compensation. Starting in June 2023, the employer contribution of 5.0% no longer requires a matching contribution from the employee. Employer contributions for the year ended September 30, 2025, totaled \$55,913.

NOTE 14 - CONCENTRATIONS

Cash

Throughout the year, the Organization may maintain cash balances in local banking institutions that exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC).

Investments

Investments are subject to market value fluctuation.

Receivables

As of year-end, 81% of all grant receivables are due from one grantor.

SUPPLEMENTARY INFORMATION

TRUSTEES FOR ALASKA
AND
TRUSTEES FOR ALASKA ENDOWMENT FUND
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2025

<u>Assets</u>	Trustees for Alaska	Trustees for Alaska Endowment Fund	Eliminations	Consolidated
Cash and cash equivalents	\$ 305,290	\$ 11,127	\$ -	\$ 316,417
Accounts receivable	16,135	-	-	16,135
Intercompany receivable	-	-	-	-
Grants receivable	925,000	-	-	925,000
Prepaid expenses	14,192	2,163	-	16,355
Investments	379,128	8,304,899	-	8,684,027
Property and equipment, net	83,709	-	-	83,709
Operating lease right-of-use assets	434,328	-	-	434,328
Total assets	<u>\$ 2,157,782</u>	<u>\$ 8,318,189</u>	<u>\$ -</u>	<u>\$ 10,475,971</u>
<u>Liabilities and net assets</u>				
<u>Liabilities</u>				
Accounts payable	\$ 9,329	\$ -	\$ -	\$ 9,329
Accrued payroll expenses	93,343	-	-	93,343
Intercompany payable	-	-	-	-
Deferred revenue	-	-	-	-
Finance lease liability	-	-	-	-
Operating lease liabilities	451,908	-	-	451,908
Total liabilities	<u>554,580</u>	<u>-</u>	<u>-</u>	<u>554,580</u>
<u>Net assets</u>				
<u>Without donor restrictions</u>				
Undesignated	392,793	-	-	392,793
Board-designated - quasi endowment	-	8,127,653	-	8,127,653
Board-designated - operating reserves	150,000	-	-	150,000
Net investment in property and equipment	83,709	-	-	83,709
	<u>626,502</u>	<u>8,127,653</u>	<u>-</u>	<u>8,754,155</u>
With donor restrictions	<u>976,700</u>	<u>190,536</u>	<u>-</u>	<u>1,167,236</u>
Total net assets	<u>1,603,202</u>	<u>8,318,189</u>	<u>-</u>	<u>9,921,391</u>
Total liabilities and net assets	<u>\$ 2,157,782</u>	<u>\$ 8,318,189</u>	<u>\$ -</u>	<u>\$ 10,475,971</u>

See independent accountants' review report.

**TRUSTEES FOR ALASKA
AND
TRUSTEES FOR ALASKA ENDOWMENT FUND**

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Trustees for Alaska	Trustees for Alaska Endowment Fund	Eliminations	Consolidated
OPERATING ACTIVITIES				
<u>Revenue and other support</u>				
Grants	\$ 1,819,713	\$ -	\$ -	\$ 1,819,713
Contributions	992,319	10,000	(250,000)	752,319
Special events, net	-	-	-	-
Program service revenue	156,352	-	-	156,352
Other income	15,833	-	-	15,833
Total revenue and support	<u>2,984,217</u>	<u>10,000</u>	<u>(250,000)</u>	<u>2,744,217</u>
<u>Expense</u>				
Program services	1,718,081	250,000	(250,000)	1,718,081
Supporting services				
Management and general	173,336	60,182	-	233,518
Fund-raising	245,655	-	-	245,655
Total expense	<u>2,137,072</u>	<u>310,182</u>	<u>(250,000)</u>	<u>2,197,254</u>
Change in net assets from operations	847,145	(300,182)	-	546,963
NONOPERATING ACTIVITIES				
Investment income(loss)	16,802	481,051	-	497,853
Change in net assets	863,947	180,869	-	1,044,816
Net assets, beginning of year	<u>739,255</u>	<u>8,137,320</u>	<u>-</u>	<u>8,876,575</u>
Net assets, end of year	<u>\$ 1,603,202</u>	<u>\$ 8,318,189</u>	<u>\$ -</u>	<u>\$ 9,921,391</u>

See independent accountants' review report.

TRUSTEES FOR ALASKA
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Supporting Services</u>			Total
	Program Services	Management and General	Fund- raising	
Salaries and wages	\$ 1,172,570	\$ 85,842	\$ 171,552	\$ 1,429,964
Payroll taxes, benefits	287,147	19,151	41,966	348,264
Rent	98,686	7,610	14,052	120,348
Professional services	53,613	3,955	9,032	66,600
Travel	20,835	68	2,660	23,563
Dues and subscriptions	27,836	715	1,649	30,200
Accounting	-	19,511	-	19,511
Insurance	14,019	678	1,298	15,995
Telecommunications	6,758	499	984	8,241
Litigation costs	9,782	-	-	9,782
Office equipment	6,063	444	887	7,394
Training	2,520	-	-	2,520
Bank charges	-	4,214	-	4,214
Office supplies	2,200	19	39	2,258
All other	16,052	2,452	1,536	20,040
	<u>1,718,081</u>	<u>145,158</u>	<u>245,655</u>	<u>2,108,894</u>
Depreciation	-	28,178	-	28,178
Total expenses	<u>\$ 1,718,081</u>	<u>\$ 173,336</u>	<u>\$ 245,655</u>	<u>\$ 2,137,072</u>

See independent accountants' review report.

TRUSTEES FOR ALASKA ENDOWMENT FUND

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	
Contribution expense	\$ 250,000	\$ -	\$ -	\$ 250,000
Investment management fees	-	47,300	-	47,300
Accounting	-	11,540	-	11,540
Insurance	-	1,242	-	1,242
Bank charges	-	100	-	100
Total expenses by function	<u>\$ 250,000</u>	<u>\$ 60,182</u>	<u>\$ -</u>	<u>\$ 310,182</u>

See independent accountants' review report.