

CITY OF KODIAK
FY2017 NONPROFIT GRANT APPLICATIONS

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CITY OF KODIAK
FY 2017 Nonprofit Grants Calculation

	<u>FY 2017 Budget</u>
General Fund Revenues	19,650,126.00
Transfers	<u>1,203,594.00</u>
	18,446,532.00
1% Nonprofit Calculation	<u>X 1%</u>
	184,465.32
 Nonprofit Grant Contributions	 184,500.00
 FY 2016 Nonprofit Grant Contributions	 149,900.00
FY 2016 Nonprofit Tourism Grant Contributions	9,620.52

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**CITY OF KODIAK
RESOLUTION NUMBER 2015-16**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NO. 2014-19 AND ESTABLISHING FUNDING CRITERIA FOR NONPROFIT GRANTS

WHEREAS, the City Council recognizes and supports local nonprofit organizations and has historically made funding available to these organizations on an annual basis; and

WHEREAS, it has been determined that the appropriate total amount of City funds to grant to nonprofit organizations is a maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriation; and

WHEREAS, City funds have been provided to nonprofit organizations that supplement and compliment the services provided to residents by the City; and

WHEREAS, it is the intent of the City Council to update this policy statement.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska hereby establishes the following additional funding criteria for nonprofit grants provided by the City:

1. Organizations receiving funds must be legally recognized by the Internal Revenue Service.
2. Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization and program type:

Youth Recreation Programs	\$2,500
Adult Recreation Programs	\$5,000
Public Safety Support Programs (Shelter/Food)	\$10,000
Emergency Response Support Programs	\$10,000
3. Subject to available funding, the Council may authorize a special one-time funding increase for a special project.



ATTEST:

CITY OF KODIAK


MAYOR


DEPUTY CITY CLERK

Adopted: May 28, 2015

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**CITY OF KODIAK
RESOLUTION NUMBER 2016–xx**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK
AUTHORIZING PAYMENT OF FISCAL YEAR 2017 NONPROFIT ORGANIZATION
GRANTS**

WHEREAS, the City Council recognizes and supports local nonprofit organizations and has made provisions in the Fiscal Year 2017 budget for cash contributions to these organizations; and

WHEREAS, the City Council supports these nonprofit organizations because they supplement and complement services provided by the City; and

WHEREAS, the funding criteria for cash grants from the General Fund Non-Departmental Contributions Account to nonprofit organizations is based on the criteria established in Resolution No. 2015–16; and

WHEREAS, the City Council reviewed FY2017 nonprofit grant applications at the July 12, 2016, work session and voiced a consensus to provide funding.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, hereby authorizes payment of the following nonprofit organization grants for Fiscal 2017:

Section 1. General Fund-Non-Departmental Cash Contributions (Nonprofit Organization Grants):

	FY2017 Grant Request	
<u>Youth Recreation Programs</u>		
Hope Community Resources, Inc.	2,500	
Kodiak Arts Council	2,500	
Kodiak Football League	2,500	
Kodiak Girl Scouts	2,500	
Kodiak Kid Wrestling Club	0	(Funding not needed this year)
Kodiak Little League	0	(Application not received)
Kodiak Kingfishers Swim Club, Inc	2,500	
Salvation Army	2,500	
Special Olympics, Kodiak	2,500	
St. Paul Lutheran Preschool	2,500	(New request)
<u>Adult Recreation Programs</u>		
Alutiiq Museum & Arch. Repository	4,992	(Paid from Tourism Dev. Fund last year)
Hope Community Resources, Inc.	5,000	
Kodiak Arts Council	5,000	
Kodiak Kid Wrestling Club	0	(Funding not needed this year)
Kodiak Public Broadcasting	5,000	
Maritime Museum	5,000	(Paid from Tourism Dev. Fund last year)
Senior Citizens of Kodiak, Inc.	5,000	

Special Olympics - Kodiak Area 5,000

Public Safety Support Programs (Shelter/Food)

Brother Francis Shelter – Kodiak	10,000
Humane Society of Kodiak	6,000
Kodiak Area Transit System	10,000
Kodiak Island Food Bank/Baptist Mission	4,709
Kodiak Teen Court, Inc.	5,000
Kodiak Women’s Resource and Crisis Center	10,000
Salvation Army	10,000
Senior Citizens of Kodiak, Inc.	10,000

Emergency Response Support Programs

American Red Cross of Alaska	6,500
Kodiak Public Broadcasting Company	10,000
Kodiak Women’s Resource and Crisis Center	10,000
Providence Kodiak Is Counseling/Safe Harbor	10,000
Salvation Army	10,000

One Time Funding Request

Maritime Museum (Thelma C)	10,000
Nonprofit Grant Request	177,201
FY2017 Budgeted	184,500
Difference	7,299

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

Nonprofit Grant Funding History

Organization	Program	FY17 Req	FY16 App'd	FY16 Req	FY15 App'd	FY14 App'd	FY13 App'd	FY12 App'd	FY11 App'd	FY10 App'd
Alutiiq Museum & Archeological Repository	Adult Recreation	4,992	4,620.52	4,620.52						
American Red Cross of Alaska	Emergency Response	6,500	5,240	10,000	7,390	7,390	7,390	6,720	6,110	5,555
Brother Francis Shelter Kodiak, Inc.	Public Safety	10,000	10,000	10,000	12,238	10,000	10,000	10,000	10,000	10,000
Hope Community Resources, Inc.	Adult Recreation	5,000			5,550	5,550	5,000	4,618	4,199	3,817
Humane Society of Kodiak	Youth Recreation	2,500	5,550	21,000						
	Public Safety	6,000	5,500	10,000	5,500	5,000				
Kodiak Area Transit System (KATS)	Public Safety	10,000	10,000	10,000	10,000					
Kodiak Arts Council	Adult Recreation	5,000								
	Youth Recreation	2,500	7,500	7,500	7,500	7,500	7,500	7,500	8,134	9,037
Kodiak Football League	Youth Recreation	2,500	2,500	12,500	2,500	2,500	2,500	2,500	2,500	3,000
Kodiak Girl Scouts	Youth Recreation	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Kodiak Island Food Bank	Public Safety	4,709	4,709	4,709	5,947	4,281	4,282	3,892	3,538	3,217
Kodiak Kid Wrestling Club, Inc.		0	2,500	3,000	3,000	3,000	2,500	2,944	2,904	2,640
Kodiak Kingfishers Swim Club, Inc.	Youth Recreation	2,500	2,500	2,500	2,500	2,500	3,000	2,500	2,500	2,500
Kodiak Little League		0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Kodiak Maritime Museum	Adult Recreation	5,000	5,000	5,000	5,000					
	One Time Funding	10,000								
Kodiak Public Broadcasting	Adult Recreation	5,000								
	Emergency Response	10,000	10,000	15,000	18,665	15,000	15,000	15,000	10,000	10,000
Kodiak Soil & Water Conserv. District		0	0	10,000						
Kodiak Teen Court	Public Safety	5,000	5,000	5,000	5,000	5,000	5,000	5,000		
Kodiak Women's Resource & Crisis Center	Public Safety	10,000								
	Emergency Response	10,000	20,000	20,000	20,000	20,000	20,000	20,000	10,000	10,000
Marian Center		0	0	0	3,020					
Providence Kodiak Island Counseling Center/Safe Harbor	Emergency Response	10,000	10,000	10,000	10,000					
Salvation Army	Emergency Response	10,000								
	Public Safety	10,000								
	Youth Recreation	2,500	16,401	25,900	21,788	5,500	5,500	5,000	4,513	4,103
Senior Citizens of Kodiak	Adult Recreation	5,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
	Public Safety	10,000								
Special Olympics Alaska, Kodiak Community Program	Adult Recreation	5,000	7,500	7,500	7,500	7,500	4,880	4,832	4,620	4,200
	Youth Recreation	2,500								
St. Paul Lutheran Preschool	Youth Recreation	2,500								
Threshold Services, Inc.			0	1,405.08						
	TOTALS	\$177,201	\$154,520.52	\$215,634.60	\$173,098	\$120,671	\$112,552	\$110,506	\$89,018	\$88,069

Funding from FY16 Tourism Development Fund		
Kodiak Maritime Museum	5,000	5,000
Alutiiq Museum & Archeological Repository	4,620.52	4,620.52
TOTALS	9,620.52	9,620.52

Tourism Development Fund
 New Applicant
 No application; Kodiak Kid Wrestling letter enclosed
 Kodiak Maritime Museum - One time funding request of \$10,000

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Non-Profits - In Kind Contributions City of Kodiak	City Owned Land	City Owned Building	Utility Rate Code	Annual							Total In-kind	Grant	Total
				Sewer	Water	Land/Bldg Rent	Electricity	Fuel					
Baranof Museum - Kodiak Historical Society	yes	yes									FY17 Budget		
101 E Marine Way New Kodiak Block 16 Lot 2 R1220160020			B1IN	872.52	662.76	86,592.00	3,120.00	12,000.00	103,247.28	94,700.00		197,947.28	
Animal Shelter	yes	yes									FY17 Budget		
2409 Mill Bay Road US Survey 3469 Unsubdivided Portion R1453000007			B1IN	872.52	994.20	24,960.00			26,826.72	121,500.00		148,326.72	
Discover Kodiak	yes	yes									FY17 Budget		
106 Marine Way			B1IN						-	112,000.00		112,000.00	
Kodiak Chamber of Commerce	yes	yes									FY17 Budget		
106 Marine Way			B1IN	1,745.04	1,325.52	43,008.00			46,078.56	7,000.00		53,078.56	
Kodiak Head Start	yes	yes											
419 Hillside USS 2538A Tract B R1443020201			B1IN	1,745.04	1,325.52	43,416.00			46,486.56			46,486.56	
FY17 Request													
Brother Francis Shelter (UT#20028-001)	yes	NO											
410 Thorseim Street Kodiak Twnst Black 15 Lot 2 R1340150020			B1IN	18,322.92	13,917.96	62,208.00			94,448.88	10,000.00		104,448.88	
Ak Wing Civil Air Patrol (UT#11013-001)	yes (a)												
2411 Mill Bay Road USS 3469 USub Portion of B/O R1453000010			B1IN	872.52	662.76	33,920.76			35,456.04	-		35,456.04	
Senior Citizens of Kodiak (UT#11171-001)													
309 Erskine Erskine TR A-1 Senior Center R1440000001			B1IN	3,490.08	2,651.04				6,141.12	15,000.00		21,141.12	
Kodiak Women's Resource and Crisis Center (UT#11947-001)													
422 Hillside Aleutian Block 14 Lot 13 & 14 R10410140140			B1IN	872.52	662.76				1,535.28	20,000.00		21,535.28	
Kodiak Women's Resource and Crisis Center (UT#11924-004)													
418 Hillside Aleutian Block 14 Lot 12 14677			SRIN	581.68	441.84				1,023.52	-		1,023.52	
KMXI (UT#12187-001)													
620 Egan Way 2538 A Lot 5A-2A USS R1443000053			B1IN	872.52	662.76				1,535.28	15,000.00		16,535.28	

{a} If the building is vacated, then the land and building reverts back to the City

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CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.

JUN 2016
Received
Executive Department

ORGANIZATIONAL OVERVIEW

Organization Name: Alutiiq Museum & Archaeological Repository

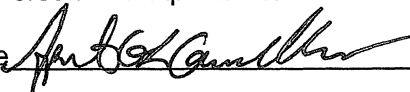
Mailing Address: 215 Mission Road, Suite 101, Kodiak, AK 99615

Telephone No: 907-486-7004 FAX No: 907-486-7004

Email: april@alutiiqmuseum.org

Federal Employer Tax ID Number: 92-0150422

Contact Person Dr. April Laktonen Counciller

Signature  Printed Name: April L. Counciller Title: Executive Director

List of Board Members and Officers:

- | | |
|---------------------------|--------------------|
| Margaret Roberts, Chair | Conrad Peterson |
| Margie Bezona, Vice Chair | Pat Heitman |
| Tanya Inga, Secretary | Gordon Pullar, JR. |
| Perry Eaton, Treasurer | Marty Shuravloff |
| Sarah Lukin | Andy Teuber |
| Rita Stevens | Ruth Dawson |

Does agency have 501(c)3 status from the IRS? Yes No
If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

The Alutiiq Museum cares for 250,000+ objects and photos reflecting Kodiak Alutiiq history, and uses these items to deliver educational programs to many audiences. We are committed to high quality, culturally accurate programs that enhance learning for people of all ages and heritages. We believe that rekindling cultural traditions depends on the commitment and involvement of many community organizations, agency partners, and supporters. Our approach has three equally important elements: original research, collections care, and educational programming.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding? NA
How many City residents will be served by this grant? >2,000
Please attach a copy of the organization's Mission Statement. Please see attached

How does your agency collaborate with other local nonprofit organizations?

We work with the Kodiak Historical Society to share information and objects, host programs, create resources, and share training opportunities. We join the Kodiak Arts Council in arts initiatives and educational programs, collaborate with KMXT on weekly cultural programming, assist Discover Kodiak with its visitors' guide, share resources with local libraries, work with tribal organizations on historic preservation and cultural education, and assist Kodiak College and local schools with educational programs on history and the arts. The Alutiiq Museum is also a member of Kodiak's Non-profit Network.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Adult Recreation Amount \$4992

Explanation: Living Alaska, a small exhibit of contemporary Alaskan artwork, will visit Kodiak from January-March of 2017. The Alutiiq Museum proposes to add several cases of local, Alutiiq artwork to the show, to share new collections, tie the exhibit to Kodiak, and provide a unique experience for community members to explore visual art inspired by Kodiak. A virtual tour of the exhibit will be made available on the museum's popular website, and linked to a larger digital gallery sharing all recently purchased artwork (119 pieces). A letter summarizing this project is attached.

Category _____ Amount _____

Explanation: _____

Category _____ Amount _____

Explanation: _____

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
 Return to City Manager's Office by June 17, 2016.

Total funding request to the City of Kodiak

What percentage of funds will be used for administrative costs?: 0% The museum will cover its overhead costs. All funding will be directed to project activities.

What percentage of funds will be used for direct services?: 100%

How will the funds be used?: Funding from the City of Kodiak will support staff time and contractor costs to create a gallery display of contemporary Kodiak artwork, develop content for an online show tour and gallery of art acquisitions (ca. 120 pieces), and promote these resources. The total cost of this project is \$10,353.40 as outlined below. Of this the Alutiig Museum will contribute \$5,361.40, or 51.8% of all costs, including all project overhead. We ask the City of Kodiak for the remaining costs, \$4992, 48.2% of the project total.

Item	Quantity	Cost	City Grant	Museum
April Counciller	Virtual Tour - 2 hours	\$55.50	\$111.00	
Amy Steffian	On line gallery - 16 hours	\$43.05	\$688.80	
Marnie Leist	100 hours - 40 photos, 60 install	\$37.56	\$2,253.60	\$1,502.40
Alexandra Painter	80 hrs install	\$22.31	\$1,338.60	\$446.20
Dana Haynes	8 hrs promotion	\$27.80		\$222.40
Newspaper Ads	3 (1 per month)			\$270.00
Supplies	Misc exhibit label and mount materials			\$200.00
Photography	5 Alf Pryor panoramic images	\$80.00	\$400.00	
Web tech	Jonelle Adkisson		\$200.00	
		Source Totals	\$4,992.00	\$2,641.00
		Total Direct Overhead (35.64%)	\$7,633.00	
			\$2,720.40	(in-kind)
		GRAND TOTAL	\$10,353.40	

Please note that staff rates include benefits calculated at 19%

Is your agency audited? X Yes No

If yes, please attach latest audit or financial report. Please see attached May 2016 financial report

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding. NA

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal: Total \$231,174.98	State: Total \$40,620.52
City of Kodiak: \$4,575	Kodiak Is. Borough: \$10,000
Parent Organization:	Corporate Grants: 0
Foundations: \$9,000	Client Fees: \$52,783.70
Donations: \$181,828.20	Memberships: \$31,997.54
Interest: \$10.22	Gaming Permit Activities: \$217,149 (pull tabs, raffles etc.)

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

Highly variable depending on specific grant.

What effects will there be and what alternative plans does your agency have if City funding is not received?

If this request is not funded, the Alutiiq Museum will continue to seek support for this project or cancel it.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 - June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs)	25 points
Grant reports submitted to City as required	25 points
Number of City residents served	25 points
Other sources of applicant funding identified	25 points

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Alutiiq Museum & Archaeological Repository
Program:	Public Education
2015-2016 Grant Amount:	\$4,575.20
Amount Expended Year-to-Date:	\$4575.20
Balance:	\$0

Describe accomplishments with grant funds.

The Alutiiq Museum used its 2016 grant to help launch a new website (<http://alutiiqmuseum.org>). The funding paid for a professional web technician to update our content management system, improve site security and visitation tracking, and develop a less cluttered, more easily navigated format with additional educational content. We provided a design and content to a technician who developed the site and a mobile counterpart formatted for smartphones.

In recent years, requests from students, educators, artists, residents, and visitors for on line access to cultural information have grown dramatically. The new website is helping us meet this need. It features a large new section exploring Alutiiq history, culture, language and art. The site also includes many videos, on line exhibits, and links that are connecting Kodiak to broader local and global audiences. This lasting resource provides an opportunity for recreation and education for people of all ages.

Since launching the site in October of 2015. As of mid May, we have had 29,898 unique visitors, who have visited 75,359 times, viewed 261,789 pages, and downloaded 910 items (these statistics exclude automated robots and spiders that artificially inflate visitation statistics). Analytics indicate that people are accessing more news and educational content, especially the podcast and archive of our popular Alutiiq Word of the Week lessons.

Please note: The museum originally applied to use its funding for a public lecture series, but due to changes in commitments couldn't host the series. As such, we approached the City of Kodiak for an amendment to our grant, and were given permission to direct the funds to our website project.

If you have not expended all funds, please describe how and when you intend to spend the balance.

All funds have been expended.


Signature

Submit to:
City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

City of Kodiak Nonprofit Grant Application/Report
FY2017
Page 5 of 5

Department of the Treasury
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.
Information about Form 990 and its instructions is at www.irs.gov/form990

A For the 2014 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization ALUTIIQ HERITAGE FOUNDATION		D Employer identification number 92-0150422
	Doing business as		E Telephone number 907-486-7004
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 1070651.
	215 MISSION ROAD SUITE 101		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or province, country, and ZIP or foreign postal code KODIAK, AK 99615		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
F Name and address of principal officer: MARGARET ROBERTS 215 MISSION ROAD SUITE 101, KODIAK, AK 99615		H(c) Group exemption number	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: WWW.ALUTIIQMUSEUM.ORG			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation: 2003 M State of legal domicile: AK	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: OPERATING THE ALUTIIQ MUSEUM AND ARCHAEOLOGICAL REPOSITORY, PRESERVE AND SHARE THE HERRATIGE AND	
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3 Number of voting members of the governing body (Part VI, line 1a)	3 13
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 13
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5 24
	6 Total number of volunteers (estimate if necessary)	6 90
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 0.
b Net unrelated business taxable income from Form 990-T, line 34	7b 0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 767893. Current Year 569504.
	9 Program service revenue (Part VIII, line 2g)	138306. 153088.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	22664. 23899.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	126976. 247715.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1055839. 994206.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)
14 Benefits paid to or for members (Part IX, column (A), line 4)		0. 0.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		473655. 618683.
16a Professional fundraising fees (Part IX, column (A), line 11e)		0. 0.
b Total fundraising expenses (Part IX, column (D), line 25) 0.		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		420699. 488881.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	894354. 1107564.	
19 Revenue less expenses. Subtract line 18 from line 12	161485. -113358.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 755327. End of Year 656066.
	21 Total liabilities (Part X, line 26)	34207. 48304.
	22 Net assets or fund balances. Subtract line 21 from line 20	721120. 607762.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date			
	FRANK PETERSON JR, EXECUTIVE DIRECTOR Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name Miranda Wallstrum, CPA	Preparer's signature	Date 10/14/15	Check if self-employed <input type="checkbox"/>	PTIN P00605471
	Firm's name Wallstrum, Stevens, CPA	Firm's EIN 26-3758928	Firm's address 2705 Mill Bay Road, Suite 205 Kodiak, AK 99615	Phone no. (907) 512-2726	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: 'JAN 07 2004'

ALUTIIQ HERITAGE FOUNDATION
215 MISSION RD STE 101
KODIAK, AK 99615-6327

Employer Identification Number:

92-0150422

DLN:

603253002

Contact Person:

DANIEL P SHANNON

ID# 31320

Contact Telephone Number:

(877) 829-5500

60 Month Period Ends:

June 30, 2008

Addendum Applies:

No

Dear Applicant:

We have received your notification of intent to terminate your private foundation status under section 507(b)(1)(B) of the Internal Revenue Code during a 60 month period beginning July 1, 2003.

The information submitted indicates that you intend to operate as an organization described in section 509(a)(2) of the Code during the 60 month period.

Based on your proposed activities and support, it is held that you can reasonably be expected to terminate your private foundation status under section 507(b)(1)(B) of the Code. Accordingly, you will be treated as a public charity described in section 509(a)(2) of the Code for an advance ruling period of 60 months beginning July 1, 2003.

Within 90 days after the end of your 60 month period, you must establish to the satisfaction of the Internal Revenue Service that you have qualified as an organization which meets the requirements of paragraph (1), (2), or (3) of section 509(a) of the Code for the 60 month period. If you do establish that fact, you will be so classified for all purposes beginning with the first day of the first taxable year of the 60 month period and, thereafter, so long as you continue to meet the requirements of section 509(a)(1), (2), or (3). If, however, you do not meet these requirements for the 60 month period, you will be classified as a private foundation as of the first day of the first taxable year of the 60 month period.

If you satisfy the requirements of section 507(b)(1)(B) of the Code at the end of your 60 month period, you will not be subject to the provisions of section 507(a), (c), or (g) of the Code.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until the Service makes a final determination of your foundation status.

Letter 2245 (DO/CG)

ALUTIIQ HERITAGE FOUNDATION

You are required to file Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation, until you complete your 60 month termination and are classified as a section 509(a)(2) organization. Form 990-PF must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000 or 5 percent of your gross receipts (whichever is less), for failure to file a return on time unless there is reasonable cause for the delay. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

If you do not pay the tax imposed by section 4940 of the Code for any taxable year or years during the 60 month period, and it is subsequently determined that such tax is due for such year or years, you will be liable for interest in accordance with section 6601 of the Code. Since any failure to pay such taxes during the 60 month period is due to reasonable cause, the penalty under section 6651 with respect to the tax imposed by section 4940 shall not apply.

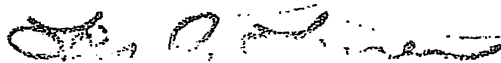
If the heading of this letter indicate that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosure(s):
Form 872

Letter 2245 (DO/CG)

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: AUG 22 1997

ALUTIIQ HERITAGE FOUNDATION
C/O ALUTIIQ MUSEUM & ARCHAEOLOGICA
REPOSITORY
215 MISSION RD STE 101
KODIAK, AK 99615

Employer Identification Number:
92-0150422

DLN:
17053148086007

Contact Person:
EO CUSTOMER SERVICE
Contact Telephone Number:
(213) 894-2289

Accounting Period Ending:
June 30
Addendum Applies:
No

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). We also determined that you are a private foundation within the meaning of section 509(a) of the Code.

Based on the information you submitted with your application, we have determined that you are likely to qualify as a private operating foundation described in section 4942(j)(3) of the Code. Accordingly, you are treated as a private operating foundation for your first year. After that, you will be treated as a private operating foundation as long as you continue to meet the requirements of section 4942(j)(3).

This ruling satisfies the good faith determination requirement of section 53.4942(b)-3(b)(2) of the Excise Tax Regulations.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know any changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA). However, since you are a private foundation, you are subject to excise taxes under Chapter 42 of the Code. You also may be subject to other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions only to the extent their contributions are

Letter 1075 (DO/CG)

ALUTIIQ HERITAGE FOUNDATION

gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Publication 1391, which sets forth guidelines on when payments made by taxpayers for admission to, or other participation in fundraising activities for charity are deductible as charitable contributions.

You are required to file Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation. Form 990-PF must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If you did not enter an employer identification number on your application, we will assign a number to you and let you know. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are spent only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence that the funds will remain dedicated to the required purposes and that the recipient will use the funds for those purposes.

If you distribute funds to individuals, you should keep case histories showing the recipients' names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that you can substantiate upon request by the Internal Revenue Service any and all distributions you made to individuals. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

We considered your grant-making procedures under section 4945(g) of the Code. Based on the information submitted and assuming your scholarship program will be conducted as proposed with objectivity and nondiscrimination in awarding grants, we determined that your procedures in awarding scholarship grants comply with the requirements of section 4945(g)(1). This means that scholarships granted according to these procedures will not be "taxable expenditures"

Letter 1075 (DO/CG)

ALUTIIQ HERITAGE FOUNDATION

within the meaning of section 4945(d)(3).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to the trust's creators, trustees, or members of the selection committee, or for a purpose that is inconsistent with the purposes described in section 170(c)(2)(B).

The approval of your grant-making procedures is a one-time approval of your system of standards and procedures that will result in grants that meet the requirements of section 4945(g)(1). Thus, approval will apply to succeeding grant programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

We have not considered whether grants made under your procedures are excludable from the gross income of recipients under section 117(a) of the Code.

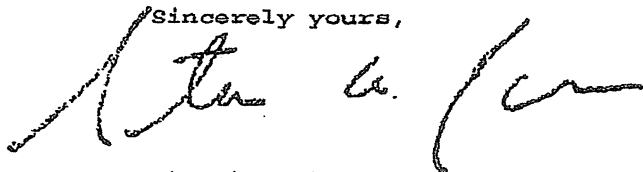
Any funds you distribute to individuals must be made on a true charitable basis to further the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that all grant distributions can be substantiated upon request by the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and private foundation status, you should keep it for your records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director

Letter 1075 (DO/CG)



Alutiiq Museum Guiding Principles

Our Mission

The Alutiiq Museum preserves and shares the heritage and culture of the Alutiiq people.

Our Vision

Celebrating heritage through living culture.

Our Strategy

The Alutiiq Museum’s work spans the globe, but we have a deep commitment to the Kodiak Archipelago—the museum’s home and the geographic center of the Alutiiq world. We work diligently to involve people of all heritages in educational programming and original research—archaeological studies, language documentation, and collections investigations. By engaging everyone in the celebration of Alutiiq heritage, we reduce cultural isolation, reawaken cultural traditions, build intergenerational ties that broaden cultural understanding, and create a welcoming environment for discovery. We believe that rekindling cultural traditions also depends on the commitment and involvement of community organizations, agency partners, and supporters like you.

Adopted by the Alutiiq Heritage Foundation Board of Directors in 2014

TO: BOARD OF DIRECTORS, ALUTIIQ MUSEUM AND ARCHAEOLOGICAL REPOSITORY
FROM: THE FORAKER GROUP FINANCIAL SHARED SERVICES
SUBJECT: APRIL 2016 FINANCIAL REPORTS
DATE: MAY 18, 2016

Attached are the statement of financial position, related statement of activities (with 2016 budget) and statement of activities by class for Alutiiq Museum and Archaeological Repository (AMAR) for the period January 1, 2016 – April 30, 2016. These are preliminary, un-audited statements and subject to change after any required audit adjustments. This document is for Board purposes only, and not to be used with external sources.

The financial statements for AMAR are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP).

AMAR has current assets of \$377,976 and current liabilities of \$144,803. The current ratio at April 30 is 2.1 to 1 (healthy). That ratio is derived by subtracting temporarily restricted cash related to the current assets and dividing that result by current liabilities. As of April 30, total working capital was \$233,173. Total working capital can be calculated by subtracting current liabilities from current assets. Liquidity is often measured by total working capital and analyzed using the current ratio. In reviewing the financial statement information, please note the items below:

Statement of Financial Position

Cash balances

The bank accounts have been reconciled through April 30, 2016. As of April 30, 2016, AMAR had cash on hand of \$268,480. At present, \$80,829 (30%) of the cash balance are restricted funds from grant receipts.

Inventory

Physical inventory was completed at the end of December 2015. Adjustments have not been made. See Store section below.

Accounts receivable

Accounts receivable totaled \$64150 at April 30, 2016. At this time, all receivables are from grants.

Property, Plant & Equipment

No changes to PP&E in 2016. Depreciation is recorded annually at year end. For 2015 depreciation was \$39,415.

Liabilities

Payroll Liabilities

These are wages (and the related taxes) earned by employees in April, but that were not paid out until May.

Accrued leave

As of April 30, 2016 we estimate accrued leave at \$26,220. Employee paid-time-off is a piece of information that does not transfer automatically while transitioning from Wallstrum Stevens to The Foraker Group. This will be adjusted before the next financial reports.

Deferred Revenue

Deferred revenue represents cash received that has not been earned. At April 30, the balance of \$80,829 was made up of grant fund receipts. Please keep in mind \$80,829 have been removed from income until “earned” by GAAP standards.

Statement of Activities (Profit and Loss)

Change in net assets (net income (loss)) as of April 30, 2016 was a loss of \$(110,226). This amount excludes depreciation expense, but includes the accrual for payroll and accrued leave. These are expenses incurred during the reporting period that will be paid at a later date. Again, please keep in mind the deferred revenue that has been excluded.

Removing seasonality, we would expect both income and expenses to be at 33% of budgeted amounts. Income is off pace at 19% of budget, while expense is also lower than expected at 30% of budget. AMAR is certainly affected by seasonality (cruise ships, gaming, contracts) and must be considered when analyzing the budget.

At present, the following items are over budget:

- Supplies (36% over budget)

Store Report

We have identified several procedural issues with the store. Russell Armand and Carlos Tarin of the Foraker Group will be addressing the following processes to improve internal controls and operational efficiency:

- Inventory tracking – The Board has asked to be able to see the impact of local artist's works in the store and community. This presents several issues in inventory systems as well as financial accounting issues. Additionally, we want to make sure and protect the employees from any accusations of poor job performance or theft.
- Reports integration – At this time, AMAR store is using 3 different software programs for daily operations, none of which integrate with one another.
- Cash handling controls – As with any retail operation, cash is always at risk. Clearly documented procedures that are understood by staff is of utmost importance.

Highlights

There are several highlights from our transition.

- Processes and Procedures – Due to the Foraker Group's requirements to efficiently process payables, deposits, and payroll, AMAR is restructuring many of its processes & procedures. This will improve the integrity of the information presented and help us identify weaknesses in controls.
- Grant tracking – Grant tracking is off to a good start. We have identified balances and needs for all active grants AMAR is currently working with.
- Audit Support – AMAR's 2015 financial statement audit is starting now, in preparation for June on site fieldwork. Although the Foraker Group was not performing the accounting for 2015, they will be assisting with the audit.

