HOMER FOUNDATION

Financial Statements

(With Independent Accountant's Review Report Thereon)

Year Ended June 30, 2025

Altman, Rogers & Co. CERTIFIED PUBLIC ACCOUNTANTS

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Altman, Rogers & Co. CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Review Report

Members of the Board of Trustees
Homer Foundation
Homer, Alaska

We have reviewed the accompanying financial statements of Homer Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 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.

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

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.

Altman, Rogers & Co.

Anchorage, Alaska
May 29, 2026

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Offices in Juneau and Soldotna A Professional Corporation

FINANCIAL STATEMENTS

HOMER FOUNDATION

Statement of Financial Position

Year Ended June 30, 2025

ASSETS		
Cash and cash equivalents	$	148,701
Pledges receivable		20,350
Investments		8,732,717
Beneficial interest in funds held at The Alaska Community Foundation		97,115
Total assets	$	8,998,883
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	7,734
Grants payable		24,487
Accrued leave		9,231
Funds managed for others		532,719
Total liabilities		574,171
NET ASSETS		
Net assets without donor restrictions:		
Undesignated		6,822,931
Board designated		941,898
Net assets with donor restrictions		659,883
Total net assets		8,424,712
Total liabilities and net assets	$	8,998,883

See accompanying notes to financial statements and Independent Accountant's Review Report.

HOMER FOUNDATION

Statement of Activities

Year Ended June 30, 2025

		2025
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Operating activities:		
Support:		
Individual and corporation	$	1,957,970
Foundation		23,000
Contributed nonfinancial assets		6,400
Total support		1,987,370
Revenue:		
Fundraising event		734
Other income		10,000
Investment income		257,376
Total revenue		268,110
Total support and revenue		2,255,480
Expenses:		
Program services:		768,030
Management and general		307,932
Fundraising		61,422
Total expenses		1,137,384
Change in net assets from operating activities		1,118,096
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Non-operating activities:		
Changes in ACF Endowment Funds		14,420
Investment income		783,848
Increase in net assets without donor restrictions from non-operating activities		798,268
Increase in net assets without donor restrictions		1,916,364
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions		50,796
INCREASE IN NET ASSETS		1,967,160
NET ASSETS, beginning of year		6,457,552
NET ASSETS, end of year	$	8,424,712

See accompanying notes to financial statements and Independent Accountant's Review Report.

HOMER FOUNDATION

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	$ 106,882	88,103	18,780	213,765
Advertising	-	-	20,048	20,048
Professional and technical services	3,500	18,091	3,959	25,550
Travel	318	2,497	100	2,915
Insurance	-	3,865	-	3,865
Supplies	91	-	-	91
Training	-	1,224	-	1,224
Dues and fee	-	2,841	172	3,013
Inventory	-	-	11,995	11,995
Other	4,120	8,947	6,368	19,435
Distributions and grants	646,719	182,364	-	829,083
Contributed nonfinancial assets:				
Supplies	2,400	-	-	2,400
Professional technical services	4,000	-	-	4,000
Total expenses	$ 768,030	307,932	61,422	1,137,384

See accompanying notes to financial statements and Independent Accountant's Review Report.

HOMER FOUNDATION

Statement of Cash Flows

Year Ended June 30, 2025

Cash flows provided (used) by operating activities:		
Change in net assets	$	1,967,160
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized (gains) losses on investments		(261,593)
Net unrealized (gains) losses on investments		(36,434)
(Increase) decrease in assets:		
Inventory		11,995
Pledges receivable		38,200
Beneficial interest in funds held at The Alaska Community Foundation		(6,008)
Increase (decrease) in liabilities:		
Accounts payable		(17,922)
Grants payable		977
Accrued leave		9,231
Payroll taxes payable		(4,880)
Funds managed for others		153,865
Net cash provided by operating activities		1,854,591
Cash flows provided (used) by noncash investing activities:		
Purchases and sales of investments		(1,922,365)
Increase (decrease) in cash and cash equivalents		(67,774)
Cash and cash equivalents, beginning of year		216,475
Cash and cash equivalents, end of year	$	148,701

See accompanying notes to financial statements and Independent Accountant's Review Report.

(1) Summary of Significant Accounting Policies

Operations

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.

