

ALASKA RESOURCE EDUCATION

Financial Statements

(With Independent Auditor's Report Thereon)

Years Ended December 31, 2023 and 2022

ALASKA RESOURCE EDUCATION

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# ALASKA RESOURCE EDUCATION

## Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<b>Independent Auditor's Report</b>		1-2
<b>Financial Statements:</b>		
Statements of Financial Position	A-1	3
Statements of Activities	B-1	4
Statements of Functional Expenses	C-1	5-6
Statements of Cash Flows	D-1	7
Notes to Financial Statements		8-14

## **Independent Auditor's Report**

Members of the Board of Directors  
Alaska Resource Education  
Anchorage, Alaska

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Alaska Resource Education (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alaska Resource Education as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Change in Accounting Principle**

As described in Note 2 to the financial statements, Alaska Resource Education adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 326, *Financial Instruments - Credit Losses*, as of January 1, 2023, which alters the impairment recognition of financial assets from an "incurred loss" model to an "expected credit loss" model. Our conclusion is not modified with respect to that matter.



Anchorage, Alaska  
August 1, 2024

## ALASKA RESOURCE EDUCATION

## Statements of Financial Position

December 31, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 514,572	470,867
Accounts receivable	60,800	121,500
Grants receivable	118,286	5,783
Prepaid expenses	-	1,000
Total current assets	<u>693,658</u>	<u>599,150</u>
Non-current assets:		
Operating right-of-use lease asset	66,507	54,719
Security deposits	4,340	4,340
Total non-current assets	<u>70,847</u>	<u>59,059</u>
Total assets	<u>\$ 764,505</u>	<u>658,209</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable	\$ 4,498	8,979
Payroll liabilities	29,766	36,718
Operating lease liability, current portion	44,953	40,782
Total current liabilities	<u>79,217</u>	<u>86,479</u>
Non-current liabilities:		
Operating lease liability	21,554	13,937
Total liabilities	<u>100,771</u>	<u>100,416</u>
Net assets without donor restrictions	<u>663,734</u>	<u>557,793</u>
Total liabilities and net assets	<u>\$ 764,505</u>	<u>658,209</u>

See accompanying notes to financial statements.

## ALASKA RESOURCE EDUCATION

## Statements of Activities

Years Ended December 31, 2023 and 2022

Net assets without donor restrictions:

Revenues and support:	<u>2023</u>	<u>2022</u>
Support:		
State of Alaska	\$ 50,000	75,000
Federal	500,397	209,988
Foundation	92,000	40,000
Local contributions	273,589	247,382
Gaming, net	63,436	51,100
Fundraising	283,246	392,713
Total support	<u>1,262,668</u>	<u>1,016,183</u>
Revenues:		
Program revenues	2,755	2,343
Interest	5,242	1,431
Other	10,000	-
Total revenue	<u>17,997</u>	<u>3,774</u>
Total support and revenue	<u>1,280,665</u>	<u>1,019,957</u>
Expenses:		
Program services	584,196	379,699
Support services:		
General and administrative	468,544	488,266
Fundraising	121,985	149,486
Total operating expenses	<u>1,174,725</u>	<u>1,017,451</u>
Change in net assets without donor restrictions	<u>105,940</u>	<u>2,506</u>
Net assets, beginning of year	<u>557,794</u>	<u>555,288</u>
Net assets, end of year	<u>\$ 663,734</u>	<u>557,794</u>

See accompanying notes to financial statements.

## ALASKA RESOURCE EDUCATION

## Statements of Functional Expenses

Years Ended December 31, 2023 and 2022

	2023			Total Support Services	Total Program and Support Services
	Program Services	General and Administrative	Fundraising		
Salaries and wages	\$ 429,907	156,933	-	156,933	586,840
Payroll taxes	34,037	13,293	-	13,293	47,330
Retirement benefits	10,883	3,982	-	3,982	14,865
Employee health and welfare	-	52,548	-	52,548	52,548
Insurance	-	4,291	-	4,291	4,291
Travel and training	1,566	16,354	799	17,153	18,719
Kit supplies/materials	5,563	1,939	-	1,939	7,502
Youth program	61,636	5,516	-	5,516	67,152
Classroom visits	13,064	19	-	19	13,083
Fundraising	-	-	112,343	112,343	112,343
Gaming	-	214	7,084	7,298	7,298
Operating lease expense	-	55,125	-	55,125	55,125
Utilities	-	2,336	-	2,336	2,336
Telephone/internet/cellphone	1,400	12,875	-	12,875	14,275
Repairs/maintenance	-	1,150	-	1,150	1,150
Supplies	-	5,934	-	5,934	5,934
Equipment	-	8,218	-	8,218	8,218
Legal services	-	-	-	-	-
IT services	10,605	5,506	-	5,506	16,111
Other professional fees	5,294	45,554	-	45,554	50,848
Advertising, marketing and website	5,655	50,952	-	50,952	56,607
Office	4,586	24,938	1,759	26,697	31,283
Other	-	867	-	867	867
Total	\$ <u>584,196</u>	<u>468,544</u>	<u>121,985</u>	<u>590,529</u>	<u>1,174,725</u>