Alutiiq Museum and Archaeological Repository
 Statements of Financial Position
 As of April 30, 2016

ASSETS	<u>4/30/2016</u>	(Unaudited) <u>12/31/2015</u>
Cash and cash equivalents		
Unrestricted	187,651	255,141
Temporarily Restricted	80,829	57,174
Total Cash and cash equivalents	<u>268,480</u>	<u>312,315</u>
Accounts Receivable		
Grants	64,150	27,192
Other	-	-
Total Accounts Receivable	<u>64,150</u>	<u>27,192</u>
Prepaid Expense	5,078	-
Inventory	40,267	40,267
Total current assets	<u>377,976</u>	<u>379,773</u>
Property and equipment - net of accumulated depreciation	<u>216,663</u>	<u>216,663</u>
Total non-current assets	<u>216,663</u>	<u>216,663</u>
Total Assets	<u><u>594,639</u></u>	<u><u>596,436</u></u>
LIABILITIES		
Accounts payable	10,301	19,162
Credit Card	7,765	(300)
Payroll and payroll tax liabilities	19,687	120
Accrued leave	26,220	18,330
Deferred revenue	80,829	57,174
Total current liabilities	<u>144,803</u>	<u>94,486</u>
 *Current Ratio	 2.1	 3.4
NET ASSETS		
Unrestricted		
Investment in property and equipment	216,663	216,663
Undesignated	152,344	228,114
Total unrestricted net assets	<u>369,007</u>	<u>444,777</u>
Temporarily restricted	80,829	57,174
Total net assets	<u>449,836</u>	<u>501,951</u>
Total Liabilities and Net Assets	<u><u>594,639</u></u>	<u><u>596,436</u></u>

*The current ratio represents an organization's liquidity, which is one indication of an organization's ability to meet its current obligations. A current ratio of 2.1 to 1 is indicative of good liquidity.

FOR BOARD PURPOSES ONLY

Alutiiq Museum and Archaeological Repository
Statement of Activities
with FY16 Budget Comparison
through April 30, 2016

Operating activities	<u>Actual</u>	<u>2016 Budget</u>	<u>Percentage of Budget</u>
Revenue:			
Admissions	3,216	20,000	16%
Member dues	2,780	17,000	16%
Program & contracts	3,000	103,991	3%
Store sales	20,781	120,000	17%
Gaming	21,701	175,000	12%
Miscellaneous	506	26,000	2%
Subtotal revenue	<u>51,983</u>	<u>461,991</u>	<u>11%</u>
Support			
Contributions			
Individuals	7,910	15,000	53%
Corporations	18,784	25,000	75%
Native Organizations	30,600	132,500	23%
Total Contributions	<u>57,295</u>	<u>172,500</u>	<u>33%</u>
Grants/Foundations/Sponsorships	91,184	393,655	23%
Subtotal support	<u>148,479</u>	<u>566,155</u>	<u>26%</u>
Total support and revenue	<u>200,462</u>	<u>1,028,146</u>	<u>19%</u>
Expenses:			
Personnel	183,393	570,645	32%
Facility	12,850	111,307	12%
Exhibits/Collections	10,271	10,599	97%
Supplies	44,083	32,490	136%
Postage & shipping	713	19,140	4%
Professional & contractual	19,025	78,422	24%
Computer & IT	2,549	16,187	16%
Software	1,312	4,579	29%
Dues & subscriptions	-	2,500	0%
Inventory expense	16,756	75,000	22%
Sales Tax	319	5,150	6%
Printing & copying	1,849	23,103	8%
Advertising	895	13,676	7%
Insurance	2,065	8,146	25%
Travel & entertainment	13,557	45,870	30%
Bank Fees	459	4,500	10%
Web Page	315	2,000	16%
Miscellaneous expense	276	1,360	20%
Total Expense	<u>310,688</u>	<u>1,024,674</u>	<u>30%</u>
Change in net assets	(110,226)	3,472	-3175%

FOR BOARD PURPOSES ONLY

Kodiak Art Exhibit Proposal – Alutiiq Museum 2016

Project Summary:

Since 2003, the Alutiiq Museum has been purchasing contemporary artwork to enhance its collections, promote cultural expression, and tell the continuing story of the Alutiiq people. To date, we have acquired 119 works by 34 artists valued at \$160,778.50, all funded by Rasmuson Foundation's Art Acquisition program. This stunning collection represents the creative work of some of Kodiak's finest artists, as well as a diversity of mediums—beadwork, carving, metalwork, painting, sculpture, and skin sewing. Yet much of the collection has never been displayed. Visitors often ask us when they can see more art and artifacts, as our small facility limits the number of items that can be shown at one time. With support from the City of Kodiak, we propose to share our contemporary art collection through a museum display and two on line resources. This project will provide opportunities for public recreation both in our facility and via the Internet.

In January 2017, Rasmuson Foundation will send *Living Alaska* to Kodiak for display in the Alutiiq Museum. This traveling exhibit features 25 works of contemporary art by Alaskan artists, but just one piece is from Kodiak. To supplement the exhibit, and tie it more closely to our community, we propose to add additional objects from our contemporary art collection. *Living Alaska* is largely a wall mounted show, leaving room in our gallery for floor cases that can be used to highlight beautiful creations of Kodiak artists. Three dimensional works of visual art, e.g., dolls, jewelry, a soapstone lamp, and painted carvings, will be selected for display during the three-month show. The objects will be labeled and mounted by our curator of collections and exhibit specialist, and installed in existing casework for display with the traveling exhibit. The displays will be in place till the end of March. The exhibit will be promoted through a press release, email broadcast, flyers, social media postings, monthly newspaper ads, and an article in the winter edition of our newsletter, scheduled for release in February 2017. A public opening and two first Friday events will provide opportunities for visitor to see the show for free, as will internet resources.

To promote the exhibit, and provide an opportunity for patrons to explore our entire Rasmuson-funded art collection, we will create two online resource. First, we will update our virtual tour. With support from the Kodiak Community Foundation we recently created an online tour. Here, viewers can take a virtual walk through our gallery and select items to investigate (<http://alutiiqmuseum.org/learn/virtual-tour>). With help from Kodiak photographer Alf Pryor we will update the tour to reflect the new exhibit. Pryor will take high resolution panoramic photos of the installed exhibit. These will be uploaded to Roundme, our tour app, and annotated to share details of the exhibit. This will allow anyone in Kodiak, or across the globe, to walk through the exhibit and view information on select objects.

Second, we will create an online gallery of our complete Rasmuson-funded art collection, accessible on our website. Our curator of collections will take and compile photographs of each piece and prepare the images for use on line. Working with Jonelle Adkisson, our web technician, we will add a slideshow module to our website, and our chief curator / webmaster will publish the artwork photos and short descriptions of each piece. The gallery will be promoted through the museum's email and social media channels with URL links.

This project builds upon the museum's efforts to perpetuate Alutiiq arts and artistic expression by training and supporting artists and involving the public in arts exploration. In addition to providing a fun, recreational activity for people of all ages during the dark, stormy days of Kodiak's winter (January – March), the proposed exhibit will highlight the talent of local artist, enhance community awareness of their work, and provide a global audience access to the art and heritage of Kodiak Island.

Kodiak Art Exhibit Proposal – Alutiiq Museum 2016

Project Schedule – October 2015 to April, 2016

Activity	Staff	O	N	D	J	F	M	A
Photograph artwork collection	COC							
Select objects for exhibit & complete registration work	COC, CES							
Develop object mounts and labels	CES							
Develop on line art gallery	Web Tech, CC							
Install exhibit with <i>Living Alaska</i>	COC, CES							
Publish on line art gallery	CC							
Host and promote exhibit	GM							
Host free community events	GM							
Complete panoramic photography	Alf Pryor, CES							
Update online virtual gallery tour	ED, CC							
Publish and distribute newsletter article	CC							
De-install exhibit	CES, COC							

Key: ED=Executive Director; CC=Chief Curator; COC=Curator of Collection; CES=Collections and Exhibits Specialist; GM=Gallery Manager.

Alutiiq Museum and Archaeological Repository
Statement of Activities by Class
through April 30, 2016

	Total 3.1 - Federal	3.2.1.1 - Fin. Redesign	3.2.2.1 - Welcoming	Grants 3.2.3.1 - Mumarret
Operating activities				
Revenue:				
Admissions	-	-	-	-
Member dues	-	-	-	-
Program & contracts	-	-	-	-
Store sales	-	-	-	-
Gaming	-	-	-	-
Miscellaneous	-	-	-	-
Subtotal revenue	-	-	-	-
Support				
Contributions				
Individuals	-	-	-	-
Corporations	-	-	-	-
Native Organizations	-	-	-	-
Total Contributions	-	-	-	-
Grants/Foundations/Sponsorships	49,242	2,577	896	3,748
Subtotal support	49,242	2,577	896	3,748
Total support and revenue	49,242	2,577	896	3,748
Expenses:				
Personnel	16,606	1,037	152	3,748
Facility	1,082	-	-	-
Facility	652	-	510	-
Supplies	651	-	-	-
Postage & shipping	-	-	-	-
Professional & contractual	1,080	1,080	-	-
Computer & IT	2,549	-	-	-
Software	20	-	-	-
Dues & subscriptions	-	-	-	-
Inventory expense	-	-	-	-
Sales Tax	-	-	-	-
Printing & copying	-	-	-	-
Advertising	-	-	-	-
Insurance	-	-	-	-
Travel & entertainment	241	469	-	-
Bank Fees	-	-	-	-
Web Page	-	-	-	-
Miscellaneous expense	-	-	-	-
Total Expense	22,149	2,577	662	3,748
Change in net assets	-	-	234	-

Alutiiq Museum and Archaeological Repository
Statement of Activities by Class
through April 30, 2016

	3.2.4 - New Pways-Incubate Immo	3.2.5.1 - Retrospective	Total 3.2 - Foundations	3.3.2.1 - Server Update
Operating activities				
Revenue:				
Admissions	-	-	-	-
Member dues	-	-	-	-
Program & contracts	-	-	-	-
Store sales	-	-	-	-
Gaming	-	-	-	-
Miscellaneous	-	-	-	-
Subtotal revenue	-	-	-	-
Support				
Contributions				
Individuals	-	-	-	-
Corporations	-	-	-	-
Native Organizations	-	-	-	-
Total Contributions	-	-	-	-
Grants/Foundations/Sponsorships	1,508	4,098	12,828	423
Subtotal support	1,508	4,098	12,828	423
Total support and revenue	1,508	4,098	12,828	423
Expenses:				
Personnel	1,482	4,098	10,517	423
Facility	-	-	-	-
Facility	-	-	510	-
Supplies	-	-	-	-
Postage & shipping	-	-	-	-
Professional & contractual	-	-	1,880	-
Computer & IT	-	-	-	-
Software	-	-	-	-
Dues & subscriptions	-	-	-	-
Inventory expense	-	-	-	-
Sales Tax	-	-	-	-
Printing & copying	-	-	-	-
Advertising	-	-	-	-
Insurance	-	-	-	-
Travel & entertainment	36	-	486	-
Bank Fees	-	-	-	-
Web Page	-	-	-	-
Miscellaneous expense	-	-	-	-
Total Expense	1,508	4,098	12,593	423
Change in net assets	-	-	234	-

Alutiiq Museum and Archaeological Repository
Statement of Activities by Class
through April 30, 2016

	3.3.3.1 - AWOTW '16-'17	Total 3.3 - State/Muni	Total Grants	4.1.1 - Denation '16	4.2.1 - Workshops
Operating activities					
Revenue:					
Admissions	-	-	-	-	-
Member dues	-	-	-	-	-
Program & contracts	-	-	-	-	-
Store sales	-	-	-	-	-
Gaming	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Subtotal revenue	-	-	-	-	-
Support					
Contributions					
Individuals	-	-	-	-	-
Corporations	-	-	-	-	-
Native Organizations	-	-	-	-	-
Total Contributions	-	-	-	-	-
Grants/Foundations/Sponsorships	4,971	5,394	67,463	22,800	-
Subtotal support	4,971	5,394	67,463	22,800	-
Total support and revenue	4,971	5,394	67,463	22,800	-
Expenses:					
Personnel	4,971	5,394	50,258	75	-
Facility	-	-	1,082	-	-
Facility	-	-	1,162	-	-
Supplies	-	-	651	-	-
Postage & shipping	-	-	-	-	-
Professional & contractual	-	-	10,780	-	-
Computer & IT	-	-	2,549	-	-
Software	-	-	20	-	-
Dues & subscriptions	-	-	-	-	-
Inventory expense	-	-	-	-	-
Sales Tax	-	-	-	-	-
Printing & copying	-	-	-	-	-
Advertising	-	-	-	-	-
Insurance	-	-	-	-	-
Travel & entertainment	-	-	22	-	134
Bank Fees	-	-	-	-	-
Web Page	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-
Total Expense	4,971	5,394	67,229	75	119
Change in net assets	-	-	234	22,725	(119)

Ajutliq Museum and Archaeological Repository
Statement of Activities by Class
through April 30, 2016

	Sponsorships	4.3 - Kayak Exhibit	4.6 - French Art Spons.	Total Sponsor.	Total
Operating activities					
Revenue:					
Admissions	-	-	-	-	3,216
Member dues	-	-	-	-	2,780
Program & contracts	-	-	-	-	3,000
Store sales	-	-	-	-	20,781
Gaming	-	-	-	-	21,701
Miscellaneous	-	-	-	-	506
Subtotal revenue	-	-	-	-	51,983
Support					
Contributions					
Individuals	-	3,500	-	3,500	7,910
Corporations	5,000	10,000	-	15,000	18,784
Native Organizations	-	-	-	-	30,600
Total Contributions	5,000	13,500	-	18,500	57,295
Grants/Foundations/Sponsorships	-	-	-	22,800	91,184
Subtotal support	5,000	13,500	-	41,300	148,479
Total support and revenue	5,000	13,500	-	41,300	300,462
Expenses:					
Personnel	-	-	75	-	183,393
Facility	-	-	-	-	12,850
Facility	454	-	454	-	10,271
Supplies	-	37,000	-	37,000	44,083
Postage & shipping	-	-	-	-	713
Professional & contractual	-	-	-	-	19,025
Computer & IT	-	-	-	-	2,549
Software	-	-	-	-	1,312
Dues & subscriptions	-	-	-	-	-
Inventory expense	-	-	-	-	16,756
Sales Tax	-	-	-	-	319
Printing & copying	-	-	-	-	1,849
Advertising	-	-	-	-	895
Insurance	-	-	-	-	2,065
Travel & entertainment	-	7,881	-	8,000	13,557
Bank Fees	-	-	-	-	459
Web Page	-	-	-	-	315
Miscellaneous expense	-	-	-	-	276
Total Expense	454	44,881	-	45,530	310,688
Change in net assets	4,546	(31,381)	-	(4,230)	(110,226)

Executive Board:

Chair: Jennifer Dow
Denali Emergency Medicine
Associates

Vice Chair: Joshua Howes
Premier Alaska Tours

Secretary: Christina Livesey
Petrotechnical Resources of Alaska

Board Members at large:

Michael Barnes
BP Exploration Alaska, Inc.

Clint Brooks
Fairbanks Memorial Hospital

Peter Chaille
Tatoosh School

Buddy Custard
Alaska Maritime Prevention &
Response Network

Lee Daniels
Wells Fargo Bank, N.A.

Matthew Fagnani
Aleut Corporation

Joseph Fong
Providence Seward Medical & Care
Center

Lisa Gentry
Fairbanks Ultrasound LLC

Joseph Gerace
Suburban Propane

Wesley Heinold
ConocoPhillips Alaska

Eric Helzer
Colville, Inc.

Jim Hickerson
RAVN Alaska

Lynn Johnson
Dowland-Bach

Mark Johnson
GCI Industrial Telecom

Buddy Lane
North Pole Fire Department

David Lawer
First National Bank of Alaska

John Lewis
MML International, LLC

Karen Petersen
UAF, Cooperative Extension Service

Wesley Potter
U.S. Army Fort Wainwright

Gabrielle Rubenstein
PT Capital, LLC

Scott Stewart
Arctic Controls, Inc.

Julie Taylor
Alaska Regional Hospital

Sandra Vasquez
Marsh & McLennan Agency



American Red Cross
of Alaska

JUN 2016
Received
Executive Department
City of Kodiak

June 14, 2016

City Manager
City of Kodiak
710 Mill Bay Rd
Kodiak, AK 99615

Dear City of Kodiak Nonprofit Grant Committee,

I would like to take this opportunity to express my deepest appreciation for the support you have given us over the past year.


Without your support we would have been unable to build the program we have on Kodiak today. We have increased our cooperation with both the police and fire departments as well as the Kodiak LEPC. As a result, we are better able to approach a major disaster in an integrated manner.

Your assistance has helped us to strengthen our Disaster Action Team and enable us to respond to Kodiak's first wild fire in recent memory. While Kodiak is not a hot bed of disaster, we were able to enrich our responders' skills by both training in Kodiak and involving them in the Artic Shield exercise in the Mat-Su and the Disaster Training institute. Kodiak volunteers are now enriching their skills by performing virtual casework for other regions in the state. These numbers are not reflected in the services provided to Kodiak but are important because we now have responders with real experience, prepared for a disaster in your city.

On another level, preparedness, we have been able to work with KANA and the Kodiak Fire Department to get over 100 smoke detectors installed in Kodiak homes preventing a possible future loss of life. Little of this would have happened without your support.

With sincere gratitude from staff of the American Red Cross of Alaska.


Tanquy Libbrecht
Regional Chief Executive
American Red Cross of Alaska
(907) 529-9709 mobile
Tanquy-Libbrecht.redcross.org


Bill Morrow
Disaster Program Manager
Mat-Su and Kodiak Island
(907) 357-6060
Bill.Morrow@redcross.org

**CITY OF KODIAK
 FY17 NONPROFIT FUNDING APPLICATION
 Return to City Manager's Office by June 17, 2016.**

ORGANIZATIONAL OVERVIEW

Organization Name American Red Cross Serving Alaska

Mailing Address 235 E. 8th Ave., Suite 200

Telephone No. (907) 646-5401 Fax No. (907) 276-1465

Email tanguy.libbrecht@redcross.org

Federal Employer Tax ID Number 53-0196605

Contact Person Tanguy Libbrecht Regional Executive Officer

Contact Person Printed Name Title

Contact Person  6-17-16

Contact Person Signature Date

List of Board Members and Officers:

List of board members attached.

Chair: Jennifer Dow

Vice Chair: Joshua Howes

Secretary: Christina Livesey

Does agency have 501(c)3 status from the IRS? Yes No

If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.

If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

- Disaster Relief - Provide immediate support to individuals and families affected by disaster, whether man-made or natural. Includes responses from single family home fire to large natural disasters like earthquakes and tsunamis.
- Disaster Preparedness - Train responders and educate youth and adults on good preparedness factors.
- First Aid/CPR Training - Provide first aid, CPR, and water safety training to prevent the loss of life.
- Service to Armed Forces - Provide emergency messaging to members of our Armed Forces and their families.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? 500 based on previous year's activities.

Please attach a copy of the organization's Mission Statement.
 City of Kodiak Nonprofit Grant Application/Report
 FY2017
 Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

KANA - Provides instructors for the "Pillow Case" project for children in grades 3 through 5. Helps with delivery of Home Fire Campaign (HFC) with the distribution and installation of smoke/CO detectors.

Salvation Army - Provides some housing assistance to those displaced by fire and in a partner in mass care feeding during larger scale disasters and exercises.

7th Day Adventists - Provides storage for Red Cross disaster equipment. Provides household goods to those displaced by disaster.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category <u>Emergency Response Programs</u>	Amount <u>\$6,500</u>
Explanation:	
1. Vehicle fuel/maintenance - support Red Cross vehicle assigned to Kodiak.	500 500
2. Office Supplies	200 700
3. Volunteer Training - Basic (\$400) - Intermediate/Advanced (\$600)	1,000 2,200
4. Direct Client Assistance - (5 responses X \$700 (case average))	3,500 5,700
5. Disaster Equipment - Casework lap top (\$600), MiFi for connectivity (\$200)	800 6,500

Category _____ Amount _____
 Explanation:

Category _____ Amount _____
 Explanation:

Total funding request to the City of Kodiak \$6,500

What percentage of funds will be used for administrative costs? _____

What percentage of funds will be used for direct services? 100%

How will the funds be used?

All funds will be used to prevent, prepare for, and respond to disaster. The program addresses the preparedness and prevention needs of Kodiak citizens, the basic training of Red Cross responders, and the advanced training of supervisors. Equipment allows for the provision of services to clients at the disaster scene.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal _____	State _____
City of Kodiak <u>5,240</u>	Kodiak Is. Borough <u>7,900</u>
Parent Organization <u>626,141</u>	Corporate Grants <u>524,877</u>
Foundations <u>60,000</u>	Client Fees _____
Donations <u>569,199</u>	Memberships _____
Interest _____	Gaming Permit Activities (pull tabs, raffles etc.) _____

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

What effects will there be and what alternative plans does your agency have if City funding is not received?

With its congressional charter and agreements with FEMA and the State of Alaska, the American Red Cross will provide emergency assistance to the citizens of the City of Kodiak regardless of a lack of local financial commitments. Loss of funding may reduce the amount and timing of volunteer training and disaster preparation.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs	25 points
Grant reports submitted to City as required	25 points
Number of City residents served	25 points
Other sources of applicant funding identified	25 points

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	American Red Cross Serving Alaska
Program:	Emergency Response Program
2015-2016 Grant Amount:	\$5,240
Amount Expended Year-to-Date:	\$5,240
Balance:	0

Describe accomplishments with grant funds.

Service to Armed Forces - provided emergency messaging to 31 service members stationed on Kodiak. First Aid/CPR Training - provided training to 158 Kodiak residents.
Disaster Preparedness Training - pillowcase project with 60 3rd - 5th graders. Home Fire Campaign to 179.
Disaster Relief - Sheltered 30, direct assistance provided to 4 clients, 5 new disaster responders trained.

If you have not expended all funds, please describe how and when you intend to spend the balance.

 6-14-16
Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615



American Red Cross
of Alaska

Board of Directors

Executive Board:

Chair: Jennifer Dow
Denali Emergency Medicine Associates

Vice Chair: Joshua Howes
Premier Alaska Tours

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Petrotechnical Resources of Alaska

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Fairbanks Ultrasound LLC

Joseph Gerace
Suburban Propane

Wesley Heinold
ConocoPhillips Alaska

Eric Helzer
Colville, Inc

Jim Hickerson
RAVN Alaska

Lynn Johnson
Dowland-Bach

Mark Johnson
GCI Industrial Telecom

Buddy Lane
North Pole Fire Department
David Lawer
First National Bank of Alaska

John Lewis
MML International, LLC

Karen Petersen
UAF, Cooperative Extension Service

Wesley Potter
U.S. Army Fort Wainwright

Gabrielle Rubenstein
PT Capital, LLC

Scott Stewart
Arctic Controls, Inc

Julie Taylor
Alaska Regional Hospital

Sandra Vasquez
Marsh & McLennan Agency



KPMG LLP
1676 International Drive
McLean, VA 22102

Independent Auditors' Report

The Board of Governors
The American National Red Cross:

We have audited the accompanying consolidated financial statements of The American National Red Cross (the Organization), which comprise the consolidated statement of financial position as of June 30, 2014, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 auditors' 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 The American National Red Cross as of June 30, 2014, and the changes in their net assets, their functional expenses and cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP is a Delaware limited liability partnership,
the U.S. member firm of KPMG International Cooperative
("KPMG International"), a Swiss entity.



Report on Summarized Comparative Information

We have previously audited The American National Red Cross 2013 consolidated financial statements, and expressed an unmodified audit opinion on those consolidated financial statements in our report dated October 23, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information included in the Schedule 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 as a whole.

KPMG LLP

October 29, 2014

THE AMERICAN NATIONAL RED CROSS

Consolidated Statement of Financial Position

June 30, 2014

(with comparative information as of June 30, 2013)

(In thousands)

Assets	2014	2013
Current assets:		
Cash and cash equivalents	\$ 46,976	\$ 82,721
Investments (Note 8)	521,485	618,139
Trade receivables, including grants, net of allowance for doubtful accounts of \$4,463 in 2014 and \$6,963 in 2013 (Note 11)	190,528	233,089
Contributions receivable, net (Note 2)	83,830	80,303
Inventories, net of allowance for obsolescence of \$3,832 in 2014 and \$4,714 in 2013	108,979	112,950
Other current assets	16,798	23,230
Total current assets	968,596	1,150,432
Investments (Note 8)	1,553,756	1,466,762
Contributions receivable, net (Note 2)	11,981	12,205
Land, buildings, and other property, net (Note 3)	995,695	1,018,454
Other assets (Note 9)	261,615	250,982
Total assets	3,791,643	3,898,835
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	280,869	325,810
Current portion of debt (Note 4)	18,532	18,236
Postretirement benefits (Note 10)	3,807	3,734
Other current liabilities (Notes 9 and 11)	132,228	154,398
Total current liabilities	435,436	502,178
Debt (Note 4)	727,221	695,755
Pension and postretirement benefits (Note 10)	520,029	554,645
Other liabilities (Notes 4 and 9)	148,199	156,200
Total liabilities	1,830,885	1,908,778
Net assets (Notes 6 and 7):		
Unrestricted net assets	339,577	398,444
Temporarily restricted net assets	857,420	861,605
Permanently restricted net assets	763,761	730,008
Total net assets	1,960,758	1,990,057
Commitments and contingencies (Notes 4, 5, 8, 10, 11, 12)		
Total liabilities and net assets	\$ 3,791,643	\$ 3,898,835

See accompanying notes to the consolidated financial statements.

THE AMERICAN NATIONAL RED CROSS

Consolidated Statement of Activities

Year ended June 30, 2014

(with summarized information for the year ended June 30, 2013)
(In thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2014	2013
Operating revenues and gains:					
Contributions:					
Corporate, foundation and individual giving	\$ 236,470	\$ 273,629	\$ -	\$ 510,099	\$ 830,998
United Way and other federated	25,857	77,882	-	103,739	95,530
Legacies and bequests	55,156	10,271	20,814	86,241	96,224
Services and materials	12,198	10,780	-	22,978	54,502
Products and services:					
Biomedical	1,889,790	-	-	1,889,790	2,037,732
Program materials	129,455	-	-	129,455	125,153
Contracts, including federal government	73,933	-	-	73,933	73,132
Investment income (Note 3)	53,367	32,471	-	85,838	48,697
Other revenues	86,620	446	-	87,066	73,973
Net assets released from restrictions	481,430	(481,430)	-	-	-
Total operating revenues and gains	3,044,276	(75,951)	20,814	2,989,139	3,435,941
Operating expenses:					
Program services:					
Services to the Armed Forces	46,173	-	-	46,173	56,645
Biomedical services (Note 12)	1,979,894	-	-	1,979,894	2,164,815
Community services	49,458	-	-	49,458	57,200
Domestic disaster services	364,074	-	-	364,074	467,245
Health and safety services	196,125	-	-	196,125	216,222
International relief and development services	127,385	-	-	127,385	92,742
Total program services	2,763,109	-	-	2,763,109	3,054,869
Supporting services:					
Fund raising	183,224	-	-	183,224	189,431
Management and general	115,899	-	-	115,899	136,283
Total supporting services	299,123	-	-	299,123	325,714
Total operating expenses	3,062,232	-	-	3,062,232	3,380,583
Change in net assets from operations	(17,956)	(75,951)	20,814	(73,093)	55,358
Nonoperating gains (losses) (Notes 5 and 8)	12,235	71,766	12,939	96,940	92,181
Pension-related changes other than net periodic benefit cost (Note 10)	(53,146)	-	-	(53,146)	247,295
	-	-	-	-	-
Change in net assets	(58,867)	(4,185)	33,753	(29,299)	394,834
Net assets, beginning of year	398,444	861,605	730,008	1,990,057	1,595,223
Net assets, end of year	\$ 339,577	\$ 857,420	\$ 763,761	\$ 1,960,758	\$ 1,990,057

See accompanying notes to the consolidated financial statements.

THE AMERICAN NATIONAL RED CROSS

Statement of Functional Expenses

Year ended June 30, 2014

(with summarized information for the year ended June 30, 2013)
(In thousands)

	Program Services							Total Program Services
	Service to Armed Forces	Biomedical Services	Community Services	Domestic Disaster Services	Health and Safety Services	International Relief & Development Services	Total Program Services	
Salaries and wages	\$ 25,267	\$ 886,080	\$ 19,245	\$ 98,119	\$ 80,546	\$ 20,891	\$ 1,130,148	
Employee benefits	6,267	219,777	4,773	24,337	19,978	5,182	280,314	
Subtotal	31,534	1,105,857	24,018	122,456	100,524	26,073	1,410,462	
Travel and maintenance	1,530	31,192	701	17,428	7,301	5,003	63,155	
Equipment maintenance and rental	355	61,301	2,439	10,856	2,025	1,350	78,326	
Supplies and materials	1,409	462,548	6,425	8,044	11,761	1,227	491,414	
Contractual services	8,104	276,215	9,267	61,399	66,342	8,957	430,284	
Financial and material assistance	2,224	2,990	4,698	132,466	2,565	84,110	229,053	
Depreciation and amortization	1,017	39,791	1,910	11,425	5,607	665	60,415	
Total expenses	\$ 46,173	\$ 1,979,894	\$ 49,458	\$ 364,074	\$ 196,125	\$ 127,385	\$ 2,763,109	

	Supporting Services			Total Expenses	
	Fund Raising	Management and General	Total Supporting Services	2014	2013
Salaries and wages	\$ 91,446	\$ 46,115	\$ 137,561	\$ 1,267,709	\$ 1,333,519
Employee benefits	22,682	11,438	34,120	314,434	443,467
Subtotal	114,128	57,553	171,681	1,582,143	1,776,986
Travel and maintenance	5,643	2,776	8,419	71,574	117,546
Equipment maintenance and rental	856	1,333	2,189	80,515	102,303
Supplies and materials	3,676	376	4,052	495,466	512,356
Contractual services	55,514	51,101	106,615	536,899	561,639
Financial and material assistance	646	299	945	229,998	246,548
Depreciation and amortization	2,761	2,461	5,222	65,637	63,205
Total expenses	\$ 183,224	\$ 115,899	\$ 299,123	\$ 3,062,232	\$ 3,380,563

See accompanying notes to the consolidated financial statements.

