

**The Homer Foundation**

**Reviewed Financial Statements  
Year Ended June 30, 2015**

**(with Comparative Audited Financial Statements  
for Year Ended June 30, 2014)**

## **CONTENTS**

### **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

1

### **FINANCIAL STATEMENTS**

Statements of Financial Position

2

Statements of Activity

3 – 4

Statements of Cash Flows

5

Notes to the Financial Statements

6 – 13

# ***Foster and Company, LLC***

**Karen M. Foster, CPA  
Michael C. Foster, CPA**

## Independent Accountant's Review Report

Board of Trustees  
The Homer Foundation  
Homer, Alaska

We have reviewed the accompanying financial statements of The Homer Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement 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 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.

### **Accountant's Conclusion**

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

### **Prior Period Financial Statements**

The 2014 financial statements were audited by us and we expressed an unqualified opinion on them in our report dated November 11, 2014, but we have not performed any auditing procedures since that date.

*Foster and Company, LLC*

Foster and Company, LLC  
Wasilla, Alaska

October 26, 2015

---

PO Box 872194  
Wasilla, Alaska 99687  
(907) 376-6901 Fax (907) 376-0514

---

3733 Ben Walters Lane, Ste. 6  
Homer, Alaska 99603  
(907) 235-6969

**THE HOMER FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2015 and 2014**

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Unrestricted Cash and Cash Equivalents	\$ 213,156	\$ 75,308
Accounts Receivable	40,400	51,000
Inventory	-	1,175
Cash Surrender Value of Life Insurance	4,868	5,232
<b>TOTAL CURRENT ASSETS</b>	<u>258,424</u>	<u>132,715</u>
<b>INVESTMENTS</b>		
Investments, at Fair Value		
Cash and Cash Equivalents	440,547	285,865
Kachemak Capitalization Partnership	-	50,000
Marketable Equity Securities	1,406,226	1,999,864
Mortgage Notes Receivable, Net of Discounts	25,357	108,277
Total Investments	<u>1,872,130</u>	<u>2,444,006</u>
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	14,815	14,815
<b>LESS ACCUMULATED DEPRECIATION</b>	<u>(14,815)</u>	<u>(14,815)</u>
<b>PROPERTY AND EQUIPMENT - NET</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,130,554</u></u>	<u><u>\$ 2,576,721</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES</b>		
Grants Payable	\$ 22,662	\$ 17,154
Accounts Payable	42,150	28,894
Payroll Taxes Payable	1,401	1,452
Funds Managed For Others	288,025	347,673
<b>TOTAL LIABILITIES</b>	<u>354,238</u>	<u>395,173</u>
<b>NET ASSETS</b>		
Unrestricted	1,630,410	1,994,360
Temporarily Restricted	52,322	73,049
Permanently Restricted	93,584	114,139
<b>TOTAL NET ASSETS</b>	<u>1,776,316</u>	<u>2,181,548</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,130,554</u></u>	<u><u>\$ 2,576,721</u></u>

See Independent Accountant's Review Report and Notes to the Financial Statements

**THE HOMER FOUNDATION**  
**STATEMENTS OF ACTIVITY - PAGE 1 of 2**  
**YEARS ENDED JUNE 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
From Cash Operating Activities		
Support (including \$120,122 and \$99,705 in assets released from temporary restrictions in FY15 and FY14. See Note 8)		
Individual and Corporation	\$ 185,139	\$ 211,277
Foundation	15,091	37,964
Government	<u>24,000</u>	<u>98,364</u>
SUBTOTAL - SUPPORT	224,230	347,605
Revenue		
Interest Income	22,810	26,965
Investment Revenue and Dividends	45,433	141,130
Fundraising Event	37,028	2,916
Other Income, net of direct costs	<u>-</u>	<u>8,036</u>
SUBTOTAL - REVENUE	105,271	179,047
TOTAL REVENUE AND SUPPORT	<u>329,501</u>	<u>526,652</u>
Expense		
Distributions and Grants	193,619	210,254
Personnel Costs	52,519	60,710
Other Operating Expenses	<u>43,149</u>	<u>29,153</u>
TOTAL EXPENSE	<u>289,287</u>	<u>300,117</u>
Increase (Decrease) in Net Assets from Cash Operating Activities		
excluding depreciation and in-kind expenses	\$ <u>40,214</u>	\$ <u>226,535</u>

