



Trustees for Alaska

Consolidated Financial Statements
Years Ended September 30, 2017 and 2016

Trustees for Alaska

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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, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trustees for Alaska as of September 30, 2017 and 2016, 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 22, 2018

Consolidated Financial Statements

Trustees for Alaska
Consolidated Statements of Financial Position

<i>September 30,</i>	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 330,725	\$ 528,289
Receivables:		
Foundation grants	70,000	-
Other receivable	2,330	1,414
Prepaid expenses	8,175	7,604
Total Current Assets	411,230	537,307
Property and equipment	53,979	44,307
Less accumulated depreciation	(41,647)	(35,727)
Property and equipment, net	12,332	8,580
Investments	6,348,798	5,535,748
Total Assets	\$ 6,772,360	\$ 6,081,635
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 14,695	\$ 14,892
Accrued payroll liabilities and leave	33,189	23,588
Current portion, capital lease payable	791	4,635
Total Current Liabilities	48,675	43,115
Long-term liabilities - capital lease payable, net of current portion	-	791
Total Liabilities	48,675	43,906
Net Assets		
Unrestricted:		
Designated by the Board - endowment	6,230,647	5,541,344
Designated by the Board for operations	150,000	150,000
Undesignated	83,832	59,922
Temporarily restricted	259,206	286,463
Total Net Assets	6,723,685	6,037,729
Total Liabilities and Net Assets	\$ 6,772,360	\$ 6,081,635

See accompanying notes to consolidated financial statements.

Trustees for Alaska
Consolidated Statements of Activities

<i>Years Ended September 30,</i>	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support						
Foundation grants	\$ 303,288	\$ 266,500	\$ 569,788	\$ 218,500	\$ 274,249	\$ 492,749
Contributions	231,815	1,100	232,915	1,174,617	-	1,174,617
Colleen Burgh Fund	-	5,050	5,050	-	5,000	5,000
In-kind revenue	131,682	-	131,682	111,947	-	111,947
Interest income	113,897	-	113,897	1,884	-	1,884
Other	10,782	-	10,782	-	-	-
Net assets released from restrictions in satisfaction of program requirements	299,907	(299,907)	-	445,026	(445,026)	-
Total Revenue and Support	1,091,371	(27,257)	1,064,114	1,951,974	(165,777)	1,786,197
Expenses						
Program services:						
Arctic	280,590	-	280,590	211,831	-	211,831
Clean Air and Water	300,477	-	300,477	241,055	-	241,055
Global Warming	204,124	-	204,124	444,472	-	444,472
Marine	79,320	-	79,320	12,136	-	12,136
Wildlife	124,939	-	124,939	80,447	-	80,447
Total Program Services	989,450	-	989,450	989,941	-	989,941
Support services:						
General and administrative	175,535	-	175,535	153,930	-	153,930
Fundraising	180,796	-	180,796	151,464	-	151,464
Total Support Services	356,331	-	356,331	305,394	-	305,394
Total Expenses	1,345,781	-	1,345,781	1,295,335	-	1,295,335
Increase (decrease) in net assets from operating activities	(254,410)	(27,257)	(281,667)	656,639	(165,777)	490,862
Non-operating Activities						
Other revenue	113,290	-	113,290	1,081,896	-	1,081,896
Attorney fees	-	-	-	(964,483)	-	(964,483)
Other expenses	(34,777)	-	(34,777)	(14,884)	-	(14,884)
Gain on investments	889,110	-	889,110	503,965	15,428	519,393
Change in net assets	713,213	(27,257)	685,956	1,263,133	(150,349)	1,112,784
Net Assets, beginning of year	5,751,266	286,463	6,037,729	4,488,133	436,812	4,924,945
Net Assets, end of year	\$ 6,464,479	\$ 259,206	\$ 6,723,685	\$ 5,751,266	\$ 286,463	\$ 6,037,729

See accompanying notes to consolidated financial statements.