THE AMERICAN NATIONAL RED CROSS

Consolidated Statement of Cash Flows

Year ended June 30, 2014
(with comparative information for the year ended June 30, 2013)
(In thousands)

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ (29,299)	\$ 394,834
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	65,637	63,205
Provision for doubtful accounts and contributions receivable	1,246	1,195
Provision (recovery) for obsolete inventory	(882)	610
Net gain on sales of property	(6,683)	(4,965)
Net investment and derivative gain	(119,682)	(86,778)
Pension and postretirement related changes other than net periodic benefit costs	53,146	(247,295)
Permanently restricted contributions	(20,814)	(22,011)
Changes in operating assets and liabilities:		
Receivables	38,012	(24,234)
Inventories	4,853	316
Other assets	(4,201)	(106)
Accounts payable and accrued expenses	(44,941)	44,798
Other liabilities	(31,165)	(27,943)
Pension and postretirement benefits	(87,689)	(199,953)
Net cash used in operating activities	(182,462)	(108,327)
Cash flows from investing activities:		
Purchases of property	(53,305)	(39,035)
Proceeds from sales of property	17,110	13,134
Purchases of investments	(145,237)	(320,896)
Proceeds from sales of investments	275,573	302,296
Net cash provided by (used in) investing activities	94,141	(44,501)
Cash flows from financing activities:		
Permanently restricted contributions	20,814	22,011
Proceeds from borrowings	50,000	175,000
Repayments of debt	(18,238)	(14,367)
Net cash provided by financing activities	52,576	182,644
Net (decrease)/increase in cash and cash equivalents	(35,745)	29,816
Cash and cash equivalents, beginning of year	82,721	52,905
Cash and cash equivalents, end of year	\$ 46,976	\$ 82,721
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 26,937	\$ 17,903
Noncash investing and financing transactions:		
Contribution related to acquisition of an organization	\$ 19,994	-

See accompanying notes to the consolidated financial statements.

THE AMERICAN NATIONAL RED CROSS

Notes to Consolidated Financial Statements

June 30, 2014

(with summarized information for the year ended June 30, 2013)

(1) Summary of Significant Accounting Policies

Organization and Basis of Presentation: The American National Red Cross (the Organization) was established by an Act of the United States Congress on January 5, 1905 for the primary purposes of furnishing volunteer aid to the sick and wounded of the Armed Forces in time of war and to carry on a system of national and international relief in time of peace to mitigate the suffering caused by fire, famine, floods and other great natural calamities. The mission of the Organization has expanded since that time to help people prevent, prepare for, and respond to emergencies.

The accompanying consolidated financial statements present the consolidated financial position and changes in net assets, functional expenses and cash flows of the Organization. The Organization has national and international programs that are conducted by its headquarters, biomedical services, and chartered local chapters. Also included in the consolidated financial statements are the net assets and operations of Boardman Indemnity Ltd., a 100% owned captive insurance subsidiary, ARC Receivables Company, LLC, a wholly owned bankruptcy-remote special purpose entity, and Delta Blood Bank, LLC, a wholly owned blood bank. All significant intra-organizational accounts and transactions have been eliminated.

Program activities include services to the Armed Forces, biomedical services, community services, disaster services, health and safety services, and international services. Biomedical services includes activities associated with the collection, processing, testing, and distribution of whole blood and components at 36 local blood services region operations, four national testing laboratories, a biomedical research facility, and related national support functions.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to any donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Organization. Generally, the donors permit the Organization to use all or part of the income earned for either general or donor-specified purposes.

The consolidated financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2013 from which the summarized information was derived.

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Use of Estimates: The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ from management's estimates.

Cash Equivalents: The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist of money market mutual funds and overnight investments of approximately \$25 million and \$66 million as of June 30, 2014 and 2013, respectively.

Investments: Investments are reported at fair value except for certain commingled funds and alternative funds that, as a practical expedient, are reported at estimated fair value utilizing net asset values. Net asset value, in many instances may not equal the fair value. The Organization does not intend to sell any of the funds at an amount different from net asset value per share at June 30, 2014. The Organization reviews and evaluates the net asset values provided by the general partners and fund managers and agrees with the valuation methods and assumptions used in determining net asset values of these funds. The separately managed endowment fund accumulates realized gains and losses on security transactions, which are available to meet current expenses to the extent approved by the Board of Governors. Amounts annually available for expenditure are based on the Board of Governors' approved spending rate using the total-return method.

Investment income classified as operating revenue consists of interest and dividend income on investments and any gains approved for use in operations (note 8). All other realized and unrealized gains or losses are classified as nonoperating activity and are available to support operations in future years and to offset potential market declines.

Investments classified as current are available for operations in the next fiscal year.

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Derivative Financial Instruments: The Organization makes use of derivative financial instruments in order to mitigate certain risks. Derivative financial instruments are recorded at fair value (note 8). Derivatives in an asset and liability position are offset against each other and reported net in investments in the statement of financial position.

Endowment Fund: The Organization has maintained a national endowment fund since 1905. Since 1910, as stated in the bylaws of the Organization and because of public declarations as to their intended use, gifts to The American National Red Cross national headquarters under wills, trusts, and similar instruments which do not direct some other use of such funds are recorded as permanently restricted endowment funds to be kept and invested in perpetuity. Based upon the manner in which the Organization has solicited and continues to solicit such gifts, it has been determined by independent legal counsel that such gifts must be placed in the endowment fund and, accordingly, reported as permanently restricted net assets.

Inventories: Inventories of supplies purchased for use in program and supporting services are valued using the average cost method. Whole blood and its components are valued at the lower of average cost or market.

Land, Buildings, and Other Property: Purchases of land, buildings, and other property having a unit cost per established guidelines and a useful life of three or more years are capitalized at cost. Donated assets are capitalized at the estimated fair value at date of receipt. Interest expense incurred during a period of construction, less related interest income earned on proceeds of tax-exempt borrowings, is capitalized.

Property under capital leases is amortized over the lease term. Any gain or loss on the sale of land, buildings and other property is reported as other revenues on the consolidated statement of activities.

Application development costs incurred to develop internal-use software are capitalized and amortized over the expected useful life of the software application. Activities that are considered application development include design of software configuration and interfaces, coding, installation of hardware, and testing. All other expenses incurred to develop internal-use software are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Class of property</u>	<u>Useful life in years</u>
Buildings	45
Building improvements	10
Equipment and software	3 -15

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Long-Lived Assets: Long-lived assets, such as land, building and other property, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Property and Casualty Insurance: The Organization maintains various insurance policies under which it assumes a portion of each insured loss. Assumed losses are retained by the Organization through its wholly owned insurance subsidiary, Boardman Indemnity, Ltd. (Boardman). The Organization also purchases insurance to supplement the coverage by Boardman. The liabilities for outstanding losses and incurred but not reported claims have been determined based on actuarial studies and are reported as other liabilities in the consolidated statement of financial position, and were approximately \$99 million and \$104 million as of June 30, 2014 and 2013, respectively.

Revenue Recognition: Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Contributions receivable due beyond one year are stated at net present value of the estimated cash flows using a risk-adjusted rate. Conditional contributions are recorded when the conditions have been substantially met. Contributions are considered to be unrestricted unless specifically restricted by the donor.

The Organization reports contributions in the temporarily or permanently restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the consolidated statement of activities.

Donor-restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

Products and services revenue, which arises principally from sales of whole blood and components and health and safety course fees, is generally recognized upon shipment of the product or delivery of the services to the customer.

Revenues from grants and contracts, including those from federal agencies, are generally reported as unrestricted contract revenue and are recognized as qualifying expenses are incurred under the agreement.

Gains and losses on investments and other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

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Contributed Services and Materials: Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance nonfinancial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. The Organization recorded contributed services revenue and related expense for the years ended June 30, 2014 and 2013 of approximately \$6 million and \$13 million, respectively, mostly in support of the disaster services program.

Donated materials are recorded at their fair value at the date of the gift. Gifts of long-lived assets are recorded as restricted support. This restriction is released ratably over the useful life of the asset.

Income Taxes: The American National Red Cross is a not-for-profit organization incorporated by the U.S. Congress through the issuance of a federal charter. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. At June 30, 2014 and 2013, the Organization has determined that no income taxes are due for its activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements.

Accounts Receivable Securitization: The Organization has an accounts receivable securitization program that is accounted under Accounting Standards Update (ASU) No. 2009-16, Transfers and Servicing (Topic 860): Accounting for Transfers of Financial Assets (note 11).

(2) Contributions Receivable

The Organization anticipates collection of outstanding contributions receivable as follows at June 30, 2014 and 2013 (in thousands):

	2014	2013
Amounts receivable within one year	\$ 89,663	82,390
Amounts receivable in 1 to 5 years (net of discount of \$251 and \$601 for 2014 and 2013, respectively)	11,981	12,205
Total contributions receivable before allowance for uncollectible amounts	101,644	94,595
Less allowance for uncollectible amounts	(5,833)	(2,087)
Contributions receivable, net	95,811	92,508
Less current portion	83,830	80,303
Contributions receivable, net, noncurrent	\$ 11,981	12,205

Amounts presented above have been discounted to present value using various discount rates ranging between 0.11% and 2.53%.

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(3) Land, Buildings, and Other Property

The cost and accumulated depreciation of land, buildings, and other property were as follows at June 30, 2014 and 2013 (in thousands):

	2014	2013
Land	\$ 123,561	118,199
Buildings and improvements	1,158,088	1,152,054
Equipment and software	708,913	712,042
Buildings and equipment under capital lease	1,787	1,787
Total cost of assets placed in service	1,992,349	1,984,082
Less accumulated depreciation and amortization	(1,014,215)	(985,284)
Construction-in-progress	17,561	19,656
Land, buildings, and other property, net	\$ 995,695	1,018,454

(4) Debt

Debt consists of the following at June 30, 2014 and 2013 (in thousands):

	2014	2013
Fixed rate debt:		
Bearing interest rates ranging from 1.30% to 5.85%, due calendar year 2014 through 2036	\$ 508,343	459,505
Variable rate debt:		
Bearing interest rates ranging from 0.02% to 0.82%, due calendar year 2014 through 2034:		
Variable rate debt with demand repayment rights	187,308	194,295
Variable rate debt without demand repayment rights	50,000	60,000
Total bonds and notes payable	745,651	713,800
Obligations under capital leases (note 5)	102	191
Total debt	745,753	713,991
Less current portion	18,532	18,236
Debt, noncurrent portion	\$ 727,221	695,755

The Organization's debt is generally backed only by the full faith and credit of The American National Red Cross. Certain bonds are subject to redemption prior to the maturity at the option of the Organization. The repayment terms of the variable rate debt generally require monthly payments of interest and annual principal reduction. The registered owners of the bonds and notes with demand repayment rights may demand repurchase of the bonds and notes for an amount equal to the principal plus accrued interest. Letters of credit or standby credit facilities have been established with multiple banks in the aggregate

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amount of \$204 million and \$217 million for fiscal years 2014 and 2013, respectively, to provide liquidity in the event other funding is not available for repurchasing. As of June 30, 2014, the maturity dates for these liquidity facilities are from calendar year 2014 through 2016. Approximately \$94 million of the debt with demand repayment rights bears interest at flexible rates with flexible rate periods of any duration up to 270 days. The remaining debt with demand repayment rights is remarketed on a weekly basis bearing interest rates that are reset weekly.

Certain of the Organization's debt agreements include covenants that require the Organization to maintain certain levels of financial ratios. Management believes the Organization was in compliance with its covenant requirements as of and for the year ended June 30, 2014.

Scheduled maturities and sinking fund requirements of the debt and credit agreements as of June 30, 2014 are as follows (in thousands):

2015	\$ 18,532
2016	17,180
2017	31,666
2018	42,173
2019	40,489
Thereafter	<u>595,713</u>
	<u>\$ 745,753</u>

The carrying value and estimated fair value of the Organization's noncurrent debt as of June 30, 2014 and 2013 are summarized as follows (in thousands):

	2014		2013	
	<u>Carrying value</u>	<u>Fair value Level 2</u>	<u>Carrying value</u>	<u>Fair value Level 2</u>
Noncurrent debt	\$ 727,221	762,519	695,755	723,795

The fair value estimate is based on quoted prices for bond issues with similar maturities and credit quality (Level 2). See note 8 for definitions of Level 1, 2 and 3. The market prices utilized reflect the rate the Organization would have to pay a credit worthy third party to assume its obligation and do not reflect an additional liability to the Organization.

Interest expense was approximately \$34 million and \$25 million for the years ended June 30, 2014 and 2013, respectively, which is included in contractual services on the statement of functional expenses.

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Bank Lines of Credit: The Organization maintained several committed and uncommitted lines of credit with various banks for its working capital requirements. As of June 30, 2014 and 2013, there were no borrowings outstanding under lines of credit. The Organization had unused lines of credit outstanding of approximately \$340 million and \$215 million at June 30, 2014 and 2013, respectively. The amounts available to be borrowed on the lines of credit are subject to the limitations of the Organization's debt covenants.

Interest Rate Swap Agreements: The Organization held variable rate debt of approximately \$237 million and \$254 million at June 30, 2014 and 2013, respectively. Interest rate swap agreements are used by the Organization to mitigate the risk of changes in interest rates associated with variable interest rate indebtedness. Under such arrangements, a portion of variable rate indebtedness is converted to fixed rates based on a notional principal amount. The interest rate swap agreements are derivative instruments that are recognized at fair value and recorded on the statement of financial position. At June 30, 2014, the aggregate notional principal amount under the interest rate swap agreements, with maturity dates ranging from calendar year 2014 through 2021, totaled \$105 million. At June 30, 2013, the aggregate notional principal amount under the interest rate swap agreements, with maturity dates ranging from 2013 through 2021, totaled \$118 million. The estimated fair value of the interest rate swap agreements was a liability of approximately \$7 million and \$8 million, respectively, and is included in other liabilities in the accompanying consolidated statements of financial position as of June 30, 2014 and 2013.

The change in fair value on these interest rate swap agreements was a gain of approximately \$1 million and \$4 million for the years ended June 30, 2014 and 2013, respectively, and is included in nonoperating gains in the consolidated statements of activities.

The following table represents the interest rate swap liabilities that are measured at fair value on a recurring basis at June 30, 2014 and 2013 (in thousands):

	Fair value measurements		
	Level 1	Level 2	Level 3
Interest rate swap liabilities at June 30, 2014	\$ —	6,657	—
Interest rate swap liabilities at June 30, 2013	—	7,852	—

For the valuation of the interest rate swap at June 30, 2014 and 2013, the Organization used significant other observable inputs as of the valuation date (Level 2), including prices of instruments with similar maturities and characteristics, interest rate yield curves and measures of interest rate volatility. The value was determined and adjusted to reflect nonperformance risk of both the counterparty and the Organization. See note 8 for definitions of Levels 1, 2 and 3.

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Letters of Credit: The Organization had unused letters of credit outstanding of approximately \$52 million and \$60 million at June 30, 2014 and 2013, respectively.

(5) Leases

The Organization leases certain buildings and equipment for use in its operations. The following summarizes minimum future rental payments under capital and operating leases for the fiscal years ending June 30 (in thousands):

	Operating	Capital
2015	\$ 23,684	98
2016	19,605	1
2017	16,163	1
2018	12,275	1
2019	8,275	1
Thereafter	39,707	8
Total minimum lease payments	\$ 119,709	110
Less amounts representing interest		(8)
Present value of net minimum lease payments (note 4)		\$ 102

Total rent expense was approximately \$52 million and \$48 million for the years ended June 30, 2014 and 2013, respectively, and is included in contractual services on the consolidated statement of functional expenses.

Future minimum rental payments to be received by the Organization for office space leased at the National Headquarters building as of June 30, 2014, are as follows (in thousands):

2015	\$ 13,616
2016	13,754
2017	13,895
2018	14,040
2019	14,189
Thereafter	14,342
Total minimum lease payments to be received	\$ 83,836

Total rental income was approximately \$13 million for both years ended June 30, 2014 and 2013, respectively, and is included in other revenues on the consolidated statement of activities.

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(6) Net Assets

Temporarily restricted net assets are available for the following purposes or periods at June 30, 2014 and 2013 (in thousands):

	2014	2013
Disaster services	\$ 92,430	169,197
Biomedical services	334	541
Health and safety services	2,383	1,215
International relief and development services	260,037	259,651
Community services	3,087	3,318
Buildings and equipment	7,105	8,412
Endowment inflation adjustment reserve	200,024	187,200
Endowment assets available for future appropriation	200,756	142,277
Other specific purposes	25,902	27,868
Time restricted	65,362	61,926
Total temporarily restricted net assets	\$ 857,420	861,605

Permanently restricted net assets at June 30, 2014 and 2013 consist primarily of endowed contributions, the income from which is available principally to fund general operations. Other permanently restricted net assets consist of beneficial interests in perpetual trusts and other split interest agreements (note 9).

(7) Endowments

Effective January 23, 2008, the District of Columbia enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the provisions of which apply to endowment funds existing on or established after that date. Based on its interpretation of the provisions of UPMIFA, the Organization is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The Organization classifies as permanently restricted net assets the original value of gifts donated to be held in perpetuity. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization has adopted and the Governing Board has approved the Statement of Investment Policies and Objectives for the endowment fund. This policy has identified an appropriate risk posture for the fund, stated expectations and objectives for the fund, provides asset allocation guidelines and establishes criteria to monitor and evaluate the performance results of the fund's managers.

To satisfy its long term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

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The Organization makes distributions from income earned on the endowment fund for current operations using the total return method. In establishing this method, the Organization considered the long-term expected return on its funds. To the extent that distributions exceed net investment income, they are made from accumulated gains. The Board of Governors approves the spending rate, calculated as a percentage of the five-year calendar trailing average fair value of the endowment fund at the beginning of each fiscal year.

A spending rate of approximately 3.9% for year 2014 and 3.8% for year 2013 of the trailing five-year market value was applied to each unit of the endowment fund and resulted in total distributions of approximately \$32 million and \$31 million for the years ended June 30, 2014 and 2013, respectively. Approximately \$24 million and \$26 million of the amounts represent utilization of accumulated realized gains, for the years ended June 30, 2014 and 2013, respectively. A spending rate of approximately 3.8% of the trailing five-year market value has been approved for 2015.

Net asset classification by type of endowment as of June 30, 2014, is as follows (in thousands):

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	400,780	581,429	982,209

Changes in endowment net assets for the year ended June 30, 2014 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ —	329,477	561,835	891,312
Investment return:				
Investment income	—	31,967	—	31,967
Net appreciation (net realized and unrealized gains/losses)	—	71,304	—	71,304
Total investment return	—	103,271	—	103,271
Contributions	—	—	19,594	19,594
Appropriation of endowment assets for expenditure	—	(31,968)	—	(31,968)
Endowment net assets, end of year	\$ —	400,780	581,429	982,209

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Net asset classification by type of endowment as of June 30, 2013 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	329,477	561,835	891,312

Changes in endowment net assets for the year ended June 30, 2013 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ —	285,468	542,602	828,070
Investment return:				
Investment income	—	31,343	—	31,343
Net appreciation (net realized and unrealized gains/losses)	—	44,009	—	44,009
Total investment return	—	75,352	—	75,352
Contributions	—	—	19,233	19,233
Appropriation of endowment assets for expenditure	—	(31,343)	—	(31,343)
Endowment net assets, end of year	<u>\$ —</u>	<u>329,477</u>	<u>561,835</u>	<u>891,312</u>

(8) Investments and Fair Value Measurements

The Organization applies the provisions of ASC 820, *Fair Value Measurements and Disclosures*, for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that requires the Organization to maximize the use of observable inputs when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Organization's market assumptions. The three levels of the fair value hierarchy are as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets.
- Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; or market – corroborated inputs.

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- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

In certain cases, the inputs to measure fair value may result in an asset or liability falling into more than one level of the fair value hierarchy. In such cases, the determination of the classification of an asset or liability within the fair value hierarchy is based on the least determinate input that is significant to the fair value measurement. Investments measured using net asset value are classified as Level 2 if they are redeemable at or near year-end otherwise they are considered Level 3.

Transfers between levels may occur when there is a change in the observability of significant inputs. A transfer between Level 1 and Level 2 generally occurs when the availability of quoted prices changes or when market activity of an investment significantly changes to active or inactive. A transfer between Level 2 and Level 3 generally occurs when the underlying inputs become, or can no longer be, corroborated with observable market data. Transfers between levels are recognized on the date they occur. For the years ended June 30, 2014 and 2013, there were no transfers in or out of Levels 1, 2 or 3.

The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following table represents investments that are measured at fair value on a recurring basis at June 30, 2014 and 2013 (in thousands):

	<u>June 30,</u> <u>2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. government securities	\$ 139,679	11,652	128,027	---
Corporate and foreign sovereign bonds and notes	312,500	137,101	175,399	---
Common and preferred stocks	325,051	265,893	59,158	---
Mortgage-backed assets	6,887	—	6,887	—
Fund of hedge funds	68,409	—	—	68,409
Global macro hedge funds	64,094	—	—	64,094
Hedged equity funds	185,986	—	—	185,986
Multistrategy and other hedge funds	135,768	—	—	135,768
Buyout and growth equity funds	140,179	—	—	140,179
Distressed debt and turnaround funds	37,800	—	—	37,800
Private real estate funds	39,439	—	—	39,439
Venture capital funds	13,493	—	—	13,493
Other private market funds	34,509	—	—	34,509
Commodities	2,501	—	2,501	—
Derivative contracts	4,770	—	4,770	—
Money market and other	564,176	2,857	561,319	—
Total investments	\$ 2,075,241	417,503	938,061	719,677

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	June 30, 2013	Level 1	Level 2	Level 3
U.S. government securities	\$ 203,755	12,889	190,866	—
Corporate and foreign sovereign bonds and notes	194,849	28,190	166,659	—
Common and preferred stocks	359,441	299,285	60,156	—
Mortgage-backed assets	9,656	—	9,656	—
Other asset-backed assets	400	—	—	400
Fund of hedge funds	42,092	—	—	42,092
Global macro hedge funds	32,434	—	—	32,434
Hedged equity funds	203,224	—	—	203,224
Multistrategy and other hedge funds	115,400	—	—	115,400
Buyout and growth equity funds	124,279	—	—	124,279
Distressed debt and turnaround funds	34,336	—	—	34,336
Private real estate funds	38,605	—	—	38,605
Venture capital funds	12,673	—	—	12,673
Other private market funds	33,793	—	—	33,793
Commodities	4,209	—	4,209	—
Derivative contracts	(595)	—	(595)	—
Money market and other	676,350	5,336	671,014	—
Total investments	\$ 2,084,901	345,700	1,101,965	637,236

For the valuation of certain government, corporate and foreign sovereign bonds and notes, common and preferred stocks, and money market and other at June 30, 2014 and 2013, the Organization used quoted prices in principal active markets for identical assets as of the valuation date (Level 1).

For the valuation of certain government, corporate and foreign sovereign bonds and notes, which includes commingled funds, common and preferred stocks, mortgage and other asset-backed securities, commodities, and money market and other at June 30, 2014 and 2013, the Organization used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2). Commingled funds are classified as Level 2 as they are redeemable at net asset value at or near year-end.

The valuation of hedge funds, buyout and growth equity funds, distressed debt and turnaround funds, private real estate funds, venture capital funds, other private market funds, and commodities at June 30, 2014 and 2013, are reported at estimated fair value utilizing the net asset values provided by fund managers as a practical expedient. While these funds' net asset values utilize significant unobservable inputs (Level 3), management reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments.

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The following table presents the Organization's activity for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC 820 for the years ended June 30, 2014 and 2013 (in thousands):

	Balance at June 30, 2013	Purchases	Settlements	Realized gains (losses)	Change in unrealized gains (losses)	Balance at June 30, 2014
Other asset backed securities	\$ 400	—	(417)	—	17	—
Fund of hedge funds	42,092	23,000	—	—	3,317	68,409
Global macro hedge funds	32,434	30,000	—	—	1,660	64,094
Hedged equity funds	203,224	1,894	(67,358)	42,353	5,873	185,986
Multistrategy and other hedge funds	115,400	49,793	(36,592)	(2,368)	9,535	135,768
Buyout and growth equity funds	124,279	13,985	(11,048)	3	12,960	140,179
Distressed debt and turnaround funds	34,336	13,578	(5,306)	—	(4,808)	37,800
Private real estate funds	38,605	5,904	(8,652)	—	3,582	39,439
Venture capital funds	12,673	1,573	(601)	—	(152)	13,493
Other private market funds	33,793	6,172	(2,597)	—	(2,859)	34,509
	<u>\$ 637,236</u>	<u>145,899</u>	<u>(132,571)</u>	<u>39,988</u>	<u>29,125</u>	<u>719,677</u>

	Balance at June 30, 2012	Purchases	Settlements	Realized gains (losses)	Change in unrealized gains (losses)	Balance at June 30, 2013
Other asset backed securities	\$ 354	—	—	—	46	400
Fund of hedge funds	58,095	—	(22,641)	—	6,638	42,092
Global macro hedge funds	30,227	—	(544)	9	2,742	32,434
Hedged equity funds	166,766	1,829	(4,692)	1,023	38,298	203,224
Multistrategy and other hedge funds	64,584	48,870	(6,579)	852	7,673	115,400
Buyout and growth equity funds	117,128	18,680	(20,715)	9,425	(239)	124,279
Distressed debt and turnaround funds	45,497	4,586	(22,201)	1,039	5,415	34,336
Private real estate funds	33,438	6,673	(3,177)	379	1,292	38,605
Venture capital funds	15,124	692	(3,180)	2,701	(2,664)	12,673
Other private market funds	28,281	8,654	(3,481)	1,549	(1,210)	33,793
	<u>\$ 559,494</u>	<u>89,984</u>	<u>(87,210)</u>	<u>16,977</u>	<u>57,991</u>	<u>637,236</u>

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The following summarizes the nature and risk of those investments that are reported at estimated fair value utilizing net asset value as of June 30, 2014 (in thousands):

	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Fund of hedge funds (a)	\$ 68,409	—	annually	100 days
Global macro hedge funds (b)	64,094	—	monthly, quarterly, annually	5-90 days
Hedged equity funds (c)	185,986	—	quarterly, annually	45-90 days
Multistrategy and other hedge funds (d)	135,768	—	monthly, quarterly, annually, bi-annually	10-90 days
Buyout and growth equity funds (e)	140,179	42,507	None	—
Distressed debt and turnaround funds (f)	37,800	8,900	None	—
Private real estate funds (g)	39,439	18,910	None	—
Venture capital funds (h)	13,493	4,093	None	—
Other private market funds (i)	34,509	15,645	None	—
Public equity commingled funds (j)	59,158	—	weekly, monthly	1-30 days
Fixed income commingled funds (k)	145,766	—	weekly, monthly	1-30 days
Total	<u>\$ 924,601</u>	<u>90,055</u>		

(a) The strategies of the underlying hedge funds in this category primarily include hedged equity, multistrategy, relative value, event driven and arbitrage strategies. While this is a single fund of funds, the Organization is invested in multiple share classes.

(b) The funds in this category invest primarily in liquid instruments such as fixed income, currency, commodities, equities, and derivatives. The funds include long and short positions and may use leverage. Two funds have legacy investments that have been segregated into illiquid vehicles – the value of these vehicles make up a minimal amount of the value of the investments in this category. The time at which these segregated investments will be liquidated is unknown.

(c) This category is invested in hedge funds that invest primarily in U.S. and international equities as well as derivatives. The funds include long and short positions and may use leverage. Some funds may invest in illiquid investments, which are typically segregated into “side pockets” (a separate share class) and are not

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available for redemption until the investment is liquidated by the manager. The time at which the investments in side pockets will be liquidated is unknown.

(d) The strategies of the funds in this category include relative value, event driven, and arbitrage strategies. Underlying investments are typically the same as the types invested in both the public equity, fixed income commingled, bank debt, convertible bonds and derivatives. The funds include long and short and may use leverage. Some funds may invest in illiquid investments which are typically segregated into "side pockets" (a separate share class) and are not available for redemption until the investment is liquidated by the manager. The time at which the investments in side pockets will be liquidated is unknown.

(e) This category is invested in both US and international private equity funds and funds of funds whose mandates include leveraged buyouts and growth equity investments in companies.

(f) This category is invested in funds which primarily invest in distressed situations. Investments include marketable securities such as debt obligations and asset backed securities as well as nonmarketable investments such as nonperforming and sub performing real estate loans, consumer loans, and distressed debt. Some funds include short positions.

(g) This category includes funds and funds of funds, which invest in private real estate internationally and in the U.S. property types are primarily office, industrial, residential and retail.

(h) This category is invested in venture capital funds and funds of venture capital funds. Underlying investments are primarily private investments in early stage companies.

(i) This category is invested in funds and a fund of funds which make investments primarily in private oil and gas partnerships, timber, mineral and mining companies, health care royalties, and infrastructure such as ports, toll roads, airports and utilities.

(j) This category primarily includes commingled funds with investments in publicly traded equity securities and instruments.

(k) This category is invested primarily in commingled funds with investments in publicly traded fixed income securities and instruments including debt obligations of the U.S. government and agencies, non U.S. sovereign debt, corporate bonds, mortgage and asset backed securities.

(e), (f), (g), (h), (i) These nonmarketable funds do not permit redemptions. The timing of the return of capital is at the manager's discretion, subject to provisions documented in limited partnership agreements. In general, capital and realized gains are distributed to investors when an investment is liquidated. Interim distributions of interest, operating income and dividends are made by some funds. Some funds are able to recall distributions. It is estimated that the majority of underlying assets of the funds will be liquidated over the next ten years. The fair values of the investments in this category have been estimated using the net asset value of the Organization's ownership interest in the partners' capital.

(b), (c), (d) Investments in this category have provisions which allow for the suspension of redemptions in unusual circumstances. Certain investments in these categories have gate provisions, which allow a manager to limit redemptions despite the normal liquidity provisions if they receive redemptions in excess

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of the gate (a level stated in their governing documents). The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

(j), (k) Certain investments in these categories include gate provisions that do not exceed more than one year after the initial redemption request period, with the fund manager having ultimate discretion which may allow for halting all redemptions for an extended period. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.

The Organization transacts in a variety of derivative instruments and contracts including both swaps and options for investment and hedging purposes in order to create or mitigate certain exposures. Each instrument's primary underlying exposure is equities or commodities. Such contracts involve, to varying degrees, risks of loss from the possible inability of counterparties to meet the terms of their contracts. Use of swaps partially mitigates counterparty risk. The Organization's derivatives are all transacted over-the-counter.

Commodity swap agreements are derivative instruments used by the Organization to gain exposure to various underlying commodity futures. The commodity swaps are required to be marked to fair value on a recurring basis.

The Organization uses equity options for both investment purposes and to hedge equity market exposure. The Organization uses options for the Euro Stoxx 50 to gain European market exposure. The Organization also uses equity collar strategies to hedge S&P 500 market risk. All equity contracts are marked to fair value on a recurring basis.