See Independent Accountant's Review Report and Notes to the Financial Statements

**THE HOMER FOUNDATION**  
**STATEMENTS OF ACTIVITY - PAGE 2 of 2**  
**YEARS ENDED JUNE 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
From Non-Cash Activities		
Depreciation	\$ -	\$ (532)
Allowance for Managed Funds	66,592	(60,317)
In-Kind Goods and Services	33,358	32,889
In-Kind Donations - Facility Rental	(17,333)	(14,000)
In-Kind Donations - Professional Services	<u>(16,025)</u>	<u>(18,889)</u>
<b>SUBTOTAL NON-CASH ACTIVITIES</b>	<u>66,592</u>	<u>(60,849)</u>
From Non-Operating Activities		
Investment Revenue, Gain (Loss) on Sale	(259,118)	(233,058)
Investment Revenue, Unrealized Gain (Loss)	<u>(211,638)</u>	<u>499,082</u>
<b>SUBTOTAL NON-OPERATING ACTIVITIES</b>	(470,756)	266,024
<b>Increase (Decrease) in Unrestricted Net Assets from Non-Operating and Non-Cash Activities</b>	<u>(404,164)</u>	<u>205,175</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>(363,950)</u>	<u>431,710</u>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	99,395	74,512
Net assets released from restrictions	<u>(120,122)</u>	<u>(99,705)</u>
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>(20,727)</u>	<u>(25,193)</u>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>		
Contributions	1,200	11,200
Investment Revenue, Unrealized Gain (Loss)	<u>(21,755)</u>	<u>12,610</u>
<b>Increase (Decrease) in Permanently Restricted Net Assets</b>	<u>(20,555)</u>	<u>23,810</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(405,232)	430,327
<b>NET ASSETS, beginning of year</b>	<u>2,181,548</u>	<u>1,751,221</u>
<b>NET ASSETS, end of year</b>	<u>\$ 1,776,316</u>	<u>\$ 2,181,548</u>

See Independent Accountant's Review Report and Notes to the Financial Statements

**THE HOMER FOUNDATION**  
**STATEMENTS OF CASH FLOW**  
**YEARS ENDED JUNE 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ (405,232)	\$ 430,327
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized (Gains) Losses on Investments	(13,281)	7,476
Net Unrealized Losses on Investments	232,213	(511,319)
Amortization of Discount on Mortgage Notes Receivable	(13,854)	(2,784)
Depreciation	-	532
 (Increase) Decrease in Operating Assets		
Accounts Receivable	10,600	(50,888)
Inventory	1,175	747
 Increase (Decrease) in Operating Liabilities		
Accounts Payable	13,256	26,062
Grants Payable	5,508	2,254
Payroll Taxes Payable	(51)	1,194
Funds Managed For Others	(59,648)	60,317
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(229,314)</u>	<u>(36,082)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds From Sale of Investments	1,578,173	1,638,119
Purchases of Investments	(1,203,103)	(1,391,665)
Payments Received on Mortgage Notes Receivable	96,774	32,878
Investment in Kachemak Capitalization Partnership	50,000	50,000
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>521,844</u>	<u>329,332</u>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>292,530</u>	<u>293,250</u>
 <b>BEGINNING CASH AND CASH EQUIVALENTS</b>	361,173	67,923
 <b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 653,703</u>	<u>\$ 361,173</u>

See Independent Accountant's Review Report and Notes to the Financial Statements

**THE HOMER FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

**1. Summary of Significant Accounting Policies**

**Nature of Activities**

The Homer Foundation (the "Foundation") is a community foundation established in 1991 to increase charitable resources in the southern Kenai Peninsula of Alaska. The Foundation receives contributions from individuals, businesses and other non-profit organizations most of whom live or work in the area benefitted by the Foundation's activities. These funds are held in trust and pooled together for investment purposes. The income earned on these funds is distributed annually in the form of grants to nonprofit agencies enhancing the quality of life for area citizens.

**Tax Status**

The Foundation is recognized as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation as defined under Section 509(a)(1). The Foundation is exempt from State income taxes under the Alaska Nonprofit Corporation Act. Therefore, the accompanying statements do not reflect a provision for income taxes. Although The Foundation 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 Foundation believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements.

**Financial Statement Presentation**

The financial statements of the Foundation have been prepared on the accrual basis in conformity with generally accepted accounting principles. The Foundation has adopted FASB ASC 958-205 *Not-for-Profit Entities: Presentation of Financial Statements*. Under FASB ASC 958-205, the Foundation is required to report 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.