Trustees for Alaska
Consolidated Statement of Functional Expenses

<i>Year Ended September 30, 2017</i>	Arctic	Clean Air and Water	Climate Change	Marine	Wildlife	General and Admin- istrative	Fund- Raising	Total
Salaries and benefits	\$ 190,229	\$ 223,153	\$ 125,514	\$ 44,254	\$ 93,814	\$ 115,142	\$ 122,031	\$ 914,137
In-kind legal	23,729	25,928	27,653	13,247	7,256	16,276	17,593	131,682
Occupancy costs	17,884	19,543	20,844	9,981	5,468	12,267	13,258	99,245
Contract and professional	8,340	6,419	9,853	3,216	6,621	8,554	6,118	49,121
Travel	21,428	3,284	-	-	1,137	-	-	25,849
Dues and subscriptions	5,292	7,899	4,359	2,124	4,728	229	1,159	25,790
Insurance	3,381	3,694	3,939	1,888	1,034	4,908	1,614	20,458
Board activities	1,970	1,459	2,604	846	1,402	8,894	1,946	19,121
Equipment costs	2,630	2,852	3,066	1,456	838	2,321	1,949	15,112
Printing and publications	419	474	493	225	137	289	7,771	9,808
Communications	2,369	2,400	2,371	479	1,326	1,791	1,243	11,979
Depreciation	1,067	1,166	1,243	596	326	731	791	5,920
Training and recruitment	829	872	965	447	303	1,473	382	5,271
Postage	183	225	220	102	113	287	2,309	3,439
Case-related expenses	474	732	567	275	284	321	347	3,000
Supplies and office expense	279	282	331	135	125	193	203	1,548
Meetings and events	87	95	102	49	27	867	754	1,981
Bank Fees	-	-	-	-	-	992	1,328	2,320
Total Expenses	\$ 280,590	\$ 300,477	\$ 204,124	\$ 79,320	\$ 124,939	\$ 175,535	\$ 180,796	\$ 1,345,781

See accompanying notes to consolidated financial statements.

Trustees for Alaska
Consolidated Statement of Functional Expenses

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

See accompanying notes to consolidated financial statements.

Trustees for Alaska
Consolidated Statements of Cash Flows

<i>Years Ended September 30,</i>	2017	2016
Cash Flows from (for) Operating Activities		
Receipts from grants and contributions	\$ 737,753	\$ 1,746,114
Payments to employees and suppliers	(1,199,346)	(1,173,762)
Receipts from other revenue sources, net of attorney fees paid	123,156	121,421
Payments for investment fees	(34,777)	(13,418)
Interest and dividends received	113,897	80,484
Net Cash Flows from (for) Operating Activities	(259,317)	760,839
Cash Flows from (for) Investing Activities		
Purchases of investments	(2,537,207)	(3,290,961)
Proceeds from sale of investments	2,613,267	1,265,092
Purchases of capital assets	(9,672)	-
Net Cash from (for) Investing Activities	66,388	(2,025,869)
Cash Flows for Financing Activities -		
principal payments on capital lease obligation	(4,635)	(4,454)
Net change in cash and cash equivalents	(197,564)	(1,269,484)
Cash and Cash Equivalents, beginning of year	528,289	1,797,773
Cash and Cash Equivalents, end of year	\$ 330,725	\$ 528,289
Reconciliation of change in net assets to net cash from (for) operating activities:		
Cash flows from (for) operating activities:		
Change in net assets	\$ 685,956	\$ 1,112,784
Adjustments to reconcile change in net assets to cash from (for) operating activities:		
Depreciation	5,920	5,242
Realized and unrealized gains on investments	(889,110)	(454,211)
(Increase) decrease in assets:		
Foundation grants receivable	(70,000)	73,748
Other receivables	(916)	4,008
Prepaid expenses	(571)	12,224
Increase (decrease) in liabilities:		
Accounts payable	(197)	7,042
Accrued payroll liabilities and leave	9,601	2
Net Cash from (for) Operating Activities	\$ (259,317)	\$ 760,839
Supplemental Information - Cash Paid During the Year for Interest	\$ 596	\$ 596

See accompanying notes to consolidated financial statements.