The following table lists the notional/contractual amount of derivatives by contract type included in investments at June 30, 2014 and 2013 (in thousands):

Derivative type	2014	2013
Commodity contracts	\$ 23,100	21,500
Equity contracts	284,327	30,000

The following table lists fair value of derivatives by contract type included in investments as of June 30, 2014 and 2013 (in thousands):

Derivative type	Asset derivatives		Liability derivatives	
	2014	2013	2014	2013
Commodity contracts	\$ 335	165	—	97
Equity contracts	4,534	—	99	663
Fair value of derivatives included in investments	<u>\$ 4,869</u>	<u>165</u>	<u>99</u>	<u>760</u>

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The following table lists gains and losses on derivatives by contract type included in investment income as of June 30, 2014 and 2013 (in thousands):

Derivative type	Realized gains/(losses)		Change in unrealized gains/(losses)	
	2014	2013	2014	2013
Commodity contracts	\$ (201)	(224)	268	(386)
Equity contracts	(6,749)	265	493	567
	<u>\$ (6,950)</u>	<u>41</u>	<u>761</u>	<u>181</u>

For the valuation of the Organization's derivative contracts at June 30, 2014, the Organization used significant other observable inputs as of the valuation date (Level 2), including prices of instruments with similar maturities and characteristics, interest rate yield curves, measures of interest rate volatility and various market indices. The value was determined and adjusted to reflect nonperformance risk of both the counterparty and the Organization.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the estimated fair value of investments reported in the consolidated statement of financial position as of June 30, 2014. However, the diversification of the Organization's invested assets among these various asset classes is management's strategy to mitigate the impact of any dramatic change on any one asset class.

The following schedule summarizes the composition of investment return for the years ended June 30, 2014 and 2013 (in thousands):

	2014			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Dividends and interest	\$ 13,172	32,482	—	45,654
Net operating investment gains (losses)	40,195	(11)	—	40,184
Investment income available for operations	53,367	32,471	—	85,838
Net nonoperating investment gains	12,235	71,766	12,939	96,940
Total return on investments	<u>\$ 65,602</u>	<u>104,237</u>	<u>12,939</u>	<u>182,778</u>

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	2013			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Dividends and interest	\$ 13,060	31,874	---	44,934
Net operating investment gains	3,721	42	—	3,763
Investment income available for operations	16,781	31,916	—	48,697
Net nonoperating investment gains	42,670	45,537	3,974	92,181
Total return on investments	\$ 59,451	77,453	3,974	140,878

(9) Split Interest Agreements

The Organization is a beneficiary of split interest agreements in the form of charitable gift annuities, perpetual trusts held by third parties, charitable remainder trusts and pooled income funds. The value of split interest agreements is measured as the Organization's share of fair value of the assets. Of the \$259 million and \$244 million in assets under these agreements as of June 30, 2014 and 2013, respectively, which are included in other assets on the consolidated statement of financial position, \$44 million and \$41 million, respectively, are charitable gift annuities and the remainder are assets for which the Organization is not the trustee. Liabilities associated with these agreements are \$22 million for the years ended June 30, 2014 and 2013, respectively, of which \$3 million and \$4 million is included in other current liabilities and \$19 million and \$18 million is included in other noncurrent liabilities on the consolidated statement of financial position, respectively.

(10) Benefit Plans

The Retirement System of the American National Red Cross: Before July 1, 2009, employees of the American Red Cross, including employees of participating local chapters, were covered by the Retirement System of the American National Red Cross (the Plan) after one year of employment and completion of 1,000 hours of service during any consecutive 12 month period. Effective July 1, 2009, the Plan was closed to employees hired after June 30, 2009.

Subject to provisions contained in collective bargaining agreements where applicable, the Retirement System was 'frozen' on December 31, 2012 (the freeze date). Employees who were participating in the Retirement System as of that date keep vested benefits earned, but stop earning additional pension benefits.

Prior to the freeze date, the benefit formula was based on years of service and the employees' final average compensation. Final average compensation was calculated using the highest consecutive 48 months of the last 120 months of service before the earlier of retirement or the freeze date.

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For funding purposes under the Plan, normal pension costs are determined by the projected unit credit method and are funded currently. The Plan provides a defined benefit pension, funded entirely by the employer. Prior to July 1, 2005, voluntary after tax contributions could be made by active members to fund an optional annuity benefit. The Organization's funding policy is set to comply with the funding requirements established under the Pension Protection Act of 2006 and to meet the requirements of ERISA. During fiscal years 2014 and 2013, the Organization contributed 4.9% and 24.4% of covered payroll to the Plan, respectively.

The Organization also has a Defined Benefit Pension Plan for the Delta Blood Bank LLC with a \$2 million liability recorded in pension and postretirement benefits in the accompanying statement of financial position and pension-related changes other than net periodic benefit cost of approximately \$559,000 for fiscal year 2014.

The American Red Cross Life and Health Benefits Plan: The Organization also provides medical and dental benefits to eligible retirees and their eligible dependents. Generally, retirees and the Organization each pay a portion of the premium costs. The medical and dental plans pay a stated percentage of expenses reduced by deductibles and other coverages. The Organization has the right to modify cost-sharing provisions at any time. In addition, life insurance benefits of \$5,000 are provided with no contributions required from the retirees.

The Organization's postretirement benefit plans are unfunded. However, the Board of Governors has designated \$101 million of unrestricted net assets to fund a portion of premiums for retirees' postretirement medical benefits.

Effective January 1, 2009, the Organization eliminated plan coverage (retiree medical and life benefits) for all future retirees that did not meet certain eligibility conditions as of that date. In addition, the plan was amended to transition Medicare eligible retirees to a private fee-for-service plan and to change the premium supplement tables and indexing effective July 1, 2009. Beginning in calendar year 2011, most Medicare eligible retirees were offered a Healthcare Reimbursement Account to utilize in purchasing individual coverage through an external exchange program CMS approved Medicare, Part D Prescription Drug and Medicare Supplement offering.

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The following table presents the changes in benefit obligations, changes in Plan assets, and the composition of accrued benefit costs in the consolidated statements of financial position for the years ended June 30, 2014 and 2013 (in thousands):

	<u>Pension benefits</u>		<u>Postretirement benefits</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Changes in benefit obligations:				
Benefit obligations at beginning of year	\$ 2,448,455	2,835,677	66,248	85,104
Service cost	2,116	27,531	303	615
Interest cost	127,787	129,174	3,130	3,699
Actuarial loss (gain)	162,812	(153,011)	400	(19,960)
Benefits paid	(146,424)	(257,617)	(3,112)	(3,210)
Curtailments	—	(175,895)	—	—
Settlements	—	42,596	—	—
Benefit obligations at end of year	<u>2,594,746</u>	<u>2,448,455</u>	<u>66,969</u>	<u>66,248</u>
Changes in plan assets:				
Fair value of plan assets at beginning of year	1,956,324	1,915,154	—	—
Actual return on plan assets	251,889	53,746	—	—
Employer contributions	78,134	245,041	—	—
Benefits paid	(146,424)	(95,842)	—	—
Settlements	—	(161,775)	—	—
Fair value of plan assets at end of year	<u>2,139,923</u>	<u>1,956,324</u>	<u>—</u>	<u>—</u>
Funded status—accrued benefit costs	<u>\$ (454,823)</u>	<u>(492,131)</u>	<u>(66,969)</u>	<u>(66,248)</u>

Pension-related changes other than net periodic benefit cost for 2014:

	<u>Pension benefits</u>	<u>Postretirement benefits</u>	<u>Total</u>
Prior service cost	\$ —	(21,128)	(21,128)
Amortized net loss (gain)	11,859	(1,986)	9,873
Net actuarial loss	(42,050)	(400)	(42,450)
	<u>\$ (30,191)</u>	<u>(23,514)</u>	<u>(53,705)</u>

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Pension-related changes other than net periodic benefit cost for 2013:

	<u>Pension benefits</u>	<u>Postretirement benefits</u>	<u>Total</u>
Prior service cost	\$ —	(33,379)	(33,379)
Amortized net loss	13,190	—	13,190
Net actuarial gain	<u>247,524</u>	<u>19,960</u>	<u>267,484</u>
	<u>\$ 260,714</u>	<u>(13,419)</u>	<u>247,295</u>

Items not yet recognized as a component of net periodic benefit cost for 2014:

	<u>Pension benefits</u>	<u>Postretirement benefits</u>	<u>Total</u>
Unrecognized prior service credit	\$ —	(772)	(772)
Unrecognized net actuarial loss (gains)	<u>652,162</u>	<u>(14,268)</u>	<u>637,894</u>
	<u>\$ 652,162</u>	<u>(15,040)</u>	<u>637,122</u>

Items not yet recognized as a component of net periodic benefit cost for 2013:

	<u>Pension benefits</u>	<u>Postretirement benefits</u>	<u>Total</u>
Unrecognized prior service credit	\$ —	(21,900)	(21,900)
Unrecognized net actuarial loss (gains)	<u>621,971</u>	<u>(16,654)</u>	<u>605,317</u>
	<u>\$ 621,971</u>	<u>(38,554)</u>	<u>583,417</u>

Estimated amounts to be amortized into net periodic benefit cost over the next fiscal year are as follows:

	<u>Pension benefits</u>	<u>Postretirement benefits</u>	<u>Total</u>
Prior service cost	\$ —	(263)	(263)
Net actuarial loss (gain)	<u>16,581</u>	<u>(1,893)</u>	<u>14,688</u>
	<u>\$ 16,581</u>	<u>(2,156)</u>	<u>14,425</u>

The accumulated benefit obligation for the pension plan was approximately \$2.6 billion and \$2.4 billion as of June 30, 2014 and 2013, respectively.

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The weighted average assumptions used to determine benefit obligations for 2014 and 2013 were as follows:

	Pension benefits		Postretirement benefits	
	2014	2013	2014	2013
Discount rate	4.83%	5.44%	4.28%	4.86%
Rate of compensation increase	5.00	5.00	—	—

The weighted average assumptions used to determine net benefit cost for 2014 and 2013 were as follows:

	Pension benefits		Postretirement benefits	
	2014	2013	2014	2013
Discount rate	5.44%	4.96%	4.86%	4.45%
Expected return on plan assets	6.75	6.75	—	—
Rate of compensation increase	5.00	5.00	—	—

The expected rate of return assumption on Plan assets was determined by considering current economic and market conditions and by reviewing asset class allocations, historical return analysis and forward looking capital market expectations. Asset class allocations were established by considering each class' risk premium commensurate for the level of risk, duration that matches the Plan's liabilities, and incremental diversification benefits. Historical returns and forward looking capital market expectations were gathered from, and compared among the Plan's investment managers, and a sampling of the consultant community.

For measurement purposes, approximately an 8% annual rate of increase in the per capita cost of covered health care benefits was assumed for fiscal year 2014. The rate was assumed to decrease gradually to 5% for 2022 and remain at that level thereafter. An 8.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for fiscal year 2013. The rate was assumed to decrease gradually to 5% for 2021 and remain at that level thereafter.

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The components of net periodic benefit cost (credit) for the years ended June 30, 2014 and 2013 were as follows (in thousands):

	Pension benefits		Postretirement benefits	
	2014	2013	2014	2013
Service cost	\$ 2,115	27,531	303	615
Interest cost	127,787	129,174	3,130	3,699
Expected return on plan assets	(131,127)	(133,629)	—	—
Amortization of prior service cost (credit)	—	—	(21,128)	(33,379)
Net amortization loss (gain)	11,859	13,190	(1,986)	—
Net periodic benefit cost (credit)	\$ 10,634	36,266	(19,681)	(29,065)

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects (in thousands):

	Point increase	Point decrease
Effect on total of service and interest cost components	\$ 8	(10)
Effect on postretirement benefit obligation	187	(226)

The Organization expects to contribute approximately \$67.1 million to its pension plan and \$3.1 million to its postretirement benefit plan during the year ending June 30, 2015.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid, as of June 30, (in thousands):

	Pension benefits	Postretirement benefits
2015	\$ 126,829	3,807
2016	134,008	3,841
2017	140,763	3,980
2018	147,053	4,124
2019	152,483	4,222
2020–2024	815,585	21,854
	\$ 1,516,721	41,828

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The Organization has investment guidelines for Plan assets. The overall objective of the guidelines is to ensure the Plan assets provide capital growth over an extended period of time, while also considering market risks and ensuring that the portfolio income and liquidity are appropriate to meet the Plan benefit payments and other expenses. The Plan investments are required to be diversified by asset class and within each asset class, in order to ensure that no single investment will have a disproportionate impact on the total portfolio. The Plan asset allocation is reviewed each year with current market assumptions to ensure the asset mix will achieve the long-term goals of the Plan. See note 8 for descriptions of the methodologies used to value plan assets, except for the equity interest in the par annuity and guaranteed accumulation fund which are valued based on significant unobservable inputs including discounted cash flows analysis, comparable analysis, or third party appraisals. See note 8 for the definitions of Levels 1, 2, and 3.

The Plan assets were invested in the following categories at June 30, 2014 and 2013:

	Pension assets	
	2014	2013
Cash and short-term investments	11%	12%
Domestic equity	2	4
International equity	14	12
Fixed income	26	32
Commodities	1	1
Marketable and nonmarketable alternative funds	46	39
	<u>100%</u>	<u>100%</u>

The Plan assets were within authorized asset allocation ranges at June 30, 2014 and 2013.

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The following tables represent pension plan assets that are measured at fair value on a recurring basis at June 30, 2014 and 2013 (in thousands):

	Fair value measurements at June 30, 2014			
	Level 1	Level 2	Level 3	Total
U.S. government securities	\$ 104,635	7,311	—	111,946
Corporate and foreign sovereign bonds and notes	29,485	296,838	—	326,323
Common and preferred stocks	298,485	51,339	—	349,824
Fund of hedge funds	—	—	57,835	57,835
Global macro hedge funds	—	—	90,500	90,500
Hedged equity funds	—	—	167,721	167,721
Multistrategy and other hedge funds	—	—	240,501	240,501
Buyout and growth equity funds	—	—	183,507	183,507
Distressed debt and turnaround funds	—	—	48,309	48,309
Private real estate funds	—	—	60,511	60,511
Venture capital funds	—	—	25,383	25,383
Other private market funds	—	—	105,411	105,411
Commodities	—	5,009	—	5,009
Derivative contracts	—	9,650	—	9,650
Money market and other	7,056	235,416	—	242,472
Equity interest in par annuity	—	—	76,391	76,391
Guaranteed accumulation fund	—	—	38,630	38,630
Total	\$ 439,661	605,563	1,094,699	2,139,923

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	Fair value measurements at June 30, 2013			
	Level 1	Level 2	Level 3	Total
U.S. government securities	\$ 116,293	43,677	—	159,970
Corporate and foreign sovereign bonds and notes	28,142	328,674	—	356,816
Common and preferred stocks	270,891	45,794	—	316,685
Fund of hedge funds	—	—	53,124	53,124
Global macro hedge funds	—	—	46,757	46,757
Hedged equity funds	—	—	145,939	145,939
Multistrategy and other hedge funds	—	—	181,661	181,661
Buyout and growth equity funds	—	—	148,879	148,879
Distressed debt and turnaround funds	—	—	40,385	40,385
Private real estate funds	—	—	65,175	65,175
Venture capital funds	—	—	22,268	22,268
Other private market funds	—	—	113,548	113,548
Commodities	—	8,900	—	8,900
Derivative contracts	—	(52,008)	—	(52,008)
Money market and other	7,074	232,748	—	239,822
Equity interest in par annuity	—	—	65,173	65,173
Guaranteed accumulation fund	—	—	43,230	43,230
Total	\$ 422,400	607,785	926,139	1,956,324

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The following tables presents the activity of the assets of the Organization's defined benefit plan for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2014 and 2013 (in thousands):

	Balance at June 30, 2013	Purchases	Sales	Realized gains	Change in unrealized gains (losses)	Balance at June 30, 2014
Fund of hedge funds	\$ 53,124	—	—	—	4,711	57,835
Global macro hedge funds	46,757	41,000	—	—	2,743	90,500
Hedged equity funds	145,939	—	—	—	21,782	167,721
Multistrategy and other hedge funds	181,661	101,816	(59,378)	2,033	14,369	240,501
Buyout and growth equity funds	148,879	18,474	(15,822)	4	31,972	183,507
Distressed debt and turnaround funds	40,385	18,258	(5,908)	—	(4,426)	48,309
Private real estate funds	65,175	6,194	(16,839)	—	5,981	60,511
Venture capital funds	22,268	2,473	(1,395)	—	2,037	25,383
Commodity sensitive private equity and infrastructure funds	113,548	12,006	(5,728)	—	(14,415)	105,411
Equity interests in par annuity	65,173	—	—	—	11,218	76,391
Guaranteed accumulation fund	43,230	—	—	—	(4,600)	38,630
	<u>\$ 926,139</u>	<u>200,221</u>	<u>(105,070)</u>	<u>2,037</u>	<u>71,372</u>	<u>1,094,699</u>

	Balance at June 30, 2012	Purchases	Sales	Realized gains	Change in unrealized gains (losses)	Balance at June 30, 2013
Fund of hedge funds	\$ 62,761	—	(16,698)	—	7,061	53,124
Global macro hedge funds	34,862	10,000	(398)	—	2,293	46,757
Hedged equity funds	151,372	—	(14,215)	9,122	(340)	145,939
Multistrategy and other hedge funds	80,576	161,461	(84,863)	1,047	23,440	181,661
Buyout and growth equity funds	139,142	23,604	(25,151)	11,145	139	148,879
Distressed debt and turnaround funds	51,140	6,258	(24,765)	950	6,802	40,385
Private real estate funds	61,807	8,260	(9,360)	2,838	1,630	65,175
Venture capital funds	24,432	1,580	(4,879)	3,820	(2,685)	22,268
Other private market funds	107,503	17,775	(15,863)	2,712	1,421	113,548
Equity interests in par annuity	48,804	—	—	—	16,369	65,173
Guaranteed accumulation fund	50,476	—	—	—	(7,246)	43,230
	<u>\$ 812,875</u>	<u>228,938</u>	<u>(196,192)</u>	<u>31,634</u>	<u>48,884</u>	<u>926,139</u>

The Plan transacts in a variety of derivative instruments and contracts including both swaps and options for investment and hedging purposes in order to create or mitigate certain exposures. Each instrument's

THE AMERICAN NATIONAL RED CROSS

Notes to Consolidated Financial Statements

June 30, 2014

(with summarized information for the year ended June 30, 2013)

primary underlying exposure is interest rates, equities, commodities, or currencies. Such contracts involve, to varying degrees, risks of loss from the possible inability of counterparties to meet the terms of their contracts. Use of swaps partially mitigates counterparty risk. The Plan's derivatives are all transacted over-the-counter.

The Plan uses interest rate swaps and swaptions to hedge interest rate exposure for a portion of its liabilities. The liabilities are valued via a "discount rate" of investment grade corporate bonds. Uncertainty of future discount rates adds variability to Plan valuations and future cash flows. Interest rate swap and swaption agreements are derivative instruments used by the Plan to mitigate these uncertainties. The interest rate swap and swaption agreements are required to be marked to fair value on a recurring basis.

Commodity swap agreements are derivatives instruments used by the Plan to gain exposure to various underlying commodity futures. The commodity swaps are required to be marked to fair value on a recurring basis.

The Plan uses equity options for both investment purposes and to hedge equity market exposure. The plan uses options for the Euro Stoxx 50 to gain European market exposure. The plan also uses equity collar strategies to hedge S&P 500 market risk. All equity options are marked to fair value on a recurring basis.

The following table lists the notional/contractual amount of derivatives by contract type included in pension plan asset at June 30, 2014 and 2013 (in thousands):

Derivative type	2014	2013
Interest rate contracts	\$ 1,515,000	1,645,000
Commodity contracts	46,800	52,000
Equity contracts	280,641	75,000
Tail risk contracts	—	320,000

The following table lists fair value of derivatives by contract type included in pension plan assets as of June 30, 2014 and 2013 (in thousands):

Derivative type	Asset derivatives		Liability derivatives	
	2014	2013	2014	2013
Interest rate contracts	\$ 22,687	67,190	16,168	116,858
Commodity contracts	748	400	—	239
Equity contracts	3,223	—	92	2,726
Tail risk contracts	—	386	—	—
Fair value of derivatives included in pension plan assets	\$ 26,658	67,976	16,260	119,823

THE AMERICAN NATIONAL RED CROSS

Notes to Consolidated Financial Statements

June 30, 2014

(with summarized information for the year ended June 30, 2013)

The following table lists gains and losses on derivatives by contract type included in actual return on plan assets available for plan benefits as of June 30, 2014 and 2013 (in thousands):

Derivative type	Realized gains/(losses)		Change in unrealized gains/(losses)	
	2014	2013	2014	2013
Interest rate contracts	\$ (13,971)	(6,113)	56,053	(74,982)
Commodity contracts	115	(786)	587	(749)
Equity contracts	(11,208)	(6,786)	2,290	(1,461)
Tail risk contracts	(7,456)	(4,500)	7,070	(85)
	<u>\$ (32,520)</u>	<u>(18,185)</u>	<u>66,000</u>	<u>(77,277)</u>

For the valuation of the Plan's derivative contracts at June 30, 2014, the Plan used significant other observable inputs as of the valuation date (Level 2), including prices of instruments with similar maturities and characteristics, interest rate yield curves, measures of interest rate volatility and various market indices. The value was determined and adjusted to reflect nonperformance risk of both the counterparty and the Plan. See note 8 for definitions of Levels 1, 2 and 3.

American National Red Cross Savings Plan – 401(k) Plan: The Organization sponsors the American Red Cross Savings Plan (the Savings Plan), a defined contribution plan. In general, employees are eligible to participate upon hire and vest in employer contributions on a 3 year cliff schedule. Employer contributions include Red Cross Match, Points-Based Employer Contribution, and Annual Red Cross Contribution. There were \$71.4 million and \$58.8 million in Red Cross employer contributions to the Savings Plan in 2014 and 2013, respectively.

There were \$36.9 million and \$37.4 million in Red Cross match to the Savings Plan in 2014 and 2013 respectively.

Eligible employees impacted by the freeze of the Retirement System were credited with the annual Point-Based Employer Contribution (based on a participants' age and years of service as of June 30 each year) totaling \$27.4 million and \$15 million for the years ended June 30, 2014 and 2013, respectively.

Eligible employees not impacted by the freeze of the Retirement System were credited with the Annual Red Cross Contribution totaling \$7.1 million and \$6 million for the years ended June 30, 2014 and 2013, respectively.

For the 2014 calendar year, contribution limits were based on a maximum annual compensation of \$260,000. As of June 30, 2014, there were 20 investment options that an employee could choose from and a self-managed brokerage account option.

THE AMERICAN NATIONAL RED CROSS

Notes to Consolidated Financial Statements

June 30, 2014

(with summarized information for the year ended June 30, 2013)

(11) Receivables Securitization Program

The Organization has an asset securitization program. The program is structured to sell the eligible biomedical hospital account receivables, without legal recourse, to a third party investor, through a wholly owned bankruptcy-remote special purpose entity that is consolidated for financial reporting purposes. The Organization continues servicing the sold receivables. Proceeds received under the securitization program are treated as secured borrowings. The maximum amount of the agreement is \$150 million and the total cost of the program approximates the 30 day Libor plus 1.35%. At June 30, 2014 and 2013, the amount of outstanding borrowings under the securitization program was \$128 million and \$134 million, respectively, and are included in other liabilities on the statement of financial position.

(12) Commitments and Contingencies

Litigation: The Organization is a defendant in a number of lawsuits incidental to its operations. In the opinion of management, the outcome of such lawsuits will not have a materially adverse effect on the Organization's financial position.

Consent Decree: In April 2003, The American National Red Cross signed an amended consent decree (the Decree) with the United States Food and Drug Administration (FDA) affecting Biomedical Services and its blood services regional operations. The Decree requires compliance with specific standards on how the Organization will manage and monitor its Biomedical Services' operations and formalized management of compliance related issues and provides timelines for their resolution. The Decree subjects the Organization to potential monetary penalties if it fails to meet the compliance standards. The compliance penalty provisions cover two general areas: (1) penalties for violations of the Decree, including violation of the Food Drug and Cosmetic Act and FDA regulations; and (2) penalties for the release of unsuitable blood products. Potential penalty amounts are limited to one percent of gross annual revenues generated by Biomedical Services for products and services in the first year (April 15, 2003 through April 14, 2004) of the Decree. The limit is increased to two percent in the second year, three percent in the third year, and four percent starting in the fourth year and annually thereafter. It is the opinion of management that the consolidated financial statements reflect adequate accrual for potential penalties resulting from noncompliance with the requirements of the Decree.

Government Grants: Costs charged to the federal government under cost-reimbursement grants and contracts are subject to government audit. Therefore, all such costs are subject to adjustment. Management believes that adjustments, if any, would not have a significant effect on the consolidated financial statements.

(13) Subsequent Events

The Organization has evaluated subsequent events through the date the consolidated financial statements were issued, October 29, 2014.

THE AMERICAN NATIONAL RED CROSS – Alaska Region

Schedule

Schedule of Operating Revenues and Expenses

Year ended June 30, 2014

Operating revenues and gains:	
Contributions:	
Corporate, foundation and individual giving	\$ 1,176,688
United Way and other federated	148,304
Products and services	619,638
Contracts, including federal government	492,574
Other revenues	68,039
Support from American Red Cross network	<u>547,924</u>
Total operating revenues and gains	<u>3,053,167</u>
Operating expenses:	
Program services:	
Services to the Armed Forces	442,967
Biomedical services	4
Community services	15
Domestic disaster services	1,042,378
Health and safety services	907,257
International relief and development services	<u>146</u>
Total program services	<u>2,392,767</u>
Supporting services:	
Fundraising	514,459
Management and general	<u>145,941</u>
Total supporting services	<u>660,400</u>
Total operating expenses	<u>3,053,167</u>
Excess of operating revenues and expenses	<u><u>\$ —</u></u>

See accompanying notes to supplemental schedule and independent auditors' report.

THE AMERICAN NATIONAL RED CROSS

Notes to Supplemental Schedule

Year ended June 30, 2014

(I) Summary of Significant Accounting Policies

(a) Basis of Presentation

The American National Red Cross chapter network (the Network) has a core of approximately 500 chartered local chapters organized in 96 regional groupings. Each regional grouping services a specific geographical area. The accompanying Schedule of Operating Revenue and Expenses (Schedule) reflects program activities that have a day to day impact in the specific geographic area as well as support provided to national humanitarian services or other communities. Revenues reported exclude \$132,135 raised by the Alaska Region raised for use in disaster response and recovery needs of victims affected by Typhoon Haiyan, Superstorm Sandy, and the 2013 Oklahoma spring storms.

Program activities for regional operations include services to the Armed Forces, domestic disaster relief, activities in support of biomedical services, health and safety services, community services, and activities in support of international relief and development services. This schedule does not reflect the full operations of the biomedical services or the international relief and development operations, but rather the limited support activities associated with these two programs that are performed by chartered chapters. In addition, this schedule does not present the consolidated changes in operating revenues and expenses of the American National Red Cross and may not be indicative of the operating revenues and expenses that would have been achieved if the regional grouping operated as an unaffiliated organization.

The chartered chapters and regional groupings are managed as one network; funds are raised for the Network and are used where needed. At different times, certain chapters may generate more funds than needed or need more funds than generated. Accordingly, the Network works as a support function to ensure that each community has the necessary funds to support the American National Red Cross' programs that are vital to each community. Funds are always used according to the wishes of the donor. Additional funds are used to serve the needs of the community where they were raised; any excess is used to support needs in other communities and national disaster relief operations as well as the greater humanitarian effort across the Organization. Support from the Network received by chapters or regional groupings are reported as support from the American Red Cross network on the schedule. Excess amounts provided by the chapter or regional grouping are reported as national disaster relief and humanitarian services on the schedule.

The changes in operating revenues and expenses reported on the schedule do not include classifications of net assets, revenues, gains, and losses based on the existence or absence of donor-imposed restriction.

THE AMERICAN NATIONAL RED CROSS


Notes to Supplemental Schedule

Year ended June 30, 2014

(b) Allocation of Supporting Services Expenses

Over the past several years the American National Red Cross has worked to provide a greater level of standardization and oversight, and has centralized certain support functions to make more local resources available to serve the mission. During fiscal year 2014, the American National Red Cross continued standardizing its methodology for allocating supporting services to each regional grouping in relation to the region's operating expenses net of national disaster relief and humanitarian services expenses. Accordingly, amounts presented in the accompanying schedules may not be comparable to amounts presented in prior years.

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.


MAY 2016
Received
 Executive Depart
 5/24/2016

ORGANIZATIONAL OVERVIEW

Organization Name Brother Francis Shelter Kodiak, Inc.
 Mailing Address PO Box 670 Kodiak, AK 99615
 Telephone No. 907-486-5610 Fax No. 907-486-5631
 Email bfskinc@yahoo.com

Federal Employer Tax ID Number 20-8594266

Contact Person Monte Hawver, Executive Director

Contact Person	<u>Monte Hawver</u>	Printed Name	<u>Exec. Director</u>	Title	<u>5/24/2016</u>
		Signature			Date

List of Board Members and Officers:

<u>Cecil Ranney, President</u>	<u>Duane Dvorak</u>
<u>Robert Scholze, vice president/treasurer</u>	<u>Ellie Werbe</u>
<u>Nancy Kemp, Secretary</u>	
<u>Cindy Salus</u>	

Does agency have 501(c)3 status from the IRS? Yes No
 If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
 If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

Sheltering and feeding the homeless and working poor. Homeless Prevention services which include eviction prevention, utility disconnect prevention, heating oil, deposit assistance for a home rental or utility, landlord/tenant mediation, financial budget counseling and a myriad of other services. Behavioral health on-site services. Physical and dental referral. Food and by-catch distribution. AA room provided for hundreds of meetings annually.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding? N/A

How many City residents will be served by this grant? at least eighty people multiple nights

Please attach a copy of the organization's Mission Statement.

How does your agency collaborate with other local nonprofit organizations?

BFSK works closely with all housing authorities as well as Kodiak's rental agencies and individuals to assist them with eviction prevention. BFSK works with the Women's Resource and Crisis Center to be sure the needs of vulnerable women and children are met through services of one or both agencies. BFSK also has a strong working relationship with the Providence Kodiak Island Counseling Center (including on site services) to be sure individuals suffering from mental illness are identified and assisted before there is a tragedy. Physical health services (including dental) are referred to Kodiak Community Health Center. BFSK has assisted clients referred to us by AHFC, APA, Hope Cottages, KANA, KIHA, KWRCC, Kodiak Tribal Council, KWRCC, PKIMC, Providence Kodiak Island Counseling Center, Safe Harbor, and the Salvation Army.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Public Safety Support Programs Amount 10,000
Explanation: Feeding and sheltering Kodiak's homeless and poor. All funds will be used for direct services and supplies. No funds will be used for administration.