**Classification of Revenue, Support and Net Assets**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and nature of donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor for specific purposes or for future periods are reported as an increase in temporarily restricted or permanently restricted support. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.



**THE HOMER FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

**1. Summary of Significant Accounting Policies, *continued***

**Classification of Revenue, Support and Net Assets, *continued***

FASB ASC Topic 958-605, *Not-for-Profit Entities: Revenue Recognition*, and its subsequent interpretations, provides that if the governing body of an organization has the ability to remove a donor restriction (i.e., variance power), the contribution should be classified as an unrestricted net asset. Accordingly, such assets are classified in the accompanying financial statements as unrestricted net assets absent donor-imposed restrictions to maintain the assets permanently. This classification does not alter the longstanding policy of the foundation to distribute assets entrusted to the Foundation in accordance with the original fund agreements and to manage the assets of the component funds in a manner similar to an endowment with only a portion of each component fund distributed annually, unless directed otherwise by the fund advisor.

**Fund Groups**

The Foundation maintains donated assets in individual component funds established primarily by donors. This framework classifies the Foundation's resources into funds established in accordance with the Foundation's objectives and ensures the observance of donor intentions. Grants charged to the individual funds are directed to purposes identified by the donors and by the Foundation's Distributions Committee.

**Component Fund Investments and Spending Policy**

Investments in equity securities with readily determinable fair values and all debt securities are measured at fair value in the statement of financial position. The Foundation allocates realized and unrealized gains and losses on investments to the individual component funds based on the average balance for each fund measured on a monthly basis.

The Foundation's component funds are managed in such a way as to balance the generation of income for the distribution process with the preservation and growth of principal to equal or exceed inflation. The Foundation uses an income approach to determine how much will be available for annual distributions. Under this income approach interest and dividends realized from the investment portfolio, pass-through grants, matching grants and appropriations from unrestricted net assets may be awarded by the Board of Trustees. Growth from realized and unrealized gains and losses is thus available to maintain or increase the real value of the component funds.

**Cash and Cash Equivalents**

The Foundation considers all highly liquid investments purchased with initial maturities of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows excludes cash and cash equivalents of the Foundation that are held for investment. Cash and cash equivalents that are held for investment are in accounts that are not insured by the FDIC.

**Conditional Promises and Indications of Intentions to Give**

Pursuant with the Foundation's policy and in conformity with FASB ASC Topic 958-605, the Foundation does not recognize conditional promises as revenue until the condition is met. A donor's indication of an intention to give at a future date is not recognized as revenue until the intention is communicated as an unconditional promise to give.

**THE HOMER FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

**1. Summary of Significant Accounting Policies, *continued***

**Inventory**

Inventory consists of books for resale and is stated at cost using the first in, first out method.

**Furniture and Equipment**

Purchases of furniture and equipment are made from operating funds and recorded at cost. Donated furniture is reported at fair value at the date of gift. It is the Foundation's policy to capitalize property and equipment purchases over \$1,000. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which is generally five years.

**Contributed Services and Facilities**

Contributions in-kind are recognized in accordance with the provisions of FASB ASC Topic 958-605. Donated facilities are recorded at estimated fair value. Contributed services that require a specialized skill and that the Foundation would have paid for if not donated are recorded at the estimated fair value at the time the services are rendered. The Foundation also receives donated services that do not require specialized skills but which are nonetheless central to the Foundation's operations. These contributed services are not reflected in the financial statements.

**Credit Risk**

Financial instruments which potentially subject the Foundation to a concentration of credit risk consist principally of cash and investments. The Foundation has significant amounts of cash equivalents that are not federally insured, however, the Foundation places cash and temporary investments with high credit quality financial institutions.

The Foundation's investments are managed by an Investment Manager in accordance with asset allocation guidelines adopted by the Board of Trustees. An Investment Committee, consisting of members of the Board of Trustees and outside members, provides oversight of the Investment Manager and reports at least quarterly to the Board of Trustees. The Investment Manager is also a member of the Board of Trustees and does not receive compensation for his services.

**Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

**THE HOMER FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**2. Investments and Fair Value Measurements**

The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The Foundation's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's classification is based on the lowest level input that is significant to its measurement. For example, a level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spread and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Foundation's estimate of what hypothetical market participants would use to determine a transaction price for the asset at the reporting date.