(continued)

## ALASKA RESOURCE EDUCATION

## Statements of Functional Expenses, Continued

	2022				Total Program and Support Services
	Program Services	Supporting Services		Total Support Services	
		General and Administrative	Fundraising		
Salaries and wages	\$ 248,218	210,035	-	210,035	458,253
Payroll taxes	22,342	17,768	-	17,768	40,110
Retirement benefits	5,969	5,679	-	5,679	11,648
Employee health and welfare	-	48,443	-	48,443	48,443
Insurance	-	2,785	-	2,785	2,785
Travel and training	3,011	9,933	-	9,933	12,944
Kit supplies/materials	7,571	41	-	41	7,612
Youth program	59,086	3,877	408	4,285	63,371
Classroom visits	8,854	-	-	-	8,854
Fundraising	-	-	133,997	133,997	133,997
Gaming	-	543	12,991	13,534	13,534
Operating lease expense	1,602	38,021	-	38,021	39,623
Utilities	-	577	-	577	577
Telephone/internet/cellphone	-	11,313	-	11,313	11,313
Repairs/maintenance	138	4,972	-	4,972	5,110
Supplies	-	7,306	-	7,306	7,306
Equipment	-	15,634	-	15,634	15,634
Legal services	-	10,913	-	10,913	10,913
IT services	22,075	648	-	648	22,723
Other professional fees	-	33,570	-	33,570	33,570
Advertising, marketing and website	10	39,469	64	39,533	39,543
Office	823	18,646	2,026	20,672	21,495
Other	-	8,093	-	8,093	8,093
Total	\$ 379,699	488,266	149,486	637,752	1,017,451

See accompanying notes to financial statements.

## ALASKA RESOURCE EDUCATION

## Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flow from (used by) operating activities:		
Change in net assets	\$ 105,940	2,505
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Lease expense	11,788	36,290
(Increases) decreases in assets:		
Grants receivable	(112,503)	(99,224)
Accounts receivable	60,700	14,355
Prepaid expenses	1,000	
Security deposits	-	(1,775)
Increases (decreases) in liabilities:		
Accounts payable	(4,480)	443
Payroll liabilities	(6,952)	12,819
Operating lease liability	(11,788)	(36,290)
Net cash provided (used) by operating activities	<u>43,705</u>	<u>(70,877)</u>
Net increase (decrease) in cash and cash equivalents	<u>43,705</u>	<u>(70,877)</u>
Cash and cash equivalents, beginning of year	<u>470,867</u>	<u>541,744</u>
Cash and cash equivalents, end of year	<u>\$ 514,572</u>	<u>470,867</u>
Supplemental disclosure cash flow information:		
Lease liabilities resulting from obtaining right-to-use assets:		
Operating leases	<u>\$ 62,830</u>	<u>40,459</u>

See accompanying notes to the financial statements.

# ALASKA RESOURCE EDUCATION

## Notes to Financial Statements

Years Ended December 31, 2023 and 2022

### 1. **NATURE OF OPERATIONS**

#### Organization

Alaska Resource Education, a 501(c)(3) nonprofit organization in Anchorage, Alaska (the “Organization”), was founded in 1982. The Organization’s mission is to teach students about the importance of Alaska’s natural resources. With a statewide reach, the Organization has developed a custom curriculum, a teacher training course, hands-on activities, youth programs, and the “Alaska Resource Kit” so that students – and teachers – have the basic materials, lessons and information they need for an educated, thoughtful investigation of Alaska’s resource industries and their contribution to the birth, growth and modernization of the State of Alaska.

### 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

#### Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### Basis of Presentation

The financial statements of the Organization have been prepared in the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). The Organization is required to report 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, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

## ALASKA RESOURCE EDUCATION

### Notes to Financial Statements, Continued

#### Change in Accounting Principle

In June 2016, the FASB issued ASC 326, *Financial Instruments - Credit Losses*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this Standard is a shift from the incurred loss model to the expected loss model. Under the Standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable. The Organization adopted the Standard effective January 1, 2023. The impact of the adoption was not considered immaterial to the financial statements, and primarily resulted in new disclosures only.