Category _____ Amount _____
Explanation: _____

Category _____ Amount _____
Explanation: _____

Total funding request to the City of Kodiak 10,000

What percentage of funds will be used for administrative costs? 0%

What percentage of funds will be used for direct services? 100%

How will the funds be used? Food, supplies and sheltering services.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

N/A

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal 28745
City of Kodiak 10000
Parent Organization N/A
Foundations 114478
Donations 123124
Interest N/A

State 260156
Kodiak Is. Borough 56180
Corporate Grants 10430
Client Fees N/A
Memberships N/A
Gaming Permit Activities
(pull tabs, raffles etc.) 8215

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives? DHSS Community Initiatives grant has a 15%, \$4770 local cash match. BHAP/ESG, our largest grant of \$238,000 is a competitive grant that gives "points" for local cash match. We strive for 100% leverage in order to receive funding from this very important income stream.

What effects will there be and what alternative plans does your agency have if City funding is not received? The board and executive director would have to make hard choices as to what level of services to provide.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs	25 points
Grant reports submitted to City as required	25 points
Number of City residents served	25 points
Other sources of applicant funding identified	25 points

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Brother Francis Shelter Kodiak, Inc.
Program:	Brother Francis Shelter
2015-2016 Grant Amount:	10,000
Amount Expended Year-to-Date:	3210.01
Balance:	6789.99

Describe accomplishments with grant funds. _____

Anyone who has come to Brother Francis Shelter hungry has been fed. Thousands of meals have been served.

Homeless have been provided shelter, food, mental health care, physical health care referral and a myriad of other services have been provided.

If you have not expended all funds, please describe how and when you intend to spend the balance.

The balance will be spent on shelter expenses by June 30, 2015



Signature

Executive
Director

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

MISSION STATEMENT

Brother Francis Shelter Kodiak is dedicated to serving the homeless and poor among us with emphasis on addressing the root causes of homelessness and providing preventative measures.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

JUN 28 2007

BROTHER FRANCIS SHELTER KODIAK INC
PO BOX 3421
KODIAK, AK 99615-3421

Employer Identification Number:

20-8594266

DLN:

17053169043007

Contact Person:

RENEE RILEY NORTON

ID# 31172

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

June 30

Public Charity Status:

170(b)(1)(A)(vi))

Form 990 Required:

Yes

Effective Date of Exemption:

March 7, 2007

Contribution Deductibility:

Yes

Advance Ruling Ending Date:

June 30, 2011

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.


Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

BROTHER FRANCIS SHELTER KODIAK INC

Sincerely,

A handwritten signature in cursive script that reads "Robert Choi".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)
Statute Extension

Letter 1045 (DO/CG)

Brother Francis Shelter Kodiak Inc.
Profit & Loss Budget vs. Actual
 July 2015 through June 2016

	City	
	<u>Jul '15 - Jun 16</u>	<u>Budget</u>
Ordinary Income/Expense		
Income		
5005 · City Grant	10,000.00	10,000.00
Total 5000 · Grant Income	<u>10,000.00</u>	<u>10,000.00</u>
Total Income	10,000.00	10,000.00
Expense		
5501 · Direct Assistance Other	0.00	
5502 · Homeless Placement HAP	0.00	
5503 · Homeless Prevention HAP	0.00	
5504 · Emergency Lodging HAP	0.00	
5600 · Program Expenses		
5610 · Food	1,613.53	4,000.00
5620 · Program Supplies	0.00	
5600 · Program Expenses - Other	0.00	
Total 5600 · Program Expenses	<u>1,613.53</u>	<u>4,000.00</u>
6000 · Personnel Expenses		
6001 · Payroll	1,488.50	6,000.00
6003 · Bookkeeping	0.00	
6010 · PRT Expense	63.03	
6020 · Health Insur	0.00	
6030 · Retirement	36.66	
6040 · Workers Comp	8.29	
6000 · Personnel Expenses - Other	0.00	0.00
Total 6000 · Personnel Expenses	<u>1,596.48</u>	<u>6,000.00</u>
Total Expense	3,210.01	10,000.00

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
 Return to City Manager's Office by June 17, 2016.


JUN 2016
 Received
 Executive Department
 City of Kodiak

ORGANIZATIONAL OVERVIEW

Organization Name Hope Community Resources
 Mailing Address 917 Mill Bay Rd.
 Telephone No. 907- 512-2500 Fax No. 486-5019
 Email codavis@hopealaska.org
 Federal Employer Tax ID Number 92-0036594

Contact Person Kris Jez Deputy Director of PR/ RD
 Contact Person *Kris Jez* Printed Name Title
Kris Jez Signature Date 6/13/16

List of Board Members and Officers:

<u>Robert Owens/ John Dittirich</u>	<u>Petter Jahnsen/ Tamara Russell</u>
<u>Eugene Bates/ Lisa Jackson</u>	<u>Molly McManamin / Stacy Niwa</u>
<u>Mary Bolin/ Jeff Case</u>	<u>Avalon Rachelle- Kraft/ Kathy Fitzgerald</u>
<u>Arthur Jensen/ Parry Grover</u>	<u>Jo Ann Stomberg / Phil VanDaff</u>

Does agency have 501(c)3 status from the IRS? Yes No
 If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
 If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:
 Hope Community Resources provides recreational programming, in home and respite supports, community inclusion, apartment and assisted living for people who experience intellectual and developmental disabilities.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No
 If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? 50 people plus their families (respite)

Please attach a copy of the organization's Mission Statement.
 City of Kodiak Nonprofit Grant Application/Report
 FY2017
 Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

Representatives from HCR Kodiak meet monthly with C-BAT (community based action team) at KANA, various schools, the Lion's club and other nonprofit organizations through out the city. We participate in events with Special Olympics, Kodiak Fire/EMS and Kodiak Police Department. Hope is part of the nonprofit coalition and has memorandums of agreement with Kodiak Women's Resource Center, Threshold, Kodiak Senior Center, Infant Learning Program, Department of Vocational Rehabilitation and the KATS bus.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Adult Recreation Amount \$5,000

Explanation:

Hope runs an adult recreation program which is open to community members but geared towards those who experience intellectual disabilities. This program is in operation 4 hours per day, 5 days per week and includes subsistence hunting and fishing trips, a ski trip, boating, kayaking, hiking, biking, gardening, cooking, art activities, holiday parties, a dance, and visits to the library, bowling alley, museums, stores and local restaurants. Our adult rec program provides people of differing abilities the opportunity to be active in their community.

Category Youth Recreation Program Amount \$2,500

Explanation:

Our children's program " Little Bear's" provides a safe and structures after school and summer learning opportunity for children who experience disabilities as well as some of their siblings. Little Bears includes community inclusion, healthy eating, social skills, structured play and water safety.

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$7,500

What percentage of funds will be used for administrative costs? 0%

What percentage of funds will be used for direct services? 100%

How will the funds be used?

These funds will be used to provide program supplies including, but not limited to, art materials, healthy snacks, fishing, hunting and other outdoor recreation equipment, transportation, gym, bowling alley and pool access for our childrens and adults recreation programs.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal _____	State <u>\$48,416,061</u>
City of Kodiak <u>\$5,550</u>	Kodiak Is. Borough <u>\$5,500</u>
Parent Organization _____	Corporate Grants <u>\$15,000</u>
Foundations <u>\$375,000</u>	Client Fees <u>\$724,228</u>
Donations <u>\$439,160</u>	Memberships _____
Interest _____	Gaming Permit Activities (pull tabs, raffles etc.) _____

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

State grant \$76,598 - match of \$19,150 or 25%. No other match is required on any of our other state grants.

What effects will there be and what alternative plans does your agency have if City funding is not received?

The level of programing we are able to provide will diminish, as will the number of families we will be able to support. City grants cover critical supplies not covered under other grant or funding sources including items related to subsistence and hunting. These activities would not be possible with out City funding.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

- Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs) 25 points**
- Grant reports submitted to City as required 25 points**
- Number of City residents served 25 points**
- Other sources of applicant funding identified 25 points**

CITY OF KODIAK GRANT REPORT

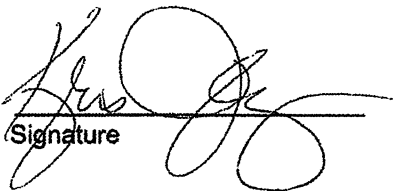
Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Hope Community Resources
Program:	Adult and Youth Recreation
2015-2016 Grant Amount:	\$5,550
Amount Expended Year-to-Date:	\$5,550
Balance:	0

Describe accomplishments with grant funds.

Staff trained in Wilderness First Responding and Food handling in order to better ensure the safety of the people in our recreation program. Repair work done on our subsistence boat. Supplies were purchased for our art activities, day to day programming, swing set and Christmas party. City grant funds also paid for the shipping on a 2 person kayak we purchased which will now provide a way for children to be able to participate in kayaking.

If you have not expended all funds, please describe how and when you intend to spend the balance.


Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

**Internal Revenue Service
District Director**

Department of the Treasury

**P. O. Box 2508
Cincinnati, OH 45201**

Date: March 30, 1999

**Person to Contact:
Vicki Adams 31-04011
Customer Service Representative
Telephone Number:
877-829-5500
Fax Number:
513-684-5936
Federal Identification Number:
92-0036594**

**Hope Community Resources, Inc.
540 W. International Airport Rd. 100
Anchorage, AK 99518**

Dear Sir or Madam:

This letter is in response to our receiving your Articles of Incorporation in which your organization has changed it's name to what is shown above.

Our records indicate that a determination letter issued in January 1970 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Hope Community Resources, Inc.
92-0036594

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

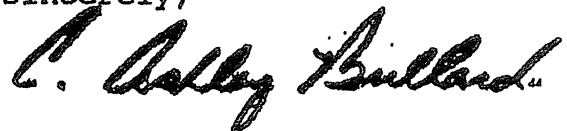
Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



C. Ashley Bullard
District Director



10. Joy

Every stakeholder should have the opportunity to experience living activities that offer them happiness and joy.

MISSION

The *Mission* of Hope flows from our Corporate *Values*. The *Mission* statement addresses the purpose of our existence as a corporation. As stakeholders in this Community of Hope, we need to always keep our *Mission* statement in the forefront of our spirits.

The *Mission* of Hope is as follows:

The *Mission* of Hope Community Resources is to provide services and supports, requested and designed by individuals and families who experience disabilities, resulting in choice, control, family preservation and community inclusion.

VISION

The Corporate *Mission* flows directly from our Corporate *Values*. Combined, both *Values* and *Mission* grow into a Corporate *Vision* that sets out a desired possibility. This desired possibility governs the interactions of agency stakeholders, so that we all continue to strive for the privileged place that awaits us.

The *Corporate Vision* for Hope is as follows:

As members of the community of HOPE, we believe that our actions of *kindness, fairness, compassion, forgiveness* and *understanding* derive from a shared kinship, founded upon *values* and grounded in *integrity, loyalty, wisdom* and our belief in the importance of *dreams*.

We will approach each person and each day with *balance, commitment* and *vision*. This will assist us in building *inclusive communities* that promote *intellectual, emotional, social and spiritual* development within one another while allowing for healthy conflict. It is our desire to leave a legacy of sustainable excellence built upon continuous *learning, reflection, evaluation, and innovation* which create outcomes that better human kind.



**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Consolidated Financial Statements and
Supplementary Information

June 30, 2015 and 2014

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

Independent Auditors' Report

The Board of Directors
Hope Community Resources, Inc.:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Hope Community Resources, Inc. and its affiliates (the Agency), which comprise the consolidated balance sheets as of June 30, 2015 and 2014, and the related consolidated statements of operations, changes in net assets, 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 U.S. generally accepted accounting principles; 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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.

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Consolidated Balance Sheets

June 30, 2015 and 2014

Assets	<u>2015</u>	<u>2014</u>
Current:		
Cash (note 5):		
Unrestricted	\$ 4,880,974	5,175,746
Restricted	776,798	561,472
Total cash	<u>5,657,772</u>	<u>5,737,218</u>
Medicaid receivable, net of allowance for uncollectible accounts of \$169,184 in 2015 and \$119,720 in 2014	6,517,790	7,788,193
Receivable from granting agencies	567,429	492,234
Other accounts receivable, net	639,358	816,565
Prepaid expenses and other current assets	429,256	403,592
Total current assets	<u>13,811,605</u>	<u>15,237,802</u>
Investments (notes 3, 4, 5, and 10):		
Endowment, board, and donor-restricted investments	1,422,914	1,345,095
Unrestricted investments	20,848	19,974
Total investments	<u>1,443,762</u>	<u>1,365,069</u>
Property and equipment, net (note 6)	<u>30,874,690</u>	<u>30,674,357</u>
Total assets	<u>\$ 46,130,057</u>	<u>47,277,228</u>
Liabilities and Net Assets		
Current:		
Accounts payable	\$ 3,012,151	2,507,386
Accrued wages and taxes payable	2,453,674	2,938,676
Accrued leave and other liabilities	1,820,712	1,683,738
Medicaid advances	3,575,609	6,901,650
Rental deposits	1,741	1,391
Current portion of long-term debt (note 8)	1,005,335	950,720
Total current liabilities	<u>11,869,222</u>	<u>14,983,561</u>
Long-term debt, net of current portion (note 8)	17,010,335	18,341,886
Non-current Medicaid advances	1,325,040	—
Interest rate swap (note 9)	122,709	142,653
Total liabilities	<u>30,327,306</u>	<u>33,468,100</u>
Net assets:		
Unrestricted – undesignated	11,438,676	9,482,990
Unrestricted – board-designated	3,018,659	3,018,659
Total unrestricted	<u>14,457,335</u>	<u>12,501,649</u>
Temporarily restricted (note 10)	1,023,791	985,854
Permanently restricted (note 10)	321,625	321,625
Total net assets	<u>15,802,751</u>	<u>13,809,128</u>
Commitments and contingencies (notes 12 and 13)		
Total liabilities and net assets	<u>\$ 46,130,057</u>	<u>47,277,228</u>

See accompanying notes to consolidated financial statements.

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Consolidated Statements of Changes in Net Assets
Years ended June 30, 2015 and 2014

	2015	2014
Unrestricted net assets:		
Excess of revenue and other support over expenses and nonoperating gains	\$ 27,034	70,009
Net assets released from restrictions – capital grants (note 10)	1,928,652	958,377
Change in unrestricted net assets	1,955,686	1,028,386
Temporarily restricted net assets:		
Contributions:		
Walk for Hope	89,901	94,673
Other	284,793	279,462
Grants for property and equipment acquisitions	1,928,652	958,377
Investment income (note 4)	9,480	43,926
Net assets released from restrictions (note 10)	(2,274,889)	(1,403,906)
Change in temporarily restricted net assets	37,937	(27,468)
Change in net assets	1,993,623	1,000,918
Net assets, beginning of year	13,809,128	12,808,210
Net assets, end of year	\$ 15,802,751	13,809,128

See accompanying notes to consolidated financial statements.

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2015 and 2014

(1) Significant Accounting Policies

(a) History

Hope Community Resources, Inc. (the Agency) was incorporated in 1968 to provide residential services for Alaskans with developmental and mental health disabilities. The nonprofit agency supports 1,270 adults and children living in numerous residential settings throughout Alaska and 30 clients in a supported employment capacity. Additionally, the Agency provides a variety of family preservation support and a variety of health and wellness activities aimed at allowing the Agency's consumers to live actively in local communities.

The Agency is governed by a volunteer board of directors comprised of 14 public members and the day-to-day affairs are managed by an executive director. The primary funding sources for operations are the State Medicaid program, grants, and contracts from the State of Alaska. In addition, the Agency receives contributions from the annual Walk for Hope fundraiser.

The Agency formed Hope Community Homes I, Inc., through incorporation on June 6, 1997, to manage a housing facility for persons with disabilities, specifically designed to meet their physical, social, and psychological needs. Hope Community Homes I, Inc. commenced operating activities effective July 1, 1998.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Agency and its affiliates, Hope Community Homes I, Inc., and Hope Industries, Inc. All significant intercompany accounts and transactions have been eliminated.

(c) Basis of Presentation

Unrestricted Net Assets

Unrestricted net assets are not subject to donor-imposed stipulations. Restricted resources are recorded as restricted when received and as released from restriction when spent, including when spent within the same year. The Agency reports capital grants and gifts of land, building, and equipment as increases in unrestricted net assets unless explicit donor stipulations specify how the donated assets must be used.

Temporarily Restricted Net Assets

Temporarily restricted resources are restricted by the donor, grantor, or other outside parties whose restrictions either expire through the passage of time or can be fulfilled and removed by actions of the Agency. When a donor 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 consolidated statements of operations as net assets released from restrictions.

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2015 and 2014

historical write-off experience and the aging of its receivables. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

State of Alaska, Department of Health and Social Services cost reimbursement grants and contracts are recorded to the extent of allowable expenditures in the period in which the expenditures are incurred.

Resident services revenue includes amounts charged to clients participating in the Community Developmental Disability program and living in Agency-owned homes.

Assisted Living Contract Revenue includes amounts recognized from contracts with the North Slope Borough to provide Medicaid services.

(k) Contributions

Contributions are recorded at fair value at the time a promise to give is made to the Agency. However, no amounts have been reflected for donated volunteer services as the criteria for revenue recognition are that the services must require a specialized skill. A substantial number of volunteers have donated significant amounts of their time in the Agency's program services and fundraising campaigns.

(l) Allocation of Costs

The Agency allocates certain components of costs such as depreciation and employee benefits to individual program services to the extent they are intended to enhance or support the activities of that program. Employee benefits are allocated based on the gross salaries directly related to the program services. Depreciation is allocated based on the dollar value of fixed assets directly identifiable with the program.

(m) Income Taxes

The Agency and its affiliate, Hope Community Homes I, Inc., are nonprofit organizations as described under Section 501(c)(3) of the Internal Revenue Code (Code), and are exempt from federal income taxes under Section 501(a) of the Code. Any unrelated business taxable income generated during 2015 is offset by net operating loss carryovers. Hope Industries, Inc. is a for-profit organization and will pay income taxes as required by law. Hope Industries, Inc. did not generate any taxable income in 2015 or 2014.

(n) Use of Estimates

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

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2015 and 2014

Mutual funds and equity securities: Fair values are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the entity believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within fair value hierarchy, the entity's assets at fair value as of June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 581,825	—	—	581,825
Mutual funds:				
Index funds	669,354	—	—	669,354
Growth and income funds	173,192	—	—	173,192
Equity securities	19,391	—	—	19,391
Total investments	<u>\$ 1,443,762</u>	<u>—</u>	<u>—</u>	<u>1,443,762</u>

The following table sets forth by level, within fair value hierarchy, the entity's assets at fair value as of June 30, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 543,706	—	—	543,706
Mutual funds:				
Index funds	625,374	—	—	625,374
Growth and income funds	180,107	—	—	180,107
Equity securities	15,882	—	—	15,882
Total investments	<u>\$ 1,365,069</u>	<u>—</u>	<u>—</u>	<u>1,365,069</u>

(4) Investment Income

Investment income, including temporarily restricted amounts, is comprised of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 29,778	636
Net realized and unrealized gains	10,458	152,530
	<u>\$ 40,236</u>	<u>153,166</u>

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2015 and 2014

(8) Long-Term Debt

Long-term debt consists of the following:

	2015	2014
Mortgage note payable to bank, interest at fixed rate of 6.55%, principal amount due November 1, 2022 and interest-only payments are made per agreement, secured by a building.	\$ 225,620	921,872
Mortgage notes payable to bank, interest at fixed rate of 4.25%, due in aggregate monthly installments of principal and interest of \$89,985, due at varying dates through June 2042, secured by buildings.	17,269,098	16,798,432
Mortgage note payable to bank, interest based on London InterBank Offering Rate (LIBOR) plus 2.65%, with an interest rate swap, which fixes the interest rate at 7.51%, due July 1, 2023.	211,295	930,849
Capital leases payable to lessors, due at varying dates through October 2019, secured by vehicles and equipment.	309,657	641,453
Total long-term debt	18,015,670	19,292,606
Less current portion	(1,005,335)	(950,720)
Long-term debt, less current portion	\$ 17,010,335	18,341,886

Future required minimum principal payments consist of the following:

Year ending June 30:	
2016	\$ 1,005,335
2017	947,004
2018	840,239
2019	839,125
2020	839,175
Thereafter	13,544,792
	\$ 18,015,670

(9) Risk Management Contracts

The Agency employs an interest rate swap contract to minimize interest rate exposure. The contract is a \$1,470,000 amortizing swap, whereby the Agency pays a fixed interest rate of 7.51%. The swap hedges a \$1,470,000 amortizing variable rate loan priced at LIBOR plus 2.65%, which matures in 2023. The net effect of the swap is that interest expense on the portion of the variable-rate debt being hedged is recorded based on the fixed interest rate.

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2015 and 2014

The Agency's primary investment goal for its endowments is to provide a real rate of return (total return minus investment expenses, administrative fees, and inflation) sufficient to support, in perpetuity, the purposes of the various endowments that make up the endowment fund. Of paramount concern is the preservation of the value of the assets in real terms in order to maintain the purchasing power of the funds for the continuous support of the Agency without eroding the real, long-term value of the corpus.

Endowment net assets as of June 30, 2015 include the following:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	222,875	321,625	544,500
Board-designated endowment funds	878,414	—	—	878,414
	<u>\$ 878,414</u>	<u>222,875</u>	<u>321,625</u>	<u>1,422,914</u>

Changes in endowment net assets for the year ended June 30, 2015 were as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 810,075	213,395	321,625	1,345,095
Investment income	22,762	7,016	—	29,778
Net realized and unrealized investment gains	7,994	2,464	—	10,458
Investment return	30,756	9,480	—	40,236
Additions	37,583	—	—	37,583
Endowment net assets, end of year	<u>\$ 878,414</u>	<u>222,875</u>	<u>321,625</u>	<u>1,422,914</u>

Endowment net assets as of June 30, 2014 include the following:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	213,395	321,625	535,020
Board-designated endowment funds	810,075	—	—	810,075
	<u>\$ 810,075</u>	<u>213,395</u>	<u>321,625</u>	<u>1,345,095</u>

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2015 and 2014

(13) Contingencies

(a) *Litigation*

The Agency is involved in claims and lawsuits incurred in the ordinary course of business. In management's opinion, such litigation will not have a material adverse effect on the Agency's financial position or results of operations.

(b) *Grant Expenditures*

Expenditures reimbursed under grants and contracts are subject to audits by governmental agencies or their representatives. Expenditures have generally not been audited by the funding agencies. Accordingly, adjustments of amounts received under grants could result if the grants are audited by such agencies.

(c) *Medicaid Individual Service Revenue*

The Agency files claims for Medicaid reimbursements for services provided to individuals. Claims for reimbursement are subject to post payment review. Any reimbursed claims that do not conform to the applicable statutes must be refunded. The State of Alaska has audited the Agency and closed all calendar years prior to 2008.

During 2014, the Agency received advances from the State of Alaska office of Medicaid for services rendered to individuals under the Medicaid program. The state is currently in the process of an upgrade/conversion of its claims processing system. The conversion has resulted in significant delays in processing and payment of the Agency's billings. The state has provided advances of approximately \$0 and \$7,800,000 during 2015 and 2014, respectively, to ensure adequate cash flow for the Agency's operations. These advances, net of repayments of \$2,001,001 and \$900,000 in 2015 and 2014, respectively, have been accounted for as a liability on the consolidated balance sheets as the Agency does not believe it has the right of offset against the specific Medicaid billings. There were no advances received during 2015.

(d) *HUD Mortgage*

Hope Community Homes I, Inc. has a mortgage commitment under an agreement with the U.S. Department of Housing and Urban Development (HUD). The mortgage note is secured by the related property and equipment. The note bears no interest and repayment is not required provided that the project remains available for very low income persons with physical disabilities in accordance with Section 202 of the Housing Act of 1959 and Section 811 of the National Affordable Housing Act of 1990 for a period of 40 years, as the HUD property was established in 1997, the note will expire in 2037.

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**
Consolidating Schedule of Balance Sheet Information
June 30, 2015

Assets	Hope Community Resources, Inc.	Hope Community Homes I, Inc.	Hope Industries, Inc.	Eliminating entries	Consolidated totals
Current:					
Cash – unrestricted	\$ 4,839,351	9,760	31,863	—	4,880,974
Cash – restricted	705,260	71,538	—	—	776,798
Medicaid receivable, net	6,517,790	—	—	—	6,517,790
Receivable from granting agencies	567,429	—	—	—	567,429
Other accounts receivable, net	760,512	983	—	(122,137)	639,358
Investment in consolidated affiliates	222,356	—	—	(222,356)	—
Prepaid expenses and other current assets	429,256	—	—	—	429,256
Total current assets	<u>14,041,954</u>	<u>82,281</u>	<u>31,863</u>	<u>(344,493)</u>	<u>13,811,605</u>
Long-term investments	1,443,762	—	—	—	1,443,762
Property and equipment, net	<u>30,652,143</u>	<u>222,547</u>	<u>—</u>	<u>—</u>	<u>30,874,690</u>
Total assets	<u>\$ 46,137,859</u>	<u>304,828</u>	<u>31,863</u>	<u>(344,493)</u>	<u>46,130,057</u>
Liabilities and Net Assets					
Current:					
Accounts payable	\$ 3,012,151	1,465	120,672	(122,137)	3,012,151
Accrued wages and taxes payable	2,453,674	—	—	—	2,453,674
Accrued leave and other liabilities	1,820,712	—	—	—	1,820,712
Medicaid advances	3,575,609	—	—	—	3,575,609
Rental deposits	—	1,741	—	—	1,741
Current portion of long-term debt	<u>1,005,335</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,005,335</u>
Total current liabilities	<u>11,867,481</u>	<u>3,206</u>	<u>120,672</u>	<u>(122,137)</u>	<u>11,869,222</u>
Long-term debt, net of current portion	17,010,335	—	—	—	17,010,335
Non-current Medicaid advances	1,325,040	—	—	—	1,325,040
Interest rate swap	<u>122,709</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>122,709</u>
Total liabilities	<u>30,325,565</u>	<u>3,206</u>	<u>120,672</u>	<u>(122,137)</u>	<u>30,327,306</u>
Net assets:					
Unrestricted – undesignated	11,711,169	38,672	(88,809)	(222,356)	11,438,676
Unrestricted – board-designated	<u>3,018,659</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,018,659</u>
	14,729,828	38,672	(88,809)	(222,356)	14,457,335
Temporarily restricted	760,841	262,950	—	—	1,023,791
Permanently restricted	<u>321,625</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>321,625</u>
Total net assets	<u>15,812,294</u>	<u>301,622</u>	<u>(88,809)</u>	<u>(222,356)</u>	<u>15,802,751</u>
Total liabilities and net assets	<u>\$ 46,137,859</u>	<u>304,828</u>	<u>31,863</u>	<u>(344,493)</u>	<u>46,130,057</u>

See accompanying independent auditors' report.

**HOPE COMMUNITY RESOURCES, INC.
AND AFFILIATES**

Schedule of Expenditures of State of Alaska, Department
of Health and Social Services Programs – Budget to Actual

Year ended June 30, 2015

	Expenditures			
	Budget	Current actual	State eligible	Variance
Anchorage (607-303-1513):				
Personal services	\$ 1,275,284	1,275,283	1,275,283	1
Travel	11,384	11,384	11,384	—
Supplies	116,185	116,185	116,185	—
Equipment	14,787	14,787	14,787	—
Other direct expense	135,542	135,542	135,542	—
	<u>1,553,182</u>	<u>1,553,181</u>	<u>1,553,181</u>	<u>1</u>
Star – Anchorage (607-313-1506):				
Personal services	70,000	70,000	70,000	—
Other direct expense	15,000	15,000	15,000	—
	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>—</u>
Star – Kodiak (607-313-1505):				
Personal services	70,000	70,000	70,000	—
Other direct expense	15,000	15,000	15,000	—
	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>—</u>
AYI (602-208-1573):				
Personal services	48,842	48,842	48,842	—
Travel	22,330	22,330	22,330	—
Supplies	6,200	6,199	6,199	1
Other direct expense	—	—	—	—
	<u>77,372</u>	<u>77,371</u>	<u>77,371</u>	<u>1</u>
Total State of Alaska, Department of Health and Social Services	<u>\$ 1,800,554</u>	<u>1,800,552</u>	<u>1,800,552</u>	<u>2</u>

See accompanying independent auditors' report.

**CITY OF KODIAK
 FY17 NONPROFIT FUNDING APPLICATION
 Return to City Manager's Office by June 17, 2016.**

A
 JUN 2016
 Received
 Executive Department
 6/17/2016

ORGANIZATIONAL OVERVIEW

Organization Name Humane Society of Kodiak
 Mailing Address P.O. Box 8783, Kodiak AK 99615
 Telephone No. 907-486-8077 Fax No. 907-486-5056
 Email kodiakanimalshelter@gmail.com

Federal Employer Tax ID Number 92-0148196

Contact Person Lorraine Stewart - Phone: 907-539-5727 HSK Board Treasurer

Contact Person	<u><i>Lorraine Stewart</i></u>	Printed Name	<u>Lorraine Stewart</u>	Title	<u>HSK Board Treasurer</u>
		Signature		Date	<u>06/17/2016</u>

List of Board Members and Officers:

<u>Linda Lance, President</u>	<u>Karen Yashin, Vice President</u>
<u>Kim Phillips, Secretary</u>	<u>Lorraine Stewart, Treasurer</u>
<u>Cindy Trussell, Member</u>	<u>Nat Nichols, Member</u>
<u>Christina Conrath, Member</u>	<u>Chris Hicks, Member</u>

Does agency have 501(c)3 status from the IRS? Yes No
 If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
 If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

The Humane Society of Kodiak provides the following services: 1) Operation of the Kodiak Animal Shelter; 2) Management of adoption program for shelter animals; 3) Provide financial support for spay/neuter programs for shelter animals and pets owned by residents living in the Kodiak Archipelago; 4) Provide educational opportunities and outreach to community members, schools, and other organizations in Kodiak.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? All pet owners residing in the City of Kodiak

Please attach a copy of the organization's Mission Statement.

City of Kodiak Nonprofit Grant Application/Report
 FY2017

How does your agency collaborate with other local nonprofit organizations?