**Managed Investments – Level 1**

Publicly traded managed investments are stated on the basis of quoted market prices. Funds managed by the Foundation are subject to its investment policy, which is to maintain a well-diversified portfolio comprised of common stocks, and fixed income securities. Policy goals are prioritized to maintain safety of principal, provide sufficient liquidity to meet cash flow requirements, and diversify risk.

**Other Investments – Level 3**

Mortgage notes receivable consist of first mortgage deeds of trust, secured by real estate and are carried at the amounts contractually due net of allowances for uncollectible amounts and discounts, if any. The Foundation typically purchases the notes at a discount to the face value of the note and the discount is amortized to interest income over the life of the note. The Foundation periodically reviews the balances of mortgage notes receivable and provides an allowance for uncollectible amounts when it believes collection of all or some portion of the balance is doubtful. No allowance for uncollectible notes was considered necessary at June 30, 2015 and 2014.

**THE HOMER FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**2. Investments and Fair Value Measurements, *continued***

Fair values of assets measured on a recurring basis at June 30, 2015 are as follows:

	<u>Fair Value</u>	<u>Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Marketable Equity Securities	\$ 2,412,517	\$ 2,412,517	\$ -	\$ -
Mortgage Notes Receivable	25,357	-	-	25,357
	<u>\$ 2,437,874</u>	<u>\$ 2,412,517</u>	<u>\$ -</u>	<u>\$ 25,357</u>

Fair values of assets measured on a recurring basis at June 30, 2014 are as follows:

	<u>Fair Value</u>	<u>Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Marketable Equity Securities	\$ 1,999,864	\$ 1,999,864	\$ -	\$ -
Investment in Kachemak Capitalization Partnership	\$ 50,000	-	-	50,000
Mortgage Notes Receivable	108,277	-	-	108,277
	<u>\$ 2,158,141</u>	<u>\$ 1,999,864</u>	<u>\$ -</u>	<u>\$ 158,277</u>

Earnings from investments for the years ended June 30, 2015 and 2014 is summarized as follows:

	<u>2015</u>	<u>2014</u>
Interest and Dividends	\$ 33,662	\$ 45,761
Net Realized Gains (Losses)	(224,537)	(110,725)
Change in Unrealized Gains (Losses)	(232,193)	511,692
	<u>\$ (423,068)</u>	<u>\$ 446,728</u>

See Independent Accountant's Review Report

**THE HOMER FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

**2. Investments and Fair Value Measurements, *continued***

Cost, market value and unrealized appreciation for marketable equity securities and contractual amount due, carrying amount and unamortized discount for mortgage notes receivable at June 30, 2015 and 2014 are summarized as follows:

<b>2015</b>	<b>Cost and Contractual Amount Due</b>	<b>Carrying Amount</b>	<b>Unrealized Appreciation &amp; (Unamortized Discount)</b>
Cash and Cash Equivalents	\$ 440,547	\$ 440,547	\$ -
Marketable Equity Securities	1,807,568	1,406,226	(401,342)
Mortgage Notes Receivables	27,393	25,357	(2,036)
	<u>\$ 2,275,508</u>	<u>\$ 1,872,130</u>	<u>\$ (403,378)</u>

  

<b>2014</b>	<b>Cost and Contractual Amount Due</b>	<b>Carrying Amount</b>	<b>Unrealized Appreciation &amp; (Unamortized Discount)</b>
Cash and Cash Equivalents	\$ 285,865	\$ 285,865	\$ -
Marketable Equity Securities	2,412,517	1,999,864	(412,653)
Mortgage Notes Receivables	124,158	108,277	(15,881)
Investment in Kachemak Capitalization Partnership	50,000	50,000	-
	<u>\$ 2,872,540</u>	<u>\$ 2,444,006</u>	<u>\$ (428,534)</u>

**3. Office Furniture & Equipment**

Office furniture and equipment at June 30, 2015 and 2014 consisted of the following:

	<b>2015</b>	<b>2014</b>
Office Furniture and Equipment	\$ 14,815	\$ 14,815
Less: Accumulated Depreciation	(14,815)	(14,815)
	<u>\$ -</u>	<u>\$ -</u>

See Independent Accountant's Review Report

**THE HOMER FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

**4. Grants Payable**

At June 30, 2015 and 2014, respectively, the Foundation has committed to award grants totaling \$22,662 and \$17,154.