#### Income Tax Status

The Organization is exempt from income taxes as nonprofit corporation organized 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 requirement of filing Federal Income Tax Form 990-T and a tax liability may be determined on these activities. The Organization had no income derived from unrelated business activities as of December 31, 2023.

The Organization classifies all interest and penalties related to tax contingencies as income tax expense. As of December 31, 2023 and 2022, there were no accrued interest or penalties. As of December 31, 2023 and 2022, there were no uncertain tax positions or unrecognized tax benefits for which management believes it is reasonably possible that the total amounts of tax contingencies will significantly increase or decrease within 12 months of the reporting date. The Organization files tax returns in the U.S. Federal Jurisdiction and the State of Alaska. As of 2023, the tax years that remain subject to examination begins with 2020.

#### Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Fair values are based on quoted market prices when available.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) Cash and cash equivalents, (2) Accounts receivables, and (3) Accounts payable. The carrying amounts reported in the Statements of Financial Position for the above financial instrument closely approximates their fair value due to the short-term nature of these assets and liabilities.

#### Revenue and Expense Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions on which they depend have been met. At December 31, 2023 and 2022, the Organization recognized all such conditional contributions prior to year-end.

Donor-restricted contributions (including promises to give) are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When the applicable restriction is satisfied or time passes, whichever the case may be, the net assets with donor restrictions are reclassified to net assets without donor restrictions.

## ALASKA RESOURCE EDUCATION

### Notes to Financial Statements, Continued

Expenses are accrued in the accounting period in which the obligation arises.

#### Revenue from Contracts with Customers

Revenue is recognized in the period services are performed which is when the performance obligations are satisfied, and consists primarily a contract with the Alaska Permanent Fund Corporation to fund the Alaskan Youth Investment Education Outreach Initiative. The revenue from this contract is reported at the amount that reflects the consideration which the Organization expects to be entitled for providing benefits.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time are recognized based upon the passage of time specified in the customer contract. For contracts with a single performance obligation, revenues are recognized at the time of satisfaction of the performance obligation. The Organization believes that this method provides a reasonable depiction of the transfer of services over the term of performance obligations based upon the inputs needed to satisfy the obligation.

#### Functional Allocation of Expenses

For the purposes of the Statements of Functional Expenses, expenses directly associated with the Organization's program, or its administration are charged to the particular function. Allocable expenses benefiting all functions are allocated by management based on the benefits of the activities performed. These expenses that are allocated include; travel and training, marketing/media materials, youth program, gaming, telephone, internet and cell phone, other professional fees, and office. Salaries and wages are allocated on the basis of time and effort. General and administrative expenses also include expenses that are not identifiable as a program expense, but which provide for the overall support and direction of the Organization.

#### Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the Organization considers cash and readily marketable investments with original maturities of three months or less to be cash equivalents.

#### Accounts Receivable

Accounts and grants receivable consists of amounts due from granting agencies from cost reimbursable grants. The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of receivables at year-end is consistent with the historical conditions as credit terms and practices and the client base has not changed significantly. The Organization adopted ASC 326 effective January 1, 2023. The impact of the adoption was not considered material to the financial statements.

#### Concentration of Credit Risk

Credit risk with respect to receivables is limited due to the number and credit worthiness of the corporations and individuals who comprise the contributor base. Substantially all contributors are located in Anchorage, Alaska. Contributions receivable are stated at the amount management expects to collect from outstanding balances. The Organization establishes an allowance for credit losses based upon factors surrounding the credit risk of specific donors, historical trends and other information. Generally, the Organization does not require collateral or other security to support receivables. At December 31, 2023 and 2022, the Organization considers accounts receivable to be fully collectible; accordingly, no allowance for credit losses has been established.

## ALASKA RESOURCE EDUCATION

### Notes to Financial Statements, Continued

#### Accrued Leave

Paid time off is accrued as earned by employees and recorded as an expense in the period earned. The accrual is adjusted when an employee uses leave.

#### Property and Equipment

The Organization record property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the Statements of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2023 and 2022.