The Humane Society of Kodiak (HSK) coordinates with the Salvation Army and KWRCC for the annual Angel Tree Giving program. The HSK works with Hope Community Resources, to provide stimulating and engaging animal-care related activities at the shelter for individuals experiencing disabilities. Local Boy Scout and Girl Scout troops voluntarily provide basic animal care services such as grooming, feeding, animal socialization in addition to other shelter-related tasks. Our organization also works with the Kodiak Island Borough School District, Learning Cafe, State of Alaska Probation and Court System to provide valuable community services and workplace training opportunities.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Public Safety Support Programs Amount \$6,000

Explanation:

The function of the animal shelter is to protect the public from stray animals and to provide a safe environment for abandoned animals. Reducing the number of unwanted litters and stray animals is a function of animal population control, which is in large part, the mission of the Humane Society of Kodiak.

Category _____ Amount _____

Explanation:

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$6,000

What percentage of funds will be used for administrative costs? 0%

What percentage of funds will be used for direct services? 100%

How will the funds be used?

A total of \$6,000 will be used to provide financial assistance incentives to low-income residents and those that would not otherwise pay, to have their pets spayed or neutered. This assistance would be available for felines and canines residing within the City of Kodiak.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal <u>0</u>	State <u>0</u>
City of Kodiak <u>\$122,500.00</u>	Kodiak Is. Borough <u>\$4,250.00</u>
Parent Organization <u>0</u>	Corporate Grants <u>0</u>
Foundations <u>0</u>	Client Fees <u>\$18,554.84</u>
Donations <u>\$55,198.58</u>	Memberships <u>\$1,000.00</u>
Interest <u>553.75</u>	Gaming Permit Activities (pull tabs, raffles etc.) <u>\$39,186.3</u>

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

What effects will there be and what alternative plans does your agency have if City funding is not received?

Funding from this grant will have the potential to reduce the number of unwanted puppy and kitten litters within the city of Kodiak. If this request is unfunded, the HSK will continue to seek funding elsewhere to address this population issue in Kodiak.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

- Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs) 25 points**
- Grant reports submitted to City as required 25 points**
- Number of City residents served 25 points**
- Other sources of applicant funding identified 25 points**

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Humane Society of Kodiak
Program:	Spay/Neuter Program Assistance
2015-2016 Grant Amount:	\$5,500
Amount Expended Year-to-Date:	\$5,500
Balance:	\$0

Describe accomplishments with grant funds.

In FY16, (21) twenty-one animals were spayed/neutered using funding provided by the City of Kodiak. Specific services include (4) canine neuters, (2) canine spays, (5) feline neuters, and (10) feline spays at a total cost of \$5588.71; HSK funds were used to cover expenditures exceeding grant amount. Funding provided by the City of Kodiak has prevented 60 - 120 (est. 5-10/litter per female) of puppies/kittens in the city of Kodiak that would need homes and other services.

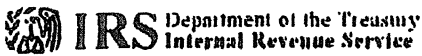
If you have not expended all funds, please describe how and when you intend to spend the balance.



Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248574153
May 23, 2011 LTR 4168C E0
92-0148196 000000 00

00017586
BODC: TE

HUMANE SOCIETY OF KODIAK
PO BOX 8783
KODIAK AK 99615-8783



071386

Employer Identification Number: 92-0148196
Person to Contact: MS. JOCKERS
Toll Free Telephone Number: 1-877-829-5500

Dear TAXPAYER:

This is in response to your May 12, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in APRIL 1994.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0248574153
May 23, 2011 LTR 4168C E0
92-0148196 000000 00
00017587

HUMANE SOCIETY OF KODIAK
PO BOX 8783
KODIAK AK 99615-8783

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



S. A. Martin, Operations Manager
Accounts Management Operations



Humane Society of Kodiak

**P.O. Box 8783
Kodiak, AK 99615**

Mission

The Humane Society of Kodiak is committed to preventing animal cruelty, reducing the abandoned pet population, and promoting the proper care of animals.

Overview

The Humane Society of Kodiak (HSK) is a non-profit 501(c)(3) Charitable Corporation that is managed by a volunteer board of directors. The only such service provider for the entire Kodiak Archipelago, the HSK actively operates the Kodiak Animal Shelter under contract for the City of Kodiak. Starting in 1997, the Kodiak Animal Shelter was one of the first in the State of Alaska to operate as a *no-kill* shelter, and continues to operate as a no-kill shelter for friendly, adoptable pets. Prior to adoption, all shelter pets are spayed/neutered, if not already sterilized.

Vision

The Humane Society of Kodiak believes that all domestic animals deserve to be treated with respect and dignity. We will work with the community, rescue organizations and foster homes on behalf of the animals to give them a second chance at finding loving forever homes. We envision a time when pets are not stray and unwanted and where our community becomes a model for achieving a "humane society."

HSK Animal Shelter
Balance Sheet
 As of May 31, 2016

	<u>May 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Credit Union 1 Checking	22,306.61
1001 · Credit Union 1 Savings	10,107.95
1005 · AK USA Gaming	2,531.29
1010 · AK USA CU Checking	17,266.89
1011 · AK USA CU Savings (10)	1.19
1012 · AK USA CU Super Money Mkt (20)	173,725.31
1020 · Petty Cash	140.00
Total Checking/Savings	<u>226,079.24</u>
Other Current Assets	
1200 · Prepaid Expenses	2,105.42
1225 · Investment in Chamber Hosp	7,995.00
1250 · Loans for Community Help	2,780.85
Total Other Current Assets	<u>12,881.27</u>
Total Current Assets	<u>238,960.51</u>
TOTAL ASSETS	<u>238,960.51</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 · Federal Payroll Taxes Payable	1,751.30
2230 · Alaska ESC Payable	262.94
Total Other Current Liabilities	<u>2,014.24</u>
Total Current Liabilities	<u>2,014.24</u>
Total Liabilities	<u>2,014.24</u>
Equity	
3000 · Opening Balance Equity	37,160.13
3100 · Winston Checkers Fund	-3,127.94
3200 · Unrestricted Net Assets	173,543.14
Net Income	29,370.94
Total Equity	<u>236,946.27</u>
TOTAL LIABILITIES & EQUITY	<u>238,960.51</u>

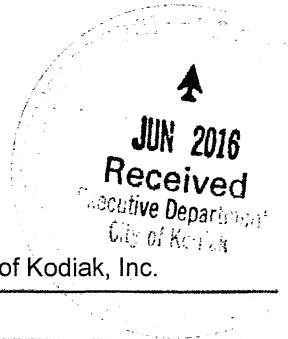
**HSK Animal Shelter
Profit & Loss
July 2015 through May 2016**

	Jul '15 - May 16
Income	
4100 · Humane Society Public Support	
4110 · City of Kodiak Non-Profit Grant	5,500.00
4150 · Kodiak Island Borough Grant	4,250.00
4210 · Pick-Click-Give	9,021.00
4350 · General Donations	33,240.76
4360 · Memorial Donations	1,800.00
4370 · Membership Donations	
4371 · Membership FAMILY	240.00
4372 · Membership BUSINESS	100.00
4373 · Membership INDIVIDUAL	160.00
4374 · Membership LIFETIME	500.00
Total 4370 · Membership Donations	1,000.00
Total 4100 · Humane Society Public Support	54,811.76
4400 · Fundraising Income	
4405 · Misc. Fund Events Sales	4,646.08
4400 · Fundraising Income - Other	438.00
Total 4400 · Fundraising Income	5,084.08
4500 · Interest Income	553.75
4600 · Animal Shelter Public Support	
4610 · City of Kodiak Contract	117,000.00
4620 · Individual Donations	678.82
4625 · Baxter Fund - long term pets	500.00
4630 · Gifts in Kind - Goods/Services	208.00
Total 4600 · Animal Shelter Public Support	118,386.82
4700 · Animal Shelter Program Income	
4705 · Adoption Fees	17,918.76
4715 · Kennel Fees	636.08
4725 · Dog License Income	30.00
4730 · Angel Program	117.06
4745 · Borough License	30.00
Total 4700 · Animal Shelter Program Income	18,731.90
4800 · Humane Society Assistance	850.00
4950 · Pet Companion Fund	500.00
4960 · Raffle Income	4,500.00
4975 · GAMING INCOME	39,186.30
Total Income	242,604.61
Expense	
6000 · Payroll Expenses	
6010 · Wages	87,899.38
6020 · Payroll Tax Expense	7,966.63
6030 · Worker's Compensation	2,832.00
6000 · Payroll Expenses - Other	322.46
Total 6000 · Payroll Expenses	99,020.47
6100 · Veterinary Services	
6110 · Medicines	6,199.22
6115 · Spay/Neuter	26,146.56
6150 · Euthanasia	
61051 · Incineration	1,489.17
61052 · Euth Vet Assistance	100.00
61053 · Air Freight Expense	536.56
6150 · Euthanasia - Other	1,145.00
Total 6150 · Euthanasia	3,270.73
6160 · Diagnostics	3,593.97
6170 · Exams	8,237.24
6180 · Vaccines	2,833.09
6190 · Surgeries	4,700.68
6100 · Veterinary Services - Other	8,666.31

HSK Animal Shelter
Profit & Loss
 July 2015 through May 2016

	Jul '15 - May 16
Total 6100 · Veterinary Services	63,647.80
6200 · Animal Care Supplies	6,385.96
6250 · Dog License Expense	268.00
6300 · Humane Society Expenses	
6301 · Comm Assistance, Non Veterinary	965.25
6305 · Marketing	5,169.82
6320 · HSK Office Supplies	117.46
6325 · Dues and Subscriptions	861.00
6330 · Fundraising Expense	1,709.58
6335 · Licenses & Permits	587.71
6340 · Public Appreciation Gifts	113.76
6345 · Revenue Tax Expense	418.82
Total 6300 · Humane Society Expenses	9,943.40
6600 · Office Supplies & Equipment	
6605 · Cleaning Supplies	1,174.55
6610 · Office Supplies	4,782.10
6615 · Postage/Freight	252.73
Total 6600 · Office Supplies & Equipment	6,209.38
6700 · Building Expense	
6705 · Electricity	2,640.94
6710 · Garbage Services	2,852.84
6715 · Heating Fuel	2,156.27
6720 · Telephone/Internet	1,146.03
6725 · Rent	907.50
6750 · Maintenance & Repairs	10,454.41
Total 6700 · Building Expense	20,157.99
6800 · Education & Training	
6805 · Employee Training & Education	2,265.45
6810 · Community Education	101.64
Total 6800 · Education & Training	2,367.09
6900 · General Administration	
6905 · Insurance	
69051 · D & O Insurance	281.25
69052 · General Liability	1,441.33
Total 6905 · Insurance	1,722.58
Total 6900 · General Administration	1,722.58
6950 · Contract Services	
69501 · Legal Fees	450.00
69502 · Accounting Fees	3,061.00
Total 6950 · Contract Services	3,511.00
9000 · VOID	0.00
Total Expense	213,233.67
Net Income	29,370.94

**CITY OF KODIAK
 FY17 NONPROFIT FUNDING APPLICATION
 Return to City Manager's Office by June 17, 2016.**



ORGANIZATIONAL OVERVIEW

Organization Name Kodiak Area Transit System-KATS-lead agency Senior Citizens of Kodiak, Inc.
 Mailing Address 302 Erskine Kodiak, AK 99615
 Telephone No. 486-6181 or 486-8308 Fax No. 486-4503
 Email scokinc@ak.net

Federal Employer Tax ID Number 23-7348249

Contact Person Susan Brockman President, Board of Directors

Contact Person	<u>Susan Brockman</u> Printed Name	<u>June 1, 2016</u> Title
	Signature	Date

List of Board Members and Officers:

<u>Susan Brockman, President</u>	<u>David Blacketer, Vice President</u>
<u>Mona Johnson, Secretary/Treasurer</u>	<u>Laurence Anderson</u>
<u>Pat Heitman</u>	<u>Joyce Gregory</u>
<u>Florence Pestrikoff</u>	<u>Joyce Gregory Gretchen Saupe</u>

Does agency have 501(c)3 status from the IRS? Yes No
 If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
 If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

KATS has been a coordinated transit system since August, 2000, with Senior Citizens of Kodiak, Inc. (SCOK) as the lead agency for 15 local non profits and their clients. KATS service is to provide much needed transportation service to those who need it the most: seniors, disabled, Alaska Mental Health Trust beneficiaries, low income, nursing home residents, vocational rehabilitation clients and others to get to medical, dental and physical appointments, work, shopping, Kodiak college, social service programs and community activities. This year with State grants, KATS was opened to the public with a 24 hour call ahead reservation and public stops in the community.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? All city residents are now served

Please attach a copy of the organization's Mission Statement.
 City of Kodiak Nonprofit Grant Application/Report
 FY2017
 Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

KATS is the coordinated transit service for 15 local non profits with SCOK as the lead agency. This coordinated service has been in place since August, 2000, with SCOK writing and administering all reports and grants and then contracting with First Student for dispatch, operations, insurance, fuel and maintenance. Collaboration is with KANA, Providence Kodiak Island Medical Center and Counseling Center, Vocational Rehabilitation, welfare to work, Kodiak College, Kodiak Women's Resource and Crisis Center, Providence nursing home, Hope Resources, Veterans, Suunaq tribe, Food Bank and seniors.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Public Safety Support Programs (Shelter/Food) Amount \$10,000

Explanation:

KATS is instrumental in Kodiak residents being able to access services and community activities. Without this coordinated and public service, many Kodiak residents would not be able to continue to live in Kodiak and shop, access services, pay sales tax and remain living independently. KATS buses are part of the community emergency response plan and can be used for evacuation. KATS gets people to both food banks, the senior center as well as other safety support programs such as the Women's Resource and Crisis Center.

Category _____ Amount _____

Explanation:

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$10,000

What percentage of funds will be used for administrative costs? 0

What percentage of funds will be used for direct services? All City funds are used for direct services.

How will the funds be used?

City funds are used to match the State grants from the Department of Transportation. Federal transportation grants are passed to the State Department of Transportation and awarded through a competitive grant process. Most of the grant funds-the operational funds-require a 43% match and City funds are used as that match.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal <u>\$408,709</u>	State <u>\$16,580</u>
City of Kodiak <u>\$10,000</u>	Kodiak Is. Borough <u>\$15,000</u>
Parent Organization <u>0</u>	Corporate Grants <u>0</u>
Foundations <u>0</u>	Client Fees <u>\$114,606</u>
Donations <u>0</u>	Memberships <u>0</u>
Interest <u>0</u>	Gaming Permit Activities (pull tabs, raffles etc.) <u>0</u>

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

KATS is funded by Federal grants which are passed through to the State Department of Transportation. Operations grants require a 43% match and administration grants require a 9% match as do capital grants. Fares are \$2 each way and are used for grant matches as well.

What effects will there be and what alternative plans does your agency have if City funding is not received?

If City funds are not received, KATS service levels would have to be reviewed with service maybe having to be cut. State grant reviewers look favorably upon local municipal support and we are grateful for the City's support.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

- Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs) 25 points**
- Grant reports submitted to City as required 25 points**
- Number of City residents served 25 points**
- Other sources of applicant funding identified 25 points**

CITY OF KODIAK GRANT REPORT

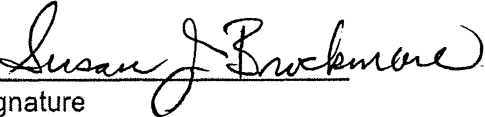
Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Senior Citizens of Kodiak, Inc.
Program:	Kodiak Area Transit System-KATS
2015-2016 Grant Amount:	\$10,000
Amount Expended Year-to-Date:	\$10,000
Balance:	0

Describe accomplishments with grant funds.

City funds were used to match the State and federal grants for KATS. Operational grants require a 43% match and that is where the City funds are used. Demonstrating municipal financial support for KATS assists SCOK in the competitive transportation grant process.

If you have not expended all funds, please describe how and when you intend to spend the balance.


Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

INTERNAL REVENUE SERVICE
EP/EO

Internal Revenue Service
EP/EO Disclosure Desk
P.O. Box 2350 Los Angeles, CA 90053

SENIOR CITIZENS OF KODIAK

P O BOX 315
KODIAK, AK 99615

Person to Contact:
L. Barragan (A to K)
F. Miraflor (L to Z)

Telephone Number:
(213)894-2336

Refer Reply to:
92-216

Date:
NOV 27 1991

RE: 23-7348249
SENIOR CITIZENS OF KODIAK

Gentlemen:

This is in response to your request for a determination letter of the above-named organization.

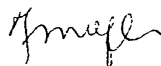
A review of our records indicates that the above-named organization was recognized to be exempt from Federal income tax in May 1976, as an organization described in Internal Revenue Code section 501(c)(3). It is further classified as an organization that is not a private foundation as defined in section 509(a) of the code, because it is an organization described in section 170(b)(1)(A)(vi).

This letter is to verify your exempt status and the fact that the determination letter issued in May 1976 continues to be in effect.

If you are in need of further assistance, please feel free to contact me at the above address.

We appreciate your cooperation in this regard.

Sincerely,



Disclosure Assistant



Senior Citizens of Kodiak, Inc.
302 Erskine Avenue, Kodiak, AK 99615
Phone: (907) 486-6181
Fax: (907)486-4503
E-mail: scokinc@ak.net

Mission Statement

To enhance the lives of older adults



SENIOR CITIZENS OF KODIAK, INC.

302 Erskine Avenue, Kodiak, AK 99615

Phone: (907) 486-6181

Fax: (907) 486-4503

E-mail: scokinc@ak.net

Senior Citizens of Kodiak, Inc. and Endowment Fund

Audited Consolidated Financial Statements and Additional Information
Years Ended June 30, 2015 and 2014

Federal Single Audit and Required Attachments
Year Ended June 30, 2015

(With Independent Auditor's Report Thereon)

Senior Citizens of Kodiak, Inc. and Endowment Fund

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Senior Citizens of Kodiak, Inc. and Endowment Fund

Statements of Consolidated Financial Position

	June 30,	
	2015	2014
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 88,779	185,164
Investments	1,870,174	1,826,457
Accounts receivable	66,289	91,626
Grants receivable	81,969	124,407
Prepaid expenses	10,630	21,270
Total current assets	2,117,841	2,248,924
Non-current assets:		
Land	227,677	227,677
Property and equipment, net of accumulated depreciation	1,494,484	1,480,771
Total non-current assets	1,722,161	1,708,448
TOTAL ASSETS	\$ 3,840,002	3,957,372
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 93,104	169,794
Accrued payroll and related liabilities	33,259	27,385
Medicaid payable	-	28,300
Total current liabilities	126,363	225,479
Net assets (unrestricted):		
Designated:		
Endowment	1,901,570	1,849,366
Investment in property and equipment	1,722,161	1,708,448
Undesignated	89,908	174,079
Total net assets	3,713,639	3,731,893
TOTAL LIABILITIES AND NET ASSETS	\$ 3,840,002	3,957,372

The accompanying notes are an integral part of these financial statements.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Statements of Consolidated Activities

	Years Ended	
	June 30,	
	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
Operating activities:		
Support:		
Individuals	\$ 25,500	8,684
Government:		
State of Alaska	381,685	342,151
Federal sources	565,825	458,948
Local sources	136,558	82,640
In-kind	47,125	46,625
Total support	<u>1,156,693</u>	<u>939,048</u>
Revenue:		
Project income	477,424	503,550
Other	50,562	44,384
Total revenue	<u>527,986</u>	<u>547,934</u>
Total support and revenue	<u>1,684,679</u>	<u>1,486,982</u>
Expenses:		
Program services:		
Kodiak Area Transit System	362,796	311,371
Caregiver Support	147,370	147,056
Senior Services	592,443	574,975
Adult Day Care	445,094	453,274
Total program services	<u>1,547,703</u>	<u>1,486,676</u>
Support Services:		
Management and General	197,480	172,978
Fundraising - Endowment	3,803	13
Total support services	<u>201,283</u>	<u>172,991</u>
Total expenses	<u>1,748,986</u>	<u>1,659,667</u>
Change in net assets from operating activities	<u>(64,307)</u>	<u>(172,685)</u>

The accompanying notes are an integral part of these financial statements.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Statements of Consolidated Activities

	Years Ended	
	June 30,	
	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
Non-operating activities:		
Dividends and interest	48	155
Investment income	<u>46,005</u>	<u>266,175</u>
Change in net assets from non-operating activities	<u>46,053</u>	<u>266,330</u>
Change in unrestricted net assets	(18,254)	93,645
Net assets:		
Beginning of year	<u>3,731,893</u>	<u>3,638,248</u>
End of year	<u>\$ 3,713,639</u>	<u>3,731,893</u>

The accompanying notes are an integral part of these financial statements.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Statements of Consolidated Cash Flows

	Years Ended	
	June 30,	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase (decrease) from net assets	\$ (18,254)	93,645
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	112,494	101,711
Loss on disposal of fixed assets	1,143	102
Unrealized (gain) loss on investments	90,046	(160,650)
(Increase) decrease in assets:		
Accounts receivable	25,337	(35,205)
Grants receivable	42,438	(18,708)
Prepaid expenses	10,640	(421)
Increase (decrease) in liabilities:		
Accounts payable	(76,690)	40,274
Accrued payroll and related liabilities	5,874	(1,476)
Medicaid payable	(28,300)	28,300
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>164,728</u>	<u>47,572</u>
Cash flows from investing activities:		
Purchase of capital assets	(127,350)	(39,509)
Purchase of investments	(416,702)	(519,710)
Proceeds from sale of investments	282,939	544,463
NET CASH USED BY INVESTING ACTIVITIES	<u>(261,113)</u>	<u>(14,756)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(96,385)	32,816
Cash and cash equivalents:		
Beginning of year	185,164	152,348
End of year	<u>\$ 88,779</u>	<u>185,164</u>

The accompanying notes are an integral part of these financial statements.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements include the accounts of Senior Citizens of Kodiak, Inc. (the "Organization") and Senior Citizens of Kodiak Endowment Fund, Inc. (the "Endowment Fund"). The Organization is a nonprofit organization located in Kodiak, Alaska and was organized in 1973 to provide a full range of health, education and social services to the senior citizens of Kodiak. The mission of the Organization is to enhance the lives of older adults. The Organization is the first nationally accredited senior center in the State of Alaska by the National Institute of Senior Centers (NISC). In 1987, Senior Citizens of Kodiak, Inc. established the Senior Citizens of Kodiak Endowment Fund, Inc. to provide financial support to the charitable activities, projects and programs of the Senior Citizens of Kodiak, Inc. The Board of Trustees of the Endowment Fund is appointed by the Board of Directors of the Organization. All activities of the Endowment Fund are included in these financial statements.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant accruals. Under this method of accounting, revenues are recognized when earned. Liabilities and expenses are recorded when incurred. The financial statements include assets, liabilities, net assets and financial activities of those programs for which the Organization exercises fiscal and operational control.

Basis of Presentation

Financial statement presentation reports information regarding the Organization's financial position and activities according to three classes of net assets:

Unrestricted Net Assets - Net assets of the Organization that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent assets of the Organization whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of the Organization. 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 - The portion of net assets 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.

All net assets are unrestricted for use by the Organization or their temporary donor restrictions were met within the years presented.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts and other circumstances which may affect the ability of clients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management believes all receivables are collectible.

Property and Equipment

Property and equipment are stated at cost. Expenses for maintenance and repairs are charged to expense as incurred and expenses for major renovations are capitalized. Fixed assets in excess of \$500 with a useful life in excess of one year are capitalized. All donated properties are capitalized at the estimated fair market value at the time of receipt. Depreciation is charged over the estimated useful lives of the assets on a straight-line basis. The useful lives are as follows:

Equipment	5 – 10 years
Land Improvements	20 years
Buildings	40 years

The Organization does not temporarily restrict assets acquired with contributions or grants designated for long-lived assets. The Organization considers the restrictions fulfilled when the asset is acquired.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Investment Valuation

The Organization's investments are stated at fair value. Investments are valued at quoted market prices in an active market, which represent the net asset values of shares held by the Organization at year-end. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments consists of the change in unrealized appreciation or depreciation during the period, and the realized gain or loss on sales of investments during the period. Interest income is recorded on the accrual basis.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. A fair value hierarchy prioritizes the valuation inputs into three broad levels (see Note 8).

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets, including outside appraisals. Financial assets are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant judgment or estimation.

Changes in valuation techniques may result in transfers in or out of an investment's assigned level within the hierarchy. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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 an income tax liability may be determined on these activities. The Organization's policy is to report interest and penalties associated with income taxes as interest expense and other expense, respectively. Generally, the Organization is no longer subject to examinations by federal and state tax authorities for years before 2011.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Support and Revenue

Contributions - Contributions and unconditional promises to give are recorded in the period received in the appropriate class of net assets based upon any donor imposed stipulations.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. 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. All temporarily restricted support received and released from restrictions within the same fiscal year are treated as unrestricted support.

Promises to Give - Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contracts and Grants - The Organization receives a significant portion of its revenue from federal, state and local grants. Contracts and grants are recognized to the extent of allowable costs incurred allocable to the respective contracts and grants. Expenses in excess of cash receipts are reflected as receivables in the financial statements.

Contributed Services, Materials and Utilities - Donated services are included in the Organization's Statements 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.

Donated materials, supplies and utilities are valued at fair value on the date contributed.

Project Income and Other Revenue - Project income is recognized at the time the resources are provided by the Organization. Other revenue is recognized when received.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the Schedules of Functional Expenses included as additional information. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Management Review

The Organization evaluated subsequent events through November 25, 2015, the date these financial statements were available to be issued. No material events were identified that required adjustment or additional disclosure in these financial statements, except as already adjusted or disclosed.

Reclassifications

Certain amounts in the prior periods presented have been reclassified to conform to the current financial statement presentation. These reclassifications have no effect on previously reported net assets.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Organization maintains its cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. All cash held in banks was fully insured as of June 30, 2015 and 2014.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 3 - INVESTMENTS

Investments consist of mutual funds and equities and are summarized as follows:

	<u>2015</u>	<u>2014</u>
Balances, beginning July 1	\$ 1,826,457	1,690,560
Investment income	46,005	266,175
Additions (withdrawals), net	<u>(2,288)</u>	<u>(130,278)</u>
Balances, ending June 30	<u>\$ 1,870,174</u>	<u>1,826,457</u>

Investment income included in the Statements of Activities consists of the following for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Dividends and interest	\$ 41,385	37,707
Realized gains	106,280	79,202
Net appreciation (depreciation) in fair value	(90,046)	160,650
Investment expenses	<u>(11,614)</u>	<u>(11,384)</u>
Investment income	<u>\$ 46,005</u>	<u>266,175</u>

The Organization's investments are not insured by the FDIC or by any other federal government agency. However, they are protected by the Securities Investor Protection Corporation (SIPC) up to a maximum of \$250,000 for cash claims and \$500,000 in total.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, consists of the following:

	<u>2015</u>	<u>2014</u>
Non-depreciable assets:		
Land	\$ 227,677	227,677
Depreciable assets:		
Vehicles	\$ 351,789	256,200
Land improvements	107,417	88,967
Buildings	2,698,018	2,690,248
Equipment	239,641	235,370
Total depreciable assets	3,396,865	3,270,785
Less allowance for depreciation	(1,902,381)	(1,790,014)
Total depreciable assets, net	\$ 1,494,484	1,480,771

NOTE 5 - ENDOWMENT FUND

The financial data of Senior Citizens of Kodiak, Inc. and Senior Citizens of Kodiak Endowment, Inc. have been consolidated in these financial statements. Senior Citizens of Kodiak, Inc. has both an economic interest in the Endowment Fund and control through a majority voting interest on the Board. All material intra-entity transactions have been eliminated.

The Endowment Fund is managed under an investment policy, which states the purpose, objectives and guidelines of the Endowment Fund. The investment policy is intended to govern the overall management of the Endowment Fund in order to insure that: the Endowment Board and the investment manager have a clear and mutual understanding of the investment objectives and policies of the Endowment Fund, the investment manager is given guidance and limitations for investing the Endowment Fund, and the Endowment Board has a meaningful basis for the evaluation of the investment manager's performance.

The investment objectives of the Endowment Fund are: consistency of investment returns with primary emphasis on preservation of capital, portfolio diversity to provide earnings growth while reducing risk and reinvestment of all earnings until the Endowment Fund reaches a balance of one million dollars.

The income earned by and all or any part of the corpus of the Endowment Fund may be used for any purpose consistent with its Amended and Restated Articles of Incorporation upon a finding, supported by a vote of a majority of the members of the Board of Trustees, that the expenditure is necessary or appropriate for the good of the Senior Citizens of Kodiak, Inc.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 5 - ENDOWMENT FUND, Continued

Changes in the Endowment Fund as of June 30 are as follows:

	<u>2015</u>	<u>2014</u>
Unrestricted Designated:		
Endowment net assets, Beginning of year	\$ 1,849,366	1,733,204
Investment income	57,620	277,559
Contributions	10,000	-
Disbursements to Senior Citizens of Kodiak, Inc.	-	(150,000)
Investment and administrative expenses	(15,416)	(11,397)
Endowment net assets, End of year	<u>\$ 1,901,570</u>	<u>1,849,366</u>

NOTE 6 - RISKS AND UNCERTAINTIES

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

NOTE 7 - DESIGNATED NET ASSETS

Designated net assets represent amounts designated by the Board of Trustees of the Endowment Fund for investing purposes and by the Board of Directors of Senior Citizens of Kodiak, Inc. for property and equipment. At June 30, 2015 and 2014, \$3,623,731 and \$3,557,814, respectively were designated for these purposes.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 8 - FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30:

	<u>2015</u>	<u>2014</u>
<u>Level 1</u>		
Equities:		
Financial	\$ 43,897	40,792
Healthcare	41,449	33,371
Energy	28,247	45,994
Utilities	10,045	13,326
Convertible	63,317	61,089
Materials	6,395	7,513
Industrials	33,452	34,926
Technology	56,535	53,305
Mutual funds:		
Fixed income	645,406	625,325
Large cap	275,471	380,138
Mid cap	112,930	115,054
Small cap	182,977	137,680
International	291,952	202,127
Real estate	44,805	43,665
Other	33,296	32,152
	<u>\$ 1,870,174</u>	<u>1,826,457</u>

NOTE 9 - CONCENTRATIONS AND CONTINGENCIES

For the years ended June 30, 2015 and 2014, the Organization received grants and support of \$947,510 and \$801,099, respectively, from agencies of the State of Alaska and the federal government. This represents 56% and 54% of total support and revenue for the years ended June 30, 2015 and 2014, respectively.

Amounts received or receivable from agencies of the State of Alaska and the federal government are subject to audit and adjustment. Any disallowed claims, including amounts already collected, would become a liability of the Organization.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 10 - IN-KIND CONTRIBUTIONS OF SERVICES AND FACILITY RENT

Individuals volunteer their time and perform a variety of tasks that assist the Organization. Those services that meet the criteria for recognition as contributed services are recorded in the financial statements at their estimated fair value. The Organization receives more than 1,000 volunteer hours per year. No contributed services met the criteria for recognition in the financial statements. The value of specific volunteer services tracked for grant purposes for the years ending June 30, 2015 and 2014, was estimated to be \$3,293 and \$2,841, respectively.