Basis of Accounting and Presentation

The Foundation’s accounting records are maintained on the accrual basis of accounting under which revenues are recognized when earned and expenses when incurred.

Net Assets

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net Assets With Donor Restrictions

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

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

Classification of Revenue, Support and Net Assets

Contributions received are recorded as net assets with or without donor restrictions, 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 net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

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 net assets without donor restrictions. Accordingly, such assets are classified in the accompanying financial statements as net assets without donor restrictions 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 statements 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 net assets with donor restrictions 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.

The Foundation recognizes the gain or loss on non-hedging derivative instruments as changes in net assets in the period of change in accordance with FASB ASC 815-10-35-3.

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 conditions are 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.

Accrued Leave
Paid time off is accrued as earned by full-time employees and recorded as an expense in the period earned.

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 $5,000. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, generally five years.

Contributed Nonfinancial Assets
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.

Tax Status
The Foundation is recognized as exempt from federal income tax under section 501(c)(3) of the Internal Revenue 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. The Foundation's tax returns are subject to possible examination by the Internal Revenue Service until the expiration of the related statute of limitations on those tax returns, generally three years.

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 a third-party Investment Management firm in accordance with asset allocation guidelines adopted by the Board of Trustees. An Finance Committee, consisting of members of the Board of Trustees and outside members, provides oversight of the Investment Management firm and reports at least quarterly to the Board of Trustees. The Investment Management firm is under contract and deducts fees for services provided.

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.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting services (Management & General and Fundraising). Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, advertising, supplies, insurance, and other functions which are allocated on the basis of estimated time and effort.

Description of Program and Supporting Services

Program services – Includes all grantmaking, fiscal sponsorship, and donor-advised distribution expenses.

Management & General – Includes accounting, investment management, insurance, and governance-related expenses.

Fundraising – Primarily consists of marketing and a portion of shared costs related to donor engagement.

(2) Cash and Cash Equivalents and Custodial Credit Risk

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

Homer Foundation maintains cash balances at financial institutions located in Homer, Alaska, which are insured by the FDIC up to $250,000Currently, the Organization has no policy that dictates collateralization requirements for accounts in excess of FDIC coverage, requiring them to be collateralized or uninsured. The Organization manages its custodial credit risk in accordance with its deposit and investment policy that requires all accounts to be invested in low risk securities.

(3) 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 and liabilities in active markets accessible at the measurement date.
- Level 2 – Inputs include quoted prices for similar assets or liabilities 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, spreads 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 Foundation's estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following table provides information as of June 30th about Homer Foundation' financial assets measured at fair value. Mutual funds are reported at net asset value per share which is used as a practical expedient to approximate fair value.

	2025	
Investment Measured at Net Asset Value Level (NAV)		
Domestic Equity	$	4,950,542
International Equity		3,782,175
Total investments at NAV	$	8,732,717

(4) 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, 2025, the amount invested by the Foundation for others was $532,719. The investment return earned on behalf of these organizations is not included in the Foundation's statements of activities.

(5) Net Assets

Undesignated net assets without donor restrictions at June 30, consisted of the following:

Administrative Funds	$ (527,761)
Agency Designated Funds	313,000
Agency Endowment Funds	532,719
Donor-Advised	3,069,588
Field of Interest Funds	1,199,156
Non-Endowed Funds	902,840
Scholarship Funds	1,333,389
	$ 6,822,931

Net assets with donor restrictions were as follows:

Purpose restricted net assets, which consist entirely of funds whose use by the Foundation has been restricted by specified purpose limitations by the donor, were $659,883 at June 30, 2025.

(6) Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30 are:

Cash and cash equivalents	$ 148,701
Pledges receivable	20,350
Investments at fair value	8,732,717
	$ 8,901,768

(7) Related Party Transactions

A family member of a Foundation board member is on staff at the Foundation. The board member recuses himself and does not vote during any discussion of action related to the employee.

Additionally, two non-profit organizations who have Foundation board members as officers on their boards, receive grants from the Foundation. The board members recuse themselves and do not vote during any discussion of action related to these organizations.

(8) Advertising Costs

Advertising costs are expensed as incurred. For the years ended June 30, 2025 advertising expense was $20,248.

(9) Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 29, 2026, which is the date the financial statements were available for issuance. No events were identified requiring disclosure under U.S. Generally Accepted Accounting Principles (GAAP).