#### Leases

The Organization has adopted FASB ASC 842, *Leases*, with a date of initial application of January 1, 2021. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right-to-use the underlying leased asset and a lease liability for the corresponding lease obligation. The Organization determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration greater than one year are included in operating lease right-of-use assets, current portion operating lease liabilities, and operating lease liabilities, net of current portion in the Organization's Statement of Financial Position as of December 31, 2021. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses an incremental borrowing rate comparable with that of the lease term. The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor. The operating lease right-of-use assets also include any lease payments made and exclude lease incentives received or receivable. Lease expense is recognized on a straight-line basis over the expected lease term. Variable lease expenses are recorded when incurred.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized at the time of payment.

# ALASKA RESOURCE EDUCATION

## Notes to Financial Statements, Continued

### Advertising

The Organization uses advertising to promote its activities. The costs of advertising are expensed as incurred. Advertising costs totaled \$56,607 and \$39,543 for the years ended December 31, 2023, and 2022, respectively, and are included in the Advertising, marketing and website expense in the Statements of Functional Expenses.

### **3. CASH AND CASH EQUIVALENTS**

The Organization maintains cash balances at financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2023 and 2022, the Organization had \$155,907 and \$85,485, respectively, that was not insured or collateralized.

### **4. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 514,572	470,867
Grants receivable	118,286	5,783
Accounts receivable	<u>60,800</u>	<u>121,500</u>
	<u>\$ 693,658</u>	<u>598,150</u>

Management has not developed a liquidity plan and feels cash is adequate to cover operating expenses.

### **5. PROPERTY AND EQUIPMENT**

Property and equipment are as follows:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 14,809	14,809
Less accumulated depreciation	<u>(14,809)</u>	<u>(14,809)</u>
Total	<u>\$ -</u>	<u>-</u>

There was no depreciation expense recorded as of December 31, 2023 and 2022.

### **6. FUNCTIONAL EXPENSE**

The Organization's core activities are comprised of the following:

*Program Services* - to support projects that develop a custom curriculum, a teacher training course, hands-on activities, youth programs, and the "Alaska Resource Kit". All of which provide students and teachers with the basic materials, lessons and information needed for educated and thoughtful investigations of Alaska's resources and their impact on the State of Alaska.

ALASKA RESOURCE EDUCATION

Notes to Financial Statements, Continued

Supporting Services:

*General and Administrative* - these are all expenses necessary to support program services.

*Fundraising* - these expenses are primarily made up of the salaries and wages, marketing/media materials and other various advertising in order to bring in revenues to support the program services.

**7. OPERATING LEASE**

The Organization has two operating leases for the rental of the office space at 601 E. 57<sup>th</sup> Place. The first lease is for Unit 104 originally commenced on August 10, 2011 which was amended on September 1, 2023 to cover a term of 24 months with a monthly rate totaling to \$2,745. Starting September 1, 2024, the monthly rent for Unit 104 will increase by the percentage increase in the Anchorage Consumer Price (Anch CPI-U) or 2%, whichever is greater but not to exceed 6%. The second lease for Suite 101 commenced on September 1, 2022 and will end on August 31, 2024 with rate of \$1,775 a month. On September 1, 2023, the monthly rent for Suite 101 increased by the percentage increase in the Anch CPI-U or 2%, whichever is greater but not to exceed 5%. The Organization has no material related party leases and none of the leases containing residual value guarantees or material restrictive covenants. Lease cost for the years ended December 31, 2023 and 2022 were \$55,125 and \$38,775, respectively.

Future minimum lease payments are as follows:

Year Ending December 30,	2023	2022
2023	\$ -	42,417
2024	47,140	14,200
2025	21,960	-
Total future undiscounted lease payments	69,100	56,617
Less interest	(2,593)	(1,898)
Total lease liabilities	\$ 66,507	54,719

The following summarizes the weighted-average remaining average lease term and weighted-average discount rate:

	2023	2022
Weighted-average remaining lease term in years:		
Operating leases	0.93	0.87
Weighted-average discount rate:		
Operating leases	5 %	5%

**8. RELATED PARTIES**

The Organization did not have any related party transactions during the years ended December 31, 2023 and 2022.

ALASKA RESOURCE EDUCATION

Notes to Financial Statements, Continued

**9. CONCENTRATION OF REVENUES**

For the year ended December 31, 2023 and 2022, the Organization received an aggregate of 43% and 28%, respectively, of its total revenues from governmental sources. An unfavorable change in legislative priorities of the state government and downturn in the local economy could cause a decrease in grants and contributions and could have substantial impact on the Organization.

**10. RECLASSIFICATIONS**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**11. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 1, 2024, the date the financial statements were available for use. No items were deemed necessary for adjustment or disclosure.