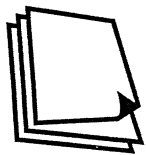
The Organization received in kind donations of utilities and other costs that meet the criteria for recognition as contributed revenue. These have been recorded in the statements of activities.

Senior Citizens of Kodiak, Inc. charges rent to several programs pursuant to the terms of the grant agreements. For the years ending June 30, 2015 and 2014, the value of rent in-kind was determined to be \$180,787 and \$180,787, respectively.

In accordance with accounting principles generally accepted in the United States of America, most volunteer time and all internally created transactions are excluded from the financial statements; however, these charges have been reported as in-kind contributions to granting agencies in accordance with grant agreements.

NOTE 11 - PENSION PLAN

Senior Citizens of Kodiak, Inc. has a simplified employee pension-IRA plan covering all qualified employees. Contributions are discretionary. The Organization contributed \$8,817 and \$8,291 for the years ended June 30, 2015 and June 30, 2014, respectively.



THOMAS, HEAD & GREISEN, PC

CERTIFIED PUBLIC ACCOUNTANTS

Kevin E. Branson, CPA
John A. Letourneau, CPA
Debra K. Mason, CPA/CFF, CFE
Erich R. Lamirand, CPA
Cindy L. Hulquist, CPA
Ronald E. Greisen, CPA/ABV/CFF

Independent Auditor's Report

Board of Directors
Senior Citizens of Kodiak, Inc. and Endowment Fund
Kodiak, Alaska

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Senior Citizens of Kodiak, Inc. and Endowment Fund, which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the 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 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 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 Senior Citizens of Kodiak, Inc. and Endowment Fund as of June 30, 2015 and 2014, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of consolidated functional expenses for the years ended June 30, 2015 and 2014, and schedules of support, revenues and expenses - budget and actual for the year ended June 30, 2015, as required by management and the State of Alaska, are presented for purpose of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015 on our consideration of Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over financial reporting and compliance.

Thomas, Head & Greisen PC

November 25, 2015

ADDITIONAL INFORMATION

Senior Citizens of Kodiak, Inc. and Endowment Fund

Schedules of Consolidated Functional Expenses

Years Ended June 30,

	2015								
	Program Services			Support Services					
Kodiak Area Transit System	Caregiver Support	Senior Services	Adult Day Care	Total Program Services	Management and General	Fundraising Endowment	Total Support Services	Total Program and Support Services	
Personnel	\$ 38,791	36,185	272,729	309,388	657,093	133,912	-	133,912	791,005
Travel	-	17,332	-	8,462	25,794	1,358	-	1,358	27,152
Facility	-	15,688	40,764	18,249	74,701	-	-	-	74,701
Supplies	20,818	4,337	189,739	31,332	246,226	1,295	-	1,295	247,521
Equipment	10,053	3,263	6,327	8,525	28,168	2,234	-	2,234	30,402
Contractual	260,861	53,069	39,980	33,355	387,265	7,500	3,769	11,269	398,534
Other	3,733	13,297	9,323	2,202	28,555	38,588	34	38,622	67,177
Depreciation	28,540	4,199	33,581	33,581	99,901	12,593	-	12,593	112,494
Total expenses	\$ 362,796	147,370	592,443	445,094	1,547,703	197,480	3,803	201,283	1,748,986

	2014								
	Program Services			Support Services					
Kodiak Area Transit System	Caregiver Support	Senior Services	Adult Day Care	Total Program Services	Management and General	Fundraising Endowment	Total Support Services	Total Program and Support Services	
Personnel	\$ 15,388	38,037	258,233	306,354	618,012	99,035	-	99,035	717,047
Travel	-	15,915	-	3,350	19,265	4,485	-	4,485	23,750
Facility	-	12,297	40,951	24,122	77,370	132	-	132	77,502
Supplies	23,518	2,381	176,305	29,092	231,296	8,557	-	8,557	239,853
Equipment	-	3,266	6,017	6,156	15,439	174	-	174	15,613
Contractual	253,484	43,709	52,376	41,391	390,960	2,250	-	2,250	393,210
Other	-	27,314	8,001	9,717	45,032	45,935	13	45,948	90,980
Depreciation	18,981	4,137	33,092	33,092	89,302	12,410	-	12,410	101,712
Total expenses	\$ 311,371	147,056	574,975	453,274	1,486,676	172,978	13	172,991	1,659,667

Senior Citizens of Kodiak, Inc. and Endowment Fund

SOA DHSS Nutrition, Transportation and Support Services
 Schedule of Support, Revenues and Expenses - Budget and Actual
 Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues and other support:			
State of Alaska	\$ 79,900	79,900	-
Federal sources:			
Title III	156,818	156,818	-
NSIP	11,000	13,737	2,737
In-kind	84,583	84,583	-
Local sources:			
Project income	199,518	171,190	(28,328)
City of Kodiak	15,000	15,000	-
Kodiak Island Borough	45,000	45,000	-
Other	3,000	10,541	7,541
Total revenues and other support	<u>594,819</u>	<u>576,769</u>	<u>(18,050)</u>
Expenses:			
Personnel	228,974	225,385	3,589
Facility	117,583	115,233	2,350
Supplies	186,153	187,978	(1,825)
Equipment	4,800	6,124	(1,324)
Other	57,309	42,049	15,260
Total expenses	<u>594,819</u>	<u>576,769</u>	<u>18,050</u>
Excess of revenues and other support over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>

Senior Citizens of Kodiak, Inc. and Endowment Fund

SOA DHSS Senior In-Home Services Grant

Schedule of Support, Revenues and Expenses - Budget and Actual

Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues and other support:			
State of Alaska	\$ 55,765	55,765	-
In-kind	15,207	15,207	-
Local sources	500	1,519	1,019
	<hr/>	<hr/>	
Total revenues and other support	71,472	72,491	1,019
	<hr/>	<hr/>	
Expenses:			
Personnel	47,955	47,344	611
Facility	13,608	13,637	(29)
Supplies	1,409	1,761	(352)
Equipment	2,000	2,495	(495)
Other	6,500	7,254	(754)
	<hr/>	<hr/>	
Total expenses	71,472	72,491	(1,019)
	<hr/>	<hr/>	
Excess of revenues and other support over expenses	\$ -	-	-
	<hr/> <hr/>	<hr/> <hr/>	

Senior Citizens of Kodiak, Inc. and Endowment Fund

SOA DHSS Adult Day Care Program

Schedule of Support, Revenues and Expenses - Budget and Actual

Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues and other support:			
State of Alaska	\$ 143,875	143,875	-
In-kind	94,962	94,962	-
Local sources:			
Project choice	239,836	223,770	(16,066)
Fees for services and seminars	75,000	39,664	(35,336)
Total revenues and other support	<u>553,673</u>	<u>502,271</u>	<u>(51,402)</u>
Expenses:			
Personnel	305,186	312,681	(7,495)
Travel	4,240	8,462	(4,222)
Facility	132,173	102,519	29,654
Supplies	45,000	31,332	13,668
Equipment	10,575	11,720	(1,145)
Other	56,499	35,557	20,942
Total expenses	<u>553,673</u>	<u>502,271</u>	<u>51,402</u>
Excess of revenues and other support over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>

Senior Citizens of Kodiak, Inc. and Endowment Fund

SOA DHSS National Family Caregiver Support Program
 Schedule of Support, Revenues and Expenses - Budget and Actual
 Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues and other support:			
State of Alaska	\$ 31,519	31,519	-
Federal sources	75,682	75,682	-
In-kind	36,453	36,453	-
Local sources	9,005	8,880	(125)
Total revenues and other support	152,659	152,534	(125)
Expenses:			
Personnel	38,037	36,185	1,852
Travel	18,402	17,332	1,070
Facility	21,763	25,051	(3,288)
Supplies	4,000	4,337	(337)
Equipment	3,266	3,263	3
Other	67,191	66,366	825
Total expenses	152,659	152,534	125
Excess of revenues and other support over expenses	\$ -	-	-

FEDERAL SINGLE AUDIT

Senior Citizens of Kodiak, Inc. and Endowment Fund

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation:			
Passed through the State of Alaska Department of Transportation and Public Facilities:			
Transit Services Programs Cluster:			
Section 5310: Human Services	20.513	AK-16-X037	\$ 27,721
Section 5310: Human Services	20.513	AK-65-X005	83,980
Section 5316: Job Access and Reverse Commute Program (JARC)	20.516	AK-37-X005	1,770
Section 5316: Job Access and Reverse Commute Program (JARC)	20.516	AK-37-X011	58,520
Total Transit Services Programs Cluster			171,991
Section 5311: Formula Grants for Other than Urbanized Areas - Capital	20.509	AK-18-X079	80,585
Section 5311: Formula Grants for Other than Urbanized Areas - Operating	20.509	AK-18-X081	12,652
Section 5311: Formula Grants for Other than Urbanized Areas - Project Administration	20.509	AK-18-X081	50,698
Section 5311 - Rural Transit Assistance Program (RTAP)	20.509		3,662
Total U.S. Department of Transportation			319,588
U.S. Department of Health and Human Services:			
Passed through the State of Alaska Department of Health and Social Services:			
Aging Cluster:			
Nutrition, Transportation and Support Services	93.045	607-309-1527	156,818
Nutrition Services Incentive Program	93.053		13,737
Total Aging Cluster			170,555
National Family Caregiver Support	93.052	607-307-1508	75,682
Total U.S. Department of Health and Human Services			246,237
Total Expenditures of Federal Awards			\$ 565,825

See accompanying notes to Schedule of Expenditures of Federal Awards.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

NOTE A - BASIS OF PRESENTATION

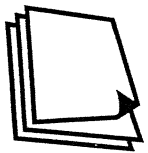
The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Senior Citizens of Kodiak, Inc. and Endowment Fund under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Senior Citizens of Kodiak, Inc. and Endowment Fund, it is not intended to and does not present the financial position, changes in net assets or cash flows of Senior Citizens of Kodiak, Inc. and Endowment Fund.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - MATCHING COSTS

Matching costs, i.e., the Organization's share of certain program costs, are not included in the reported expenditures.



THOMAS, HEAD & GREISEN, PC

CERTIFIED PUBLIC ACCOUNTANTS

Kevin E. Branson, CPA
John A. Letourneau, CPA
Debra K. Mason, CPA/CFF, CFE
Erich R. Lamirand, CPA
Cindy L. Hulquist, CPA
Ronald E. Greisen, CPA/ABV/CFF

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Senior Citizens of Kodiak, Inc. and Endowment Fund
Kodiak, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Senior Citizens of Kodiak, Inc. and Endowment Fund, which comprise the consolidated statements of financial position as of June 30, 2015 and 2014 and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 25, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with Government Auditing Standards

Page 2 of 2

Compliance and Other Matters

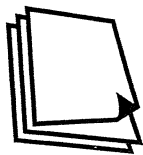
As part of obtaining reasonable assurance about whether Senior Citizens of Kodiak, Inc. and Endowment Fund's consolidated financial statements are free from material misstatement; we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas, Head & Greisen PC

November 25, 2015



THOMAS, HEAD & GREISEN, PC

CERTIFIED PUBLIC ACCOUNTANTS

Kevin E. Branson, CPA
John A. Letourneau, CPA
Debra K. Mason, CPA/CFF, CFE
Erich R. Lamirand, CPA
Cindy L. Hulquist, CPA
Ronald E. Greisen, CPA/ABV/CFF

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

To the Board of Directors
Senior Citizens of Kodiak, Inc. and Endowment Fund
Kodiak, Alaska

Report on Compliance for Each Major Federal Program

We have audited Senior Citizens of Kodiak, Inc. and Endowment Fund's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Senior Citizens of Kodiak, Inc. and Endowment Fund's major federal programs for the year ended June 30, 2015. Senior Citizens of Kodiak, Inc. and Endowment Fund's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Senior Citizens of Kodiak, Inc. and Endowment Fund's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Senior Citizens of Kodiak, Inc. and Endowment Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Senior Citizens of Kodiak, Inc. and Endowment Fund's compliance.

Opinion on Each Major Federal Program

In our opinion, Senior Citizens of Kodiak, Inc. and Endowment Fund complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Page 2 of 2

Report on Internal Control over Compliance

Management of Senior Citizens of Kodiak, Inc. and Endowment Fund is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Thomas Head & Grieson PC

November 25, 2015

Senior Citizens of Kodiak, Inc. and Endowment Fund

Schedule of Findings and Questioned Costs and Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Consolidated Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- | | | |
|--|------------------------------|---|
| Are any material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are any significant deficiency(ies) identified not considered to be material weaknesses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |
| Is any noncompliance material to financial statements noted? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major program compliance:

- | | | |
|---|------------------------------|---|
| Are any material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are any significant deficiency(ies) identified not considered to be material weaknesses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |
| Are any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133, <i>Audit of State, Local Governments, and Non-Profit Organizations</i> , Section .501(a)? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

The programs tested as major programs included:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
--------------------------------	--------------------

Transit Services Programs Cluster:	
Section 5310: Human Services	20.513
Section 5316: JARC Program	20.516

Section 5311: Formula Grants & RTAP	20.509
-------------------------------------	--------

Threshold for distinguishing between Types A and B programs: **\$300,000**

Low-risk auditee	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
------------------	------------------------------	--

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no reportable matters.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no reportable matters.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no prior year findings and questioned costs.

Dial-A-Ride & Scheduled Stops

Passengers are charged \$2.00 each one-way ride.

Methods of Payment:

All fare ticket payments of **cash and check** can be made by purchasing fare tickets at either of the following locations.

1. Senior Citizens of Kodiak 302 Erskine Ave. 9am to 5pm Monday through Friday excluding holidays.
2. First Student 2014 Mill Bay Rd. 8am to 5pm Monday through Friday excluding holidays.

Fare tickets can be purchased with **credit or debit cards** only at Senior Citizens of Kodiak.

Drivers do not sell fare tickets.

Scheduled stops are Monday through Friday excluding holidays:

Safeway : 10:25a, Senior Center : 8:30a,
11:40a, 1:25p, 1:00p, 3:00p
2:40p, 5:25p **USCG:** 7:25a, 4:25p
Library : 10:00a,
12:00p, 2:00p, 5:00p **Airport :** 7:15a, 4:15p
Wal-Mart :
10:15a, 11:30a,
1:15p, 2:30p, 5:15p

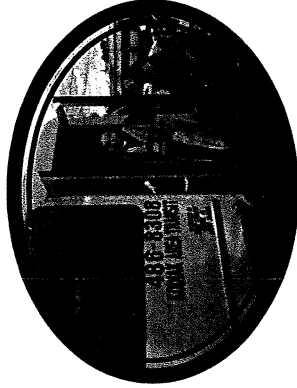
Dial-A-Ride Delivery Hours

KATS provides Dial-A-Ride service between the hours of 6:30 a.m. and 6:30 p.m. Monday through Friday, then between the hours of 10 a.m. and 3 p.m. on Saturdays and Sundays.

Scheduling and Ride Reservation Hours www.katsbus.org

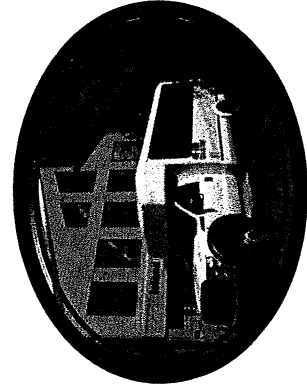
KATS office hours are Monday through Friday, 8 a.m. to 5:30 p.m. Rides need to be scheduled by close of business the day before. Remember, if you need a ride on Saturday, Sunday, or Monday,

your reservation needs to be made by 5:30 pm on Friday.

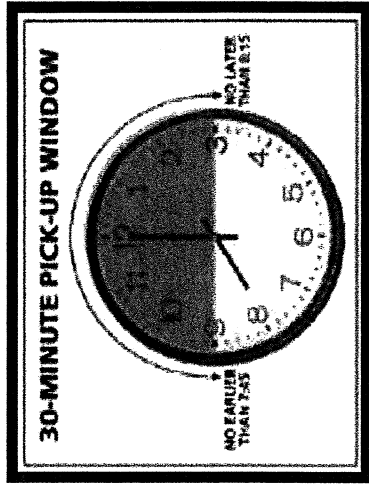


if you are riding for the first time, you will need to register so you can be entered in to our scheduling system. Registrations can be done over the phone or in person.

Once you are in our system, you can schedule your rides.



Dial-A-Ride Pickup Window



Flexibility is the Key - 15 minutes before 15 minutes after

Please be ready 15 minutes before your scheduled pick up time as the vehicle has a 15-minute pick up window on either side of your scheduled time. Be prepared to leave when the vehicle arrives. Drivers are required to wait only five minutes upon arrival. If you have not boarded within the five minute arrival time, you will be assessed a no-show.

Remember that other riders will idle in the same vehicle with you, or the vehicle may be scheduled to pick up another passenger right after you reach your destination. Be sure to allow enough time when scheduling in the winter to allow for poor road conditions.

Catch the Bus!

KATS provides safe, convenient public scheduled bus stops Mon-Fri within the City of Kodiak including the Airport and USGC Base.

We operate **Dial-A-Ride** service seven days a week!

Monday through Friday
6:30 a.m. to 6:30 p.m.

Saturday and Sunday 10:00am
to 3:00pm.

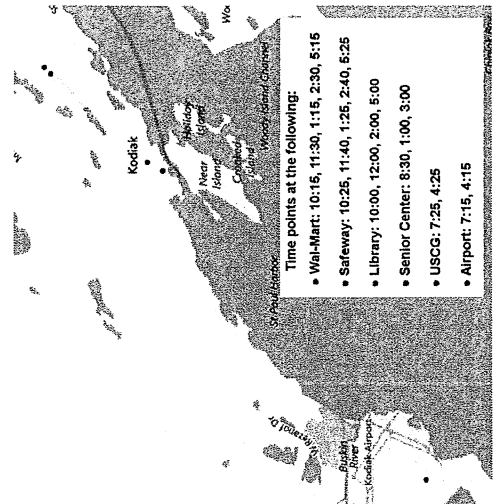


486-8308

Kodiak Area Transit System is the public transportation provider for Kodiak. Senior Citizens of Kodiak Inc. administers KATS and contracts with First Student Inc. who operates the system.

KATS provides safe, convenient public transportation services within the City of Kodiak including scheduled stops Monday through Friday at the Airport and USGC Base. We operate Dial-A-Ride service seven days a week: Monday through Friday from 6:30 a.m. to 6:30 p.m., Saturday and Sunday from 10:00am to 3:00pm. Call us and Catch the Bus today!

486-8308 katsbus.org



KATS is for everyone!

Dial-A-Ride
and
Catch the
Bus!

486-8308

katsbus.org

Kodiak Area Transit System
Brochure & Schedule



KODIAK ARTS COUNCIL



June 17, 2016

Aimee Kniazowski
City Manager
City of Kodiak
710 Mill Bay Road
Kodiak, AK 99615

Re: City of Kodiak FY17 Non-Profit Grant Application

Dear Aimee,

Enclosed please find a completed FY17 non-profit grant application from the Kodiak Arts Council. We have enclosed the required supporting documentation including 1) our FY16 grant report, 2) our mission statement, 3) our IRS 501(c)(3) determination paperwork, and 4) financial statements for our 2016 fiscal year (July 1, 2015 to June 30, 2016). Please note that these statements include some estimates as the fiscal year is not yet complete.

We are very grateful for the City's long-standing support of our mission and programs.

Sincerely,

Katie Oliver
Executive Director

**CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.**

ORGANIZATIONAL OVERVIEW

Organization Name Kodiak Arts Council

Mailing Address P.O. Box 1792 Kodiak, AK 99615

Telephone No. (907) 486-5291 Cell No. (907) 942-2781

Email katie@kodiakartscouncil.org

Federal Employer Tax ID Number: 92-6003460

Contact Person: Katie Oliver Executive Director

Printed Name

Title

Contact Person:  17 June 2016

Signature

Date

List Board Members and Officers

Veronica Bolton - President

Laurie Murdock - Vice President

Mike Wall - Treasurer

Barbara Russell - Secretary

Skip Bolton

CeCe Esparza

Wes Hanna

Marc Ignacio

Melony Lechner

Mary Beth Loewen

Ella Saltontall

Anthony White

Does agency have 501(c)3 status from the IRS Yes No

If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
If no, has your agency applied for 501(c)3 status?

SERVICES:

Provide a brief description of organization service(s) in order of priority:

The Kodiak Arts Council creates opportunities for the people of Kodiak to experience and participate in the Arts. We advance our mission through five major programs including 1) our Performing Arts Series bringing high quality performance art to Kodiak, 2) our Sum'Arts for Kids program providing affordable classes in all art forms to young people, 3) our Community Theatre program producing works of theatre to develop and showcase the artistic talents of community members of all ages, 4) our Member Organization supporting and promoting the creative work of twelve community arts groups, and 5) our First Friday Art Walks to provide a forum for visual artists to exhibit, and for the people of Kodiak to view and appreciate new art.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?

Yes No

How many City residents will be served by this grant? 5,000

Please attach a copy of the organization's Mission Statement. Please see attached.

City of Kodiak Nonprofit Grant Application/Report

FY2017

Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

We regularly collaborate with Kodiak non-profits in order to maximize the potential for positive impact. We are currently supporting the Healthy Tomorrows/Kodiak Strong Downtown Farmer’s Market by providing free arts activities to attendees, and paying musicians to play music during the market. We frequently provide complimentary tickets to our Performing Arts Series events to local service providers including Hope Community Resources, Kodiak Island Housing Authority and Sun’aq Tribe programs. We partner annually with the Kodiak Public Library Association for the Altered Books Art show in February. Our Member Organization program is built on the idea of collaboration and sharing resources. Twelve community arts groups, including Bear Paw Quilters, Kodiak Russian Balalaika Players, Isle Bells, and Galley Tables storytelling receive administrative and technical support from the Arts Council.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/ activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreational Programs \$2,500
- Adult Recreational Programs \$5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization’s programs fall within the powers of the City of Kodiak for each category of funding requested:

Category: Adult Recreation Programs_ **Amount \$ 5,000.00**

Explanation: As the designated Arts organization that represents the City of Kodiak, we provide and support a variety of high-quality arts and recreation programs for Kodiak residents. Our Performing Arts Series annually brings to the City professional touring artists and arts groups. In addition to performances, these visiting artists often provide workshops and master classes in their art forms. Our community theater program provides opportunities for adult actors, musicians, dancers, and theater technicians to develop and showcase their talents. Thousands of local residents experience the arts as audience members of these programs. Our member organization program supports the artistic work of twelve community arts groups in a wide variety of disciplines. In recent years we have increased our offerings of arts instruction and classes for adults. Frequently, these classes sell out very quickly, indicating a strong desire for more offerings. We are working to develop - and have secured some grant-funded seed money for - an “Arts Lab” space offering arts instruction and a place for independent creative work for people of all ages.

Category: Youth Recreation Programs **Amount \$ 2,500.00**

Explanation: We believe arts opportunities are extremely important to developing creativity and problem-solving skills in young people, and we provide high-quality and age appropriate programs for children of all ages. Our annual Sum’Arts for Kids program provides more than 30 different workshops and camps for children ages 3 to 17. Annually more than 300 youth enroll in this program. We also provide recreational opportunities for teens and kids through our Community Theater program, encouraging youth participation on stage and behind the scenes, and through master classes provided by visiting artists with the Performing Arts Series.

Total funding request to the City of Kodiak: \$7,500.00

What percentage of funds will be used for administrative costs? 3%

What percentage of funds will be used for direct services? 97%

How will the funds be used? Funding received from the City of Kodiak will support three of our major programs: the Performing Arts Series, Community Theater and the Sum'Arts for Kids program. The Performing Arts Series in FY17 will bring to the City five arts events involving 32 visiting artists. Visiting artists in FY17 include the Big Band supergroup Big Bad Voodoo Daddy, an all-female a cappella ensemble Women of the World, the sensational Inuit throat singer Tanya Tagaq (2014 winner of the Polaris Prize, Canada's highest music award), the 8-member hip hop dance company Versa Style, and the Gypsy Jazz group Rhythm Future Quartet. Three of the performance groups will provide master classes in their art forms: a cappella singing and harmonies, hip hop dance, and gypsy jazz string music. In FY17 we will also produce The Nutcracker ballet with local dancers of all ages, as is our triennial tradition. Program expenses supported through these funds will include performer's artistic fees, facilities rentals, and stipends for teaching artists leading summer camps for youth. Funds will also support financial assistance for families and young people for whom program tuition fees are a barrier for participation.

Is your agency audited? Yes No

If yes, how do you plan to use the City's funding?

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

N/A

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal \$ _____	State _____ \$32,510
City of Kodiak \$7,500	Kodiak Is. Borough \$15,350
Parent Organization N/A	Corporate Grants \$5,000
Foundations \$11,325	Client Fees \$73,033*
Donations \$43,279	Memberships \$3,325
Interest \$ _____	Gaming Permit Activities \$ _____
Other \$34,680**	

* Ticket sales for the Performing Arts Series & Tuition fees for Sum'Arts program

** Arts and Adventure Auction annual fundraising event

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives? Alaska State Council on the Arts Annual Operating Grant (\$9,010) requires 100% match; Alaska State Council on the Arts Munartet Project Grant (\$23,500) does not require match.

What effects will there be and what alternative plans does your agency have if City funding is not received?

City funding is a very important component to our annual operating budget. We leverage the City's investment in our work to attract foundation support and business donors. If we do not receive City funding, we would need to reduce the number of individual programs offered. We would need to consider raising Performing Arts Series ticket prices and Sum'Arts for Kids tuition fees to increase earned income. We would also consider holding an additional fundraiser to compensate for shortfalls in budgeted income.

Did your organization receive funding from the City of Kodiak during fiscal year (July 1, 2015 - June, 30, 2016) Yes X No _____

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Please see attached. Please note financial reports include some estimates as FY16 is yet to conclude.

Scoring Criteria

- Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs). 25 points**
- Grant reports submitted to City as required 25 points**
- Number of City residents served 25 points**
- Other sources of applicant funding identified 25 points**

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Kodiak Arts Council
Program:	Adult Recreation (Performing Arts Series & Community Theater) and Youth Recreation (Sum'Arts for Kids)
2015-2016 Grant Amount:	\$7,500.00
Amount Expended Year-to-Date:	\$7,500.00
Balance:	\$0.00

Describe accomplishments with grant funds.

Funding from the City of Kodiak supports our major annual programs, including our Performing Arts Series, Community Theater program and Sum'Arts for Kids. Ticket sales and attendance records indicate that more than 6,100 people have experienced and participated in the Arts over the past year through these three programs. Through our Performing Arts Series, Kodiak residents experience a wide range of high-quality professional acts from around the world. This past year we have hosted four professional touring performances and two of our visiting arts groups conducted free outreach activities: a special student concert on the history of American roots music with Martha Redbone for every student grades 3 - 5 on the Kodiak road system (October 2015), and a literary arts workshop on personal narrative with the artists of Letters Aloud (November 2015).


We also produced a major work of musical theatre in March of 2016: *The Music Man*. *The Music Man* involved more than 75 performers and more than 60 volunteers behind the scenes, over 3 months of work. *The Music Man* alone attracted audiences of 1,400. Young people were involved in *The Music Man* in many capacities - on stage, in the orchestra pit as musicians, working with set design and construction, and as part of the sound & light crew, and box office staff.

We work hard to keep ticket prices to our events affordable, and keep the arts accessible in Kodiak, through business sponsorship and grant funding for artist travel expenses. A family of four in Kodiak had the opportunity to see world-class orchestra Pink Martini (September 2015) for the same price as one Adult ticket to the same concert in Anchorage (\$75). At any given performance 8% of the audience in attendance will have received a complimentary ticket, and an additional 23% will be attending on a discounted ticket (senior citizen or youth discount).

City funding through the Youth Recreation category has also supported the Sum'Arts for Kids program which provides summer camps and classes in visual arts, theatre, dance, fiber arts, and media arts to Kodiak kids. For FY16, this program enrolled more than 300 young people. This program has grown significantly in the past three years, in part because additional grant funding we secured has increased our capacity by enabling us to hire a part-time Arts Education staff person and provide additional teaching artist training to local artists. Importantly, City funding helped us provide financial aid scholarships for fourteen families (19 students, including sibling groups), for whom the registration fee was a impediment to participation. Instructor and family survey forms enable us to continually evaluate and make improvements to the program and course offerings.

If you have not expended all funds, please describe how and when you intend to spend the balance.

All funds have been expended.



Signature



KODIAK ARTS COUNCIL

Kodiak Arts Council Mission Statement:

The mission of the Kodiak Arts Council is to elevate the quality of life in the region by promoting, providing, and encouraging participation in, and exposure to, the arts.

Kodiak Arts Council Board of Directors:

Veronica Costa-Bolton, President
Laurie Murdock, Vice-President
Mike Wall, Treasurer
Barbara Russell, Secretary

Directors:

Skip Bolton, Cece Esparza, Wes Hanna, Marc Ignacio, Melony Lechner, Mary Beth Loewen, Ella Saltonstall, Anthony White

Kodiak Arts Council Staff:

Katie Oliver, Executive Director
katie@kodiakartscouncil.org

Erin Starr-Hollow, Programs Coordinator
erin@kodiakartscouncil.org

Brianna Gibbs, Arts Education Coordinator
brianna@kodiakartscouncil.org

Jenny Stevens, Production Coordinator (Volunteer Position)
jenny@kodiakartscouncil.org

Renee Darrenkamp, Volunteer Coordinator (Volunteer Position)
kodiak-arts-council@gci.net

PO Box 1792 Kodiak AK 99615
(907) 486-5291 kodiak-arts-council@gci.net
www.kodiakartscouncil.org

✓ copied part

Internal Revenue Service

Department of the Treasury

Date: April 27, 2001

Kodiak-Baranof Productions, Inc.
PO Box 1792
Kodiak, AK 99615-1792

**P. O. Box 2508
Cincinnati, OH 45201**

Person to Contact:

Miss Hensley 31-03886
Customer Service Specialist

Toll Free Telephone Number:

8:00 a.m. to 9:30 p.m. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

92-6003460

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in September 1967 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Kodiak-Baranof Productions, Inc.
92-6003460

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

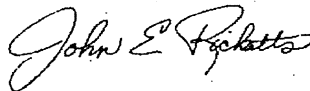
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services



INTERNAL REVENUE SERVICE

DISTRICT DIRECTOR

SIXTH AND LEXORA BUILDING
SEATTLE, WASHINGTON 98121

September 26, 1967

IN REPLY
Form L-
Code 41-
ANCH: E

AIR MAIL

Kodiak-Baranof Productions, Inc.
Box 1727 1792
Kodiak, Alaska 99615

PURPOSE Educational	
ADDRESS INQUIRIES & FILE IN DISTRICT DIRECTOR OF INTE Anchorage, Alaska	
FORM 990-A RE- QUIRED	ACCOUNT ENDING
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Declar

Gentlemen:

On the basis of your stated purposes and the understanding that your operations will continue as evidenced to date or will conform to those proposed in your ruling application, we have concluded that you are exempt from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code. Any changes in operation from those described, or in your character or purposes, must be reported immediately to your District Director for consideration of their effect upon your exempt status. You must also report any change in your name or address.