**5. Funds Managed for Others**

FASB ASC Topic 958-605 identifies certain situations when an organization does not record contribution revenue when it receives funds. Instead, the recipient organization records an asset and a liability. These situations include transactions where the organization receives funds as an agent, trustee or intermediary.

The Foundation has agreements in which it invests resources for the sole benefit of donor organizations. These situations are created when the donor organization creates a component fund and specifies itself or an affiliate as the beneficiary. At June 30, 2015 and 2014, the amount invested by the Foundation for others was \$288,025 and \$347,673, respectively. The investment return earned on behalf of these organizations is not included in the Foundation's statement of activities.

**6. Unrestricted Net Assets**

Unrestricted net assets at June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Administrative Funds	\$ 168,596	\$ 244,386
Board Designated Funds	33,570	52,721
Repair and Replacement Funds	87,212	106,666
Other Designated Funds	48,594	57,118
Field of Interest Funds	540,762	623,683
Donor Advised Funds	<u>751,676</u>	<u>909,786</u>
	<u>\$ 1,630,410</u>	<u>\$ 1,994,360</u>

**7. Subsequent Events**

Management has evaluated subsequent events through October 26, 2015, that date which the financial statements were available for issue. No events were identified that would require disclosure according to generally acceptable accounting principles.

**THE HOMER FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

**8. Temporarily Restricted and Permanently Restricted Net Assets**

Temporarily restricted net assets consisted entirely of funds whose use by the Foundation has been restricted by specified time or purpose limitations by the donor.

Permanently restricted net assets consisted of an endowment that must be maintained in perpetuity by the Foundation. In accordance with donor instructions the Foundation may use the investment income from this endowment to support operations.

Type of Donor	Temporarily Restricted Grants & Support				Unrestricted Grants & Support		
	Balance at 06/30/14	Grants Received in FY15	Grants Released to Unrestricted in FY15	Balance at 06/30/15	Temporarily Restricted Grants Released in FY15	Unrestricted Grants & Support Received in FY15	Total Unrestricted Grants & Support for FY15
Foundations	\$ 885	-	750	135	135	14,956	\$ 15,091
Individuals & Corporations	65,164	85,395	100,372	50,187	50,187	134,952	185,139
Government	7,000	14,000	19,000	2,000	2,000	22,000	24,000
Total	<u>\$ 73,049</u>	<u>99,395</u>	<u>120,122</u>	<u>52,322</u>	<u>52,322</u>	<u>171,908</u>	<u>\$ 224,230</u>

Type of Donor	Temporarily Restricted Grants & Support				Unrestricted Grants & Support		
	Balance at 06/30/13	Grants Received in FY14	Grants Released to Unrestricted in FY14	Balance at 06/30/14	Temporarily Restricted Grants Released in FY14	Unrestricted Grants & Support Received in FY14	Total Unrestricted Grants & Support for FY14
Foundations	\$ 2,500	-	1,615	885	1,615	36,349	\$ 37,964
Individuals & Corporations	85,742	43,332	63,910	65,164	63,910	147,367	211,277
Government	10,000	31,180	34,180	7,000	34,180	64,184	98,364
Total	<u>\$ 98,242</u>	<u>74,512</u>	<u>99,705</u>	<u>73,049</u>	<u>99,705</u>	<u>247,900</u>	<u>\$ 347,605</u>

**9. Related Party Transactions**

During 2013, the Foundation invested \$100,000 in the Kachemak Capitalization Partnership (the Partnership), of which the Foundation's Board of Director's chair is the general partner. The function of the Partnership is to provide funds for the City of Kachemak (the City), of which another Board member was the Mayor, to install and supply natural gas to the residents of the City. The Partnership is loaning funds to the City at market interest rates. Subsequent to June 30, 2014, the financial statement date, on July 3, 2014, \$50,000 of this investment was cashed out by the partnership. During FY15, the remaining \$50,000 was cashed out by the partnership.

See Independent Accountant's Review Report

...the ... of the ...  
...the ... of the ...  
...the ... of the ...

...the ... of the ...  
...the ... of the ...  
...the ... of the ...

...the ... of the ...  
...the ... of the ...  
...the ... of the ...

...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...

...the ... of the ...

...the ... of the ...

...the ... of the ...

...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...

...the ... of the ...

...the ... of the ...

...the ... of the ...

...the ... of the ...

...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...  
...the ... of the ...

...the ... of the ...