Trustees for Alaska

Notes to Consolidated Financial Statements Years Ended September 30, 2017 and 2016

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

Trustees for Alaska (the Organization or TFA) 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, the Organization has since evolved into an environmental law firm offering free counsel to local and national environmental groups, Alaska Native villages, nonprofit organizations and others with a stake in protecting Alaska's natural heritage. The Organization's support comes primarily from individual contributions, foundation grants and court-awarded attorney fees.

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

Program Activities

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

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

Basis of Accounting

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

Management Estimates and Assumptions

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

Trustees for Alaska

Notes to Consolidated Financial Statements

Financial Statement Presentation

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

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

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

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

Cash and Cash Equivalents

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

Fair Value of Financial Instruments

Trustees for Alaska must disclose its estimate of the fair value of material financial instruments, including those recorded as assets or liabilities in its financial statements and 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. The Organization's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles.

Trustees for Alaska

Notes to Consolidated Financial Statements

Equipment

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

Functional Allocation of Expenses

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

Pledges and Promises to Give

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

Contributed Services, Materials, and Utilities

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

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

Fee Awards

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

Income Taxes

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

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

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

Trustees for Alaska

Notes to Consolidated 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 22, 2018, the date on which the financial statements were issued.

2. Cash and Cash Equivalents

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

	2017	2016
Demand deposits	\$ 104,961	\$ 185,329
Short-term certificates of deposit	205,041	203,612
Bank deposits	16	-
Total - non-endowment funds	310,018	388,941
Demand deposits	7,392	12,419
Money market funds	13,315	126,929
Total - endowment funds	20,707	139,348
Total Cash and Cash Equivalents	\$ 330,725	\$ 528,289

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, 2017 and 2016, there were no uninsured deposits in money market funds.

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:

	2017	2016
Grants Receivable - True North Foundation	\$ 70,000	-

Trustees for Alaska

Notes to Consolidated Financial Statements

4. Prepaid Expenses

Prepaid expenses consisted of the following at September 30:

	2017		2016
Security deposit	\$ 5,754	\$	5,754
Employee benefits	1,174		284
Insurance	1,247		1,203
Other	-		363
Total	\$ 8,175	\$	7,604

5. Leases

Capital Lease - Copier

In December 2012, the Organization entered into a 60-month capital lease for a copy machine with minimum monthly payments of \$396 and an effective interest rate of 4%. The cost of the copier was \$21,647 and will be depreciated over an estimated 5-year useful life. As of September 30, 2017, \$16,526 of depreciation has been recorded, leaving a remaining net book value of \$5,121 at September 30, 2017. Future required minimum lease payments are as follows:

Fiscal Year Ending

2018	\$	793
Total value of payments to be made		793
Less amount representing interest		(2)
Present value of net minimum lease payments under capital lease		791
Current portion due next year		(791)
Long-term Portion	\$	-

In October 2017, the copy machine's useful life depleted and the Organization entered into a new 60-month capital lease for a copy machine with minimum monthly payments of \$319 and an effective interest rate of 3%. The cost of the copier was \$16,572 and will be depreciated over an estimated 5-year useful life. Future required minimum lease payments will be \$17,867.

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

2018	\$	92,946
2019		95,070
2020		97,195
2021		99,319

Trustees for Alaska

Notes to Consolidated Financial Statements

6. Temporarily Restricted Net Assets

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

	2017	2016
Clean air and water	\$ 40,000	\$ -
Coal/climate change	22,782	152,710
Colleen Burgh Fund	138,803	133,753
Operational	57,621	-
Total	\$ 259,206	\$ 286,463

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

	2017	2016
Arctic	\$ 46,500	\$ 84,080
Clean air and water	40,000	92,104
Coal/climate change	179,928	265,842
Operational	32,379	3,000
Wild Lands/Wild Life	1,100	-
Total	\$ 299,907	\$ 445,026

7. In-Kind Revenue and Expense

The value of donated goods and services is as follows for the year ended September 30, 2017:

	Program Services	Support Services	Donated Goods	Total
In-kind personnel:				
Attorneys and interns	\$ 125,202	\$ -	\$ -	\$ 125,202
Information technology	-	480	-	480
Strategic consultant	-	6,000	-	6,000
	\$ 125,202	\$ 6,480	\$ -	\$ 131,682

Trustees for Alaska

Notes to Consolidated Financial Statements

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

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

Trustees for Alaska received the services of first and second year law students during a summer internship program in fiscal year 2017 and 2016. The interns were paid \$13 per hour in 2017 and \$12 per hour in 2016. These services are valuable to Trustees for Alaska because they must be provided by individuals possessing specialized skills in understanding of precedent, methods of legal research and legal reasoning. If these services were purchased from a contract attorney the rate of compensation would be significantly higher than Alaska's minimum wage. The value of in-kind intern salaries in these financial statements was calculated as the difference between estimated market rates for legal research services of \$77 for four interns in 2017, and \$78 for two interns and \$90 for one intern in 2016.

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

8. Endowment Fund

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

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Trustees for Alaska

Notes to Consolidated Financial Statements

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

	2017	2016
Endowment net assets, beginning of year	\$ 5,675,097	\$ 4,225,807
Contributions	26,745	979,407
Investment return:		
Interest and dividend income	113,897	78,600
Unrealized gain on investments	630,119	178,370
Realized gain on sale of investments	258,991	275,841
Investment fees	(34,777)	(13,418)
Total investment return	968,230	519,393
Amounts appropriated for expenditures:		
Contribution to TFA	295,540	25,000
Other expenses	5,082	24,510
Total expenditures	300,622	49,510
Endowment Net Assets, End of Year	6,369,450	5,675,097
Restricted for Colleen Burgh Fund	138,803	133,753
Unrestricted Endowment Net Assets, End of Year	\$ 6,230,647	\$ 5,541,344

Investment and Expenditure Policy

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

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

Trustees for Alaska

Notes to Consolidated Financial Statements

- 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.

9. Fair Value Measurements and Investments

All of the Organization's investment assets as of September 30, 2017 and 2016 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.

10. Tax-Deferred Annuity Plan

In 1994, the Organization adopted a tax-deferred annuity plan pursuant to Internal Revenue Code Section 403(b). Beginning with an employee's second year, the Organization matches employee contributions to a maximum of 3.5% of annual compensation. On October 1, 2010 the plan was amended to include part-time employees. Employer contributions totaled \$21,416 and \$18,226 for years ending September 30, 2017 and 2016, respectively.

11. Concentrations

The Organization received approximately 30% of its total revenue (excluding in-kind contributions) in fiscal year 2017 and 14% in fiscal year 2016 from three contributors.

12. Board Designated Operating Funds

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

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Supplementary Information

Trustees for Alaska
Consolidating Statements of Financial Position

<i>September 30,</i>	2017			2016		
	Trustees for Alaska	Trustees for Alaska Endowment	Total	Trustees for Alaska	Trustees for Alaska Endowment	Total
Assets						
Current Assets						
Cash and cash equivalents	\$ 310,018	\$ 20,707	\$ 330,725	\$ 388,940	\$ 139,349	\$ 528,289
Receivables:						
Foundation grants	70,000	-	70,000	-	-	-
Other receivables	2,330	-	2,330	1,414	-	1,414
Prepaid expenses	8,175	-	8,175	7,604	-	7,604
Total Current Assets	390,523	20,707	411,230	397,958	139,349	537,307
Property and equipment	53,979	-	53,979	44,307	-	44,307
Less accumulated depreciation	(41,647)	-	(41,647)	(35,727)	-	(35,727)
Property and Equipment, Net	12,332	-	12,332	8,580	-	8,580
Investments	-	6,348,798	6,348,798	-	5,535,748	5,535,748
Total Assets	\$ 402,855	\$ 6,369,505	\$ 6,772,360	\$ 406,538	\$ 5,675,097	\$ 6,081,635
Liabilities and Net Assets						
Current Liabilities						
Accounts payable	\$ 14,640	\$ 55	\$ 14,695	\$ 14,892	\$ -	\$ 14,892
Accrued payroll liabilities and leave	33,189	-	33,189	23,588	-	23,588
Current portion, capital lease payable	791	-	791	4,635	-	4,635
Total Current Liabilities	48,620	55	48,675	43,115	-	43,115
Long-term Liabilities - capital lease payable, net of current portion	-	-	-	791	-	791
Total Liabilities	48,620	55	48,675	43,906	-	43,906
Net Assets						
Unrestricted:						
Designated by the Board - endowment	-	6,230,647	6,230,647	-	5,541,344	5,541,344
Designated by the Board for operations	150,000	-	150,000	150,000	-	150,000
Undesignated	83,832	-	83,832	59,922	-	59,922
Temporarily restricted	120,403	138,803	259,206	152,710	133,753	286,463
Total Net Assets	354,235	6,369,450	6,723,685	362,632	5,675,097	6,037,729
Total Liabilities and Net Assets	\$ 402,855	\$ 6,369,505	\$ 6,772,360	\$ 406,538	\$ 5,675,097	\$ 6,081,635

Trustees for Alaska

Consolidating Statement of Activities

Years Ended September 30,	2017				2016			
	Trustees for Alaska	Trustees for Alaska Endowment	Eliminations	Total	Trustees for Alaska	Trustees for Alaska Endowment	Eliminations	Total
Revenue and Support								
Foundation grants	\$ 569,788	\$ -	\$ -	\$ 569,788	\$ 492,749	\$ -	\$ -	\$ 492,749
Contributions *	506,760	21,695	(295,540)	232,915	225,210	974,407	(25,000)	1,174,617
Colleen Burgh Fund	-	5,050	-	5,050	-	5,000	-	5,000
In-kind revenue	131,682	-	-	131,682	111,947	-	-	111,947
Other	10,782	-	-	10,782	-	-	-	-
Interest income	-	113,897	-	113,897	1,884	-	-	1,884
Total Revenue and Support	1,219,012	140,642	(295,540)	1,064,114	831,790	979,407	(25,000)	1,786,197
Expenses								
Program services								
Arctic	280,590	-	-	280,590	211,831	-	-	211,831
Clean Air and Water	300,477	-	-	300,477	241,055	-	-	241,055
Climate Change	204,124	-	-	204,124	444,472	-	-	444,472
Marine	79,320	-	-	79,320	12,136	-	-	12,136
Wildlife	124,939	-	-	124,939	80,447	-	-	80,447
Total Program Services	989,450	-	-	989,450	989,941	-	-	989,941
Support Services								
General administrative	170,453	5,082	-	175,535	129,420	24,510	-	153,930
Fundraising	180,796	-	-	180,796	151,464	-	-	151,464
Total Support Services	351,249	5,082	-	356,331	280,884	24,510	-	305,394
Total Expenses	1,340,699	5,082	-	1,345,781	1,270,825	24,510	-	1,295,335
Increase (decrease) in net assets from operating activities	(121,687)	135,560	(295,540)	(281,667)	(439,035)	954,897	(25,000)	490,862
Non-operating Activities:								
Contribution to TFA *	-	(295,540)	295,540	-	-	(25,000)	25,000	-
Other revenue	113,290	-	-	113,290	1,081,896	-	-	1,081,896
Attorney fees	-	-	-	-	(964,483)	-	-	(964,483)
Other expenses	-	(34,777)	-	(34,777)	(14,884)	-	-	(14,884)
Gain (loss) on investments	-	889,110	-	889,110	-	519,393	-	519,393
Change in net assets	(8,397)	694,353	-	685,956	(336,506)	1,449,290	-	1,112,784
Net Assets, beginning of year	362,632	5,675,097	-	6,037,729	699,138	4,225,807	-	4,924,945
Net Assets, end of year	\$ 354,235	\$6,369,450	\$ -	\$ 6,723,685	\$ 362,632	\$ 5,675,097	\$ -	\$ 6,037,729

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