You are not required to file Federal income tax returns so long as you retain an exempt status, unless you are subject to the tax on unrelated business income imposed by section 511 of the Code, in which event you are required to file Form 990-T. Our determination as to your liability for filing the annual information return, Form 990-A, is set forth above. That return, if required, must be filed on or before the 15th day of the fifth month after the close of your annual accounting period indicated above.

Contributions made to you are deductible by donors as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to or for your use are deductible for Federal estate and gift tax purposes under the provisions of section 2055, 2106 and 2522 of the Code.

You are not liable for the taxes imposed under the Federal Insurance Contributions Act (social security taxes) unless you file a waiver of exemption certificate as provided in such act. You are not liable for the tax imposed under the Federal Unemployment Tax Act. Inquiries about the waiver of exemption certificate for social security taxes should be addressed to this office, as should any questions concerning excise, employment or other Federal taxes.

This is a determination letter.

Very truly yours,

Neel S. Warren
District Director

For: Lewis J. Conrad
District Director
Anchorage District

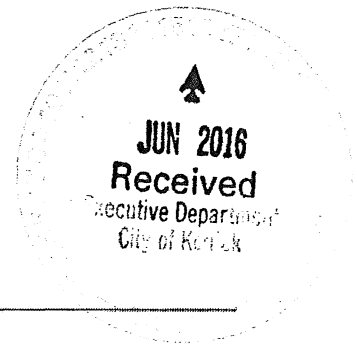
Tax# - 92-6003460

Letter

Kodiak Arts Council			
FY2016 Financial Statements			
INCOME			FY2016
Contributed Income			Projected Year-End
	Grants		
	Alaska State Council on the Arts	\$	9,010.00
	Kodiak Island Borough	\$	15,350.00
	City of Kodiak	\$	7,500.00
	Harper's Touring Fund	\$	7,500.00
	Westaf TOUR West Fund	\$	3,825.00
	Munartet Project	\$	23,500.00
	Total Grants	\$	66,685.00
	Donations		
	Business & Individual Donations	\$	33,279.00
	Total Contributed Income	\$	99,964.00
	Earned Income		
	Fundraising Income		
	Arts & Adventure Auction	\$	34,683.00
	Special Events	\$	3,357.00
	Total Fundraising Income	\$	38,040.00
	Memberships		
	Memberships	\$	2,205.00
	Member Organization Dues	\$	75.00
	Member Org (Other)	\$	1,045.80
	Total Memberships	\$	3,325.80
	Performing Arts Series Income		
	Program & Newsletter Ads	\$	1,237.50
	Show Sponsorship	\$	12,000.00
	Season Tickets	\$	6,683.50
	Single Ticket Sales (Net)	\$	51,171.53
	Total Performing Arts Series	\$	71,092.53
	Sum'Arts for Kids Income		
	Tuition Fees	\$	15,178.00
	Total Sum'Arts Income	\$	15,178.00
	Arts Education (Classes, Workshops)	\$	5,347.00
	Total Earned Income	\$	132,983.33
	TOTAL INCOME	\$	232,947.33
	EXPENSES		FY2016
	Administrative Expenses		Projected Year-End
	Accounting	\$	4,020.00
	Banking Fees	\$	133.69
	Copier Expense	\$	5,422.72

	Credit Card Fees			
	Office (Merchant Warehouse)	\$	114.24	
	Vendini Patron Fee	\$	6,230.72	
	Total Credit Card Fees	\$	6,344.96	
	Dues & Subscriptions	\$	405.00	
	Fundraising Expenses	\$	4,071.84	
	Insurance	\$	673.00	
	Marketing	\$	1,517.49	
	Office Telephone, Internet	\$	1,175.82	
	Supplies	\$	1,580.71	
	Postage	\$	888.84	
	Travel & Professional Devlp.	\$	4,424.15	
	Admin Expenses - Other			
	Total Administrative Expenses	\$	30,658.22	
	Performing Arts Series Expenses			
	Advertising	\$	4,969.41	
	Facilities Rental	\$	10,497.74	
	Local Production Expense	\$	9,218.66	
	Performers Fee	\$	25,000.00	
	Performers Lodging	\$	3,900.00	
	Performers Ground Trans/Meals	\$	2,667.62	
	Performers Travel	\$	11,003.20	
	Total Performing Arts Series	\$	67,256.63	
	Personnel Expenses			
	Staff Wages	\$	84,885.17	
	Benefits	\$	12,000.00	
	Payroll Expenses	\$	8,848.57	
	Insurance - Workers Comp	\$	288.00	
	Total Personnel Expenses	\$	106,021.74	3 Staff Members
	Scholarships & Re grants	\$	3,450.00	
	Sum'Arts for Kids Expenses			
	Advertising	\$	830.00	
	Financial Aid Scholarships	\$	974.00	
	Supplies	\$	400.00	
	Teaching Artist Stipends	\$	16,095.00	
	Total Sum'Arts for Kids Expenses	\$	18,299.00	
	Arts Education (Classes for Adults)	\$	3,530.00	
	Total Expenses	\$	229,215.59	
	Net Ordinary Income	\$	3,731.74	

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.



ORGANIZATIONAL OVERVIEW

Organization Name KODIAK FOOTBALL LEAGUE

Mailing Address P.O Box 973, Kodiak, AK 99615

Telephone No. 907-539-7472 Fax No. _____

Email rwalker@gci.net or rwalker01@KIBSD.org.

Federal Employer Tax ID Number 92-0167223

Contact Person Richard Walker President

Contact Person Richard A. Walker Printed Name Title
June 16, 2016 Signature Date

List of Board Members and Officers:

<u>Jonathan Ross</u>	<u>Jack Harrison</u>
<u>Nathan Benton</u>	<u>Andy Graham</u>
<u>Richie Barton</u>	<u>Norman Blair</u>
<u>Stacy Fields</u>	_____

Does agency have 501(c)3 status from the IRS? Yes No
If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

KFL provides the opportunity for our young players to learn and participate in the sport of football. We try to instill good sportsmanship, leadership, team coordination and community service. We offer the sport to all our youth regardless of their ability to pay the players fee. KFL also provides the opportunity for adults to participate as coaches, officials, assistant coaches, team helpers and many other volunteer opportunities.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? 200 Kids and associated relatives

Please attach a copy of the organization's Mission Statement.
City of Kodiak Nonprofit Grant Application/Report
FY2017
Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

We are members of the Chambers of commerce and we partner with them to clean up the crab festival. The Elks, American Legion help us out with fund raising and supporting our team. We also help other high school sports clubs when asked.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Youth Recreation Program Amount \$2,500.00 .

Explanation:

KFL supports both the youth league and the high school program. We teach our youth league players the basics of the sport to prepare them to play in the high school program

Category _____ Amount _____

Explanation:

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$2,500,00

What percentage of funds will be used for administrative costs? 0

What percentage of funds will be used for direct services? 100

How will the funds be used?

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal _____	State _____
City of Kodiak <u>2500.00</u>	Kodiak Is. Borough _____
Parent Organization _____	Corporate Grants <u>13963.00</u>
Foundations _____	Client Fees <u>7000.00</u>
Donations <u>5000.00</u>	Memberships <u>9100.00</u>
Interest _____	Gaming Permit Activities (pull tabs, raffles etc.) <u>17926.00</u>

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

What effects will there be and what alternative plans does your agency have if City funding is not received?

This funding helps us to direct more of our attention to our players and the game instead of fund raising. Due to current economic situations fund raising have become more challenging as well as parents/players to pay for players fees. This grant will help relieve that burden.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

- Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs) 25 points**
- Grant reports submitted to City as required 25 points**
- Number of City residents served 25 points**
- Other sources of applicant funding identified 25 points**

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	KODIAK FOOTBALL LEAGUE
Program:	YOUTH SPORTS
2015-2016 Grant Amount:	2500.00
Amount Expended Year-to-Date:	2500.00
Balance:	0

Describe accomplishments with grant funds.

Last years \$2,500 donation was used to purchase safety gear (first aid kits and mouth guards), repair kits for helmets, balls, youth football camp and jerseys.

If you have not expended all funds, please describe how and when you intend to spend the balance.



Signature *Richard Walker*

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

OCT 06 2004

KODIAK FOOTBALL LEAGUE INC
PO BOX 8635
KODIAK, AK 99615

Employer Identification Number:
92-0167223
DLN:
17053219029024
Contact Person:
JOAN C KISER ID# 31217
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
DECEMBER 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
YES
Effective Date of Exemption:
JULY 22, 2002
Contribution Deductibility:
YES

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

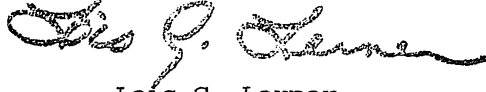
Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

If you distribute funds to other organizations, your records must show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence the funds will be used for section 501(c)(3) purposes.

Letter 947 (DO/CG)

KODIAK FOOTBALL LEAGUE INC

Sincerely,

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)

Letter 947 (DO/CG)

Kodiak Football league mission statement

The Kodiak football leagues mission is to teach the fundamentals of football to the youth of Kodiak. The principles taught and the philosophy of the League is to develop a positive attitude and responsibility among the players while respecting the ethnic diversity of our island community through team work, good sportsmanship, leadership, and good citizenship.

2016 Projected expense for Youth League Football

Games	Destination Played	Mode of Transs	Cost Est.	Note
	Grizzly Bowl	Ferry	2,200	Ferry @ \$100.00 per player Grizzly div players and coaches
	Cubs Bowl	Ferry	2,200	Ferry @ \$100.00 per player Cubs div players and coaches
	Uniform / Equipment		5,000	
	Safety Equipment		500	
	General		4,000	
	Referee Fee		3,000	
	General		1,000	Regular season games 16
	Concession supply		2,000	play off game 2
	Gear Sale supply		1,000	
	schlorship		1,000	
	Coach training		2,000	
	Concussion training		1,000	
	Safety Training		1,000	
	Fund raising		2,500	
	Banquet and award		1,000	
	Travel cost board		1,000	
	Players camp		1,500	
	KHS Travel Cost		14,000	
		Total =	41,500	

Projected Revenue estimated

Source	Expense	Income	Profit
Chamber of Commerce	0	1,000	1,000
Raffel Superbowl	1,500	18,500	17,000
Gear Sale	1,000	3,000	2,000
Player Fee Youth	0	9,000	9,000
Consession	2,000	4,500	2,500
Donation, sponsor	0	3,000	3,000
Team sponsor	0	8,000	8,000
Misc fund raiser	500	2,000	1,500
Grants	0	2,500	2,500
			46,500

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.


JUN 2016
Received
Executive Depart
City of Kodiak

ORGANIZATIONAL OVERVIEW

Organization Name Kodiak Girl Scouts
Mailing Address 3910 Wolverine Way
Telephone No. (907) 888-6103 Fax No. _____
Email admunson@hotmail.com

Federal Employer Tax ID Number EIN: 92-6000179

Contact Person April Munson Service Unit Manager _____

Contact Person  Printed Name _____ Title _____
Signature _____ Date 6/10/2016

List of Board Members and Officers:

<u>Lynda Zaugg</u>	<u>Elaine Brown</u>
<u>Allison Mendel</u>	<u>Sue Perles</u>
<u>Anna Bryant</u>	_____
<u>Cheri Marston</u>	_____

Does agency have 501(c)3 status from the IRS? Yes No
If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:
Kodiak Island Girl Scouts is a leadership organization empowering girls make a positive difference in our community. Our organization builds girls of confidence, character, and courage through participation in troop, service unit, and camp activities. As of the 2015-2016 scouting year, we had 13 active troops and over 140 scouts and adult volunteers. Activities are hands-on, girl-led and decided on through troop and leader partnerships. Volunteerism is at the core of our program, and it is instilled in even the youngest of our scouts through troop and service unit activities throughout the year. Monthly service unit events are held for all Kodiak Girl Scout Troops and provide both a community service and educational component.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No
If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? Membership is open to all girls ages 5-18.

Please attach a copy of the organization's Mission Statement.
City of Kodiak Nonprofit Grant Application/Report
FY2017
Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

Kodiak Girl Scouts works closely with many of the other local non-profit organizations. In the 2015-2016 scouting year we:

Picked-up trash for the Chamber of Commerce

Collected Thanksgiving dinner items for Brother Francis Shelter and Salvation Army Food Bank

Collected diapers and Clothing for the Women's Resource Center

Created Cat Trees for the Kodiak Animal Shelter

Waitressed for the Afognak Native Corporation

Gardening for the Baranov Museum

Combined Pinewood Derby and Canned Food Drive with Kodiak Cub Scout Pack 326

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Youth Recreation Programs Amount \$2,500

Explanation:

Kodiak Girl Scouts is a leadership organization. Girls learn to be leaders in their own lives and their communities. Kodiak Girl Scouts are from all over the island, to include Port Lions. Our projects cover education, community service and outreach, parks and recreation, and economic development.

Category _____ Amount _____

Explanation:

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$2,500.00

What percentage of funds will be used for administrative costs? 0%

What percentage of funds will be used for direct services? 100%

How will the funds be used?

The funds will be used to support our free monthly events which are open to all girls ages 5-18. Our programming runs year round and allows all girls to attend at no charge. Programs include, but are not limited to such events as, Women of Science, STEM educational programs, triathalons, World Thinking Day, and Camps and travel outside of Kodiak for leadership events.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal_____	State_____
City of Kodiak \$2,500_____	Kodiak Is. Borough \$1,000_____
Parent Organization_____	Corporate Grants_____
Foundations_____	Client Fees_____
Donations \$6,000.00_____	Memberships_____
Interest_____	Gaming Permit Activities (pull tabs, raffles etc.)_____

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

What effects will there be and what alternative plans does your agency have if City funding is not received? Without grant monies, we find it nearly impossible for the girls to be able to travel to camps or to participate in STEM related activities. If we do not receive grant monies, then we will need to increase our community fundraising such as car washes and waitressing opportunities.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

- Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs) 25 points**
- Grant reports submitted to City as required 25 points**
- Number of City residents served 25 points**
- Other sources of applicant funding identified 25 points**

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

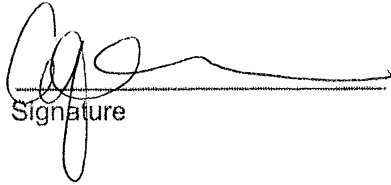
Organization:	Kodiak Girl Scouts
Program:	Girl Scouts
2015-2016 Grant Amount:	\$2,500
Amount Expended Year-to-Date:	\$1828.64
Balance:	\$671.36

Describe accomplishments with grant funds.

In 2015-2016, funds were used primarily for community outreach. We hosted an Anchorage Girl Scout troop as well as a Port Lions Troop, we had our first ever combined Pinewood Derby with Kodiak Cub Scout Pack 326, and we hosted several free craft day events that were older scout led.

If you have not expended all funds, please describe how and when you intend to spend the balance.

Our plan is to use the remaining balance to purchase STEM robotics, circuit, and engineering kits through our local school district that will be available for checkout from our service unit.



Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248667584
July 29, 2010 LTR 4168C E0
92-6000179 000000 00

00021496
BODC: TE

GIRL SCOUTS OF ALASKA
3911 TURNAGAIN BLVD E
ANCHORAGE AK 99517-2417



037219

Employer Identification Number: 92-6000179
Person to Contact: Mrs. Scheper
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your July 20, 2010, request for information regarding your tax-exempt status.

Our records indicate that your organization was recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in September 1951.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

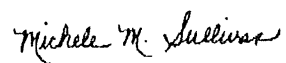
Beginning with the organization's sixth taxable year and all succeeding years, it must meet one of the public support tests under section 170(b)(1)(A)(vi) or section 509(a)(2) as reported on Schedule A of the Form 990. If your organization does not meet the public support test for two consecutive years, it is required to file Form 990-PF, Return of Private Foundation, for the second tax year that the organization failed to meet the support test and will be reclassified as a private foundation.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

0248667584
July 29, 2010 LTR 4168C E0
92-6000179 000000 00
00021497

GIRL SCOUTS OF ALASKA
3911 TURNAGAIN BLVD E
ANCHORAGE AK 99517-2417

Sincerely yours,



Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I



(<http://girlscoutsalaska.org/>)

girl scouts
of alaska

-Mission, Promise, Law

Mission, Promise, Law

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Main (<http://girlscoutsalaska.org/>) / About (<http://girlscoutsalaska.org/about-us/>) / Mission, Promise, Law

Girl Scout Mission

Girl Scouting builds girls of courage, confidence, and character who make the world a better place.

Girl Scouts Promise

On my honor, I will try:
To serve God* and my country,
To help people at all times,
And to live by the Girl Scout Law.

 Girl Scouts makes no attempt to define or interpret the word "God" in the Girl Scout Promise. We look to individual members to establish for themselves the nature of their spiritual beliefs. When making the Girl Scout Promise, individuals may substitute wording appropriate to their own spiritual beliefs for the word "God.")

Girl Scout Law

i will do my best to be:
honest and fair,
friendly and helpful,
considerate and caring,
courageous and strong, and
responsible for what I say and do,
and to
respect myself and others,
respect authority,
use resources wisely,
make the world a better place, and
be a sister to every Girl Scout.

¹⁹ About (<http://girlscoutsalaska.org/about-us/>)

Our Council (<http://girlscoutsalaska.org/about-us/our-council/>)

Regions We Serve (<http://girlscoutsalaska.org/about-us/regions-we-serve/>)

Mission, Promise, Law (<http://girlscoutsalaska.org/about-us/mission-promise-law/>)

Job Opportunities (<http://girlscoutsalaska.org/about-us/job-opportunities/>)

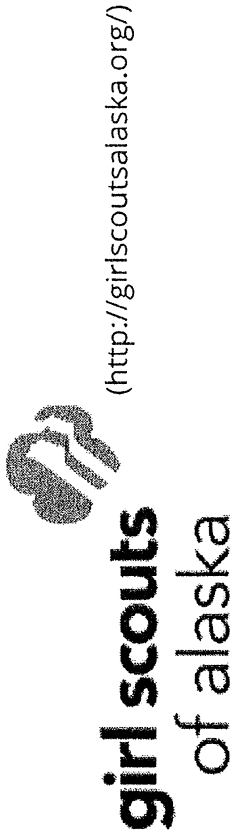
Governance (<http://girlscoutsalaska.org/about-us/governance/>)

Media (<http://girlscoutsalaska.org/about-us/media/>)

Intranet Files (<http://girlscoutsalaska.org/about-us/intranet-files/>)

Our Supporters (<http://girlscoutsalaska.org/about-us/our-partners/>)

Staff (<http://girlscoutsalaska.org/about-us/staff-jobs/>)



(<http://girlscoutsalaska.org/>)

–Governance

Governance

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[Main \(http://girlscoutsalaska.org/\)](http://girlscoutsalaska.org/) / [About \(http://girlscoutsalaska.org/about-us/\)](http://girlscoutsalaska.org/about-us/) / [Governance](#)

Sue Perles (<mailto:sperles@girlscoutsalaska.org>), CEO
Lynda Zaugg (<mailto:lzaugg@alaska.net>), Board Chair

Board of Directors

Girl Scouts of Alaska is currently seeking enthusiastic, dedicated board members. If you want to make a difference in girls' lives by serving on our board, please contact Board, Development & Events Manager Ashlee Fitch (<mailto:afitch@girlscoutsalaska.org>), 907-273-0307. *[Click here for a Board Candidate Packet \(http://girlscoutsalaska.org/wp-content/uploads/2015Packet.pdf\)](#).

Board Leadership

 Board Chair – Lynda Zaugg, lifetime member
First Vice Chair – Allison Mendel
Second Vice Chair – Anna Bryant, lifetime member

Secretary – Cheri Marston
Treasurer – Elaine Brown
CEO – Sue Perles

Members At Large

Tammy Ashley
Betsy Boze
Laurie Evans-Dinneen
Kitty Farnham
Jessica Graham
Brix Hahn
Cathy LeCompte
Cori Mills
Beth Nordlund
Mary Siroky
Ella Tonuchuk



Committee Chairs

Audit Committee – Anna Bryant (mailto:anna_b@awaic.org)
Board Development Committee – Jessica Graham
Donor Cultivation Committee – Cathy LeCompte and Kitty Farnham
Finance Committee – Allison Mendel
Property Committee – TBD

Adult Membership Connection Committee (<http://girlscoutsalaska.org/for-adults/adult-membership-connection-committee-mcc/>) Co-Chairs

Tina Seaton
Laurie Evans-Dinneen

Organizational Forms

Tax ID: 92-6000179

FY 2015 990 (<http://girlscoutsalaska.org/wp-content/uploads/FY15-990-Signed-Open-to-public-1.pdf>)


girl scouts
of alaska
Toll Free: (800) 478-7448
www.girlscoutsalaska.org

Girl Scouts of Alaska

Audited Financial Statements

Years Ended September 30, 2015 and 2014

(With Independent Auditor's Report Thereon)

Headquarters Office
3911 Turnagain Blvd. East, Anchorage, AK 99517
Phone: (907) 248-2250, Fax: (907) 243-4819

Southeast Field Office
316 W. 11th Street, Juneau, AK 99801
Phone: (907) 586-1710, Fax: (907) 463-3543

Girl Scouts of Alaska

Table of Contents

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Statements of Functional Expenses	7 – 8
Statements of Cash Flows	9 – 10
Notes to Financial Statements	11 – 22
Independent Auditor's Report	23 – 24

Girl Scouts of Alaska

Statements of Financial Position
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents:		
Unrestricted	\$ 201,893	232,117
Temporarily restricted	132,335	32,711
Receivables:		
Accounts, net of allowance for uncollectible accounts of \$8,662 and \$10,507, respectively	6,146	2,199
Contributions	43,558	51,143
Grants	-	28,512
Pledges, net of allowance for uncollectible pledges of \$380 and \$1,008, respectively	7,211	19,145
Inventory	99,225	83,832
Prepaid expenses	24,280	26,076
Total current assets	<u>514,648</u>	<u>475,735</u>
Non-current assets:		
Cash held in trust for unemployment	32,930	24,837
Investments	1,215,651	1,376,527
Pledges, net of allowance for uncollectible pledges of \$250 and \$500, respectively	4,750	9,500
Property and equipment, net of accumulated depreciation	<u>4,337,389</u>	<u>4,319,502</u>
Total non-current assets	<u>5,590,720</u>	<u>5,730,366</u>
TOTAL ASSETS	<u>\$ 6,105,368</u>	<u>6,206,101</u>

See accompanying notes to the financial statements.

	<u>2015</u>	<u>2014</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 83,035	289,987
Accrued payroll	50,397	52,654
Notes payable	2,330	-
Unearned membership dues	4,980	5,430
Deferred revenue	24,690	26,289
Total current liabilities	<u>165,432</u>	<u>374,360</u>
Net assets:		
Unrestricted - board designated:		
Operational reserve	1,337,422	1,339,295
Property and equipment	4,337,389	4,319,502
Other board designated funds	-	1,245
Total unrestricted net assets	<u>5,674,811</u>	<u>5,660,042</u>
Temporarily restricted	186,529	93,103
Permanently restricted	78,596	78,596
Total net assets	<u>5,939,936</u>	<u>5,831,741</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,105,368</u>	<u>6,206,101</u>

Girl Scouts of Alaska

Statements of Activities

Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CHANGES IN UNRESTRICTED NET ASSETS		
From operating activities:		
Support:		
Contributions	\$ 251,722	293,941
In-kind contributions	31,401	26,119
Net assets released from restrictions	80,814	292,773
Total support	<u>363,937</u>	<u>612,833</u>
Earned income:		
Sales	2,426,986	2,130,131
Cost of sales	947,055	892,471
Net Sales	<u>1,479,931</u>	<u>1,237,660</u>
Program fees	416,049	376,944
Other	44,638	77,846
Total earned income	<u>1,940,618</u>	<u>1,692,450</u>
Total support and earned income	<u>2,304,555</u>	<u>2,305,283</u>
Expenses:		
Membership	563,246	591,007
General programs	862,659	579,657
Camps	633,684	793,190
Management and general	198,743	174,950
Fundraising	205,534	225,958
Total expenses	<u>2,463,866</u>	<u>2,364,762</u>
Decrease in net assets from operating activities	<u>(159,311)</u>	<u>(59,479)</u>

See accompanying notes to the financial statements.

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	<u>2015</u>	<u>2014</u>
CHANGES IN UNRESTRICTED NET ASSETS		
From non-operating activities:		
Interest and dividend income	121,812	81,042
Investment fees	(13,262)	(13,731)
Realized gain on investments	899	95
Net unrealized gain (loss) on investments	(147,213)	44,417
Capital grant revenue	211,844	874,078
Increase in net assets from non-operating activities	<u>174,080</u>	<u>985,901</u>
Change in unrestricted net assets	<u>14,769</u>	<u>926,422</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Grants and contributions	174,240	198,914
Net assets released from restrictions	<u>(80,814)</u>	<u>(292,773)</u>
Change in temporarily restricted net assets	<u>93,426</u>	<u>(93,859)</u>
CHANGE IN NET ASSETS	108,195	832,563
Net assets:		
Beginning of year	<u>5,831,741</u>	<u>4,999,178</u>
End of year	<u>\$ 5,939,936</u>	<u>5,831,741</u>

Girl Scouts of Alaska

Statement of Functional Expenses
Year Ended September 30, 2015

	Program Services				Supporting Services			Total Expenses
	Membership	General		Camps	Management and General	Fundraising	Total	
		Programs						
Expenses from Operating Activities:								
Salaries and Related Expenses:								
Salaries	\$ 318,483	258,623	270,217	847,323	97,294	114,807	212,101	1,059,424
Benefits, taxes and insurance	108,462	91,987	65,213	265,662	34,122	31,074	65,196	330,858
Supplies	18,007	131,617	105,193	254,817	2,441	12,571	15,012	269,829
Travel	17,059	25,211	64,700	106,970	8,336	1,798	10,134	117,104
Professional fees and outside services	8,731	62,641	5,975	77,347	29,320	6,870	36,190	113,537
Special assistance to individuals	33,807	2,967	71,492	108,266	-	-	-	108,266
Occupancy	12,908	73,325	7,000	93,233	4,609	4,881	9,490	102,723
Insurance	8,805	21,138	8,323	38,266	4,918	3,244	8,162	46,428
Equipment repair and maintenance	2,578	25,775	3,575	31,928	3,136	5,974	9,110	41,038
Miscellaneous	12,375	9,012	7,010	28,397	4,015	1,709	5,724	34,121
Telecommunications	6,134	12,305	3,483	21,922	1,804	2,644	4,448	26,370
Postage	3,837	6,490	3,296	13,623	731	3,001	3,732	17,355
Publications and printing	1,363	2,169	10,414	13,946	209	1,673	1,882	15,828
Bad debt expense (recovery)	-	4,919	1,321	6,240	-	9,043	9,043	15,283
Staff development	121	64	2,446	2,631	4,295	865	5,160	7,791
Total expenses before depreciation	552,670	728,243	629,658	1,910,571	195,230	200,154	395,384	2,305,955
Depreciation	10,576	134,416	4,026	149,018	3,513	5,380	8,893	157,911
TOTAL EXPENSES	\$ 563,246	862,659	633,684	2,059,589	198,743	205,534	404,277	2,463,866

See accompanying notes to the financial statements.

Girl Scouts of Alaska

Statement of Functional Expenses
Year Ended September 30, 2014

	Program Services			Supporting Services			Total Expenses	
	Membership	General Programs		Camps	Management and General	Fundraising		Total
Expenses from Operating Activities:								
Salaries and Related Expenses:								
Salaries	\$ 312,966	233,874	305,087	851,927	82,975	137,056	1,071,958	
Benefits, taxes and insurance	113,712	78,558	76,408	268,678	31,777	43,481	343,936	
Professional fees and outside services	18,050	47,473	14,016	79,539	36,906	9,388	125,833	
Supplies	10,569	72,946	125,663	209,178	2,286	8,098	219,562	
Telecommunications	10,368	8,136	6,865	25,369	1,819	2,886	30,074	
Postage	3,387	6,981	5,851	16,219	359	1,693	18,271	
Occupancy	12,145	41,209	10,042	63,396	4,146	5,378	72,920	
Equipment repair and maintenance	2,062	22,907	1,498	26,467	3,479	2,677	32,623	
Publications and printing	4,130	6,608	9,896	20,634	31	569	21,234	
Insurance	8,307	11,362	9,446	29,115	4,393	3,599	37,107	
Conferences, travel and training	17,060	21,452	83,849	122,361	2,137	1,505	126,003	
Special assistance to individuals	32,829	-	81,996	114,825	-	-	114,825	
Bad debt expense (recovery)	(277)	7,320	2,130	9,173	-	3,029	12,202	
Staff development	647	793	2,129	3,569	1,337	1,320	6,226	
Miscellaneous	21,323	8,764	8,587	38,674	497	948	40,119	
Total expenses before depreciation	567,278	568,383	743,463	1,879,124	172,142	221,627	2,272,893	
Depreciation	23,729	11,274	49,727	84,730	2,808	4,331	91,869	
TOTAL EXPENSES	\$ 591,007	579,657	793,190	1,963,854	174,950	225,958	2,364,762	

See accompanying notes to the financial statements.

Girl Scouts of Alaska

Statements of Cash Flows

Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flow provided by operating activities:		
Change in net assets	\$ 108,195	832,563
Adjustments to reconcile change in net assets to net cash from (for) operating activities:		
Depreciation	157,911	91,869
Bad debt expense	15,283	12,202
Realized gain on investments	(899)	(95)
Net unrealized (gain) loss on investments	147,213	(44,417)
Loss on disposal of fixed assets	7,399	-
Changes in assets or liabilities that provided (used) cash:		
Accounts receivable	(19,230)	(11,982)
Contributions receivable	7,585	6,670
Grants receivable	28,512	793,940
Pledges receivable	16,684	29,699
Inventory	(15,393)	10,284
Prepaid expenses	1,796	(2,585)
Cash held in trust for unemployment	(8,093)	(8,853)
Accounts payable	(206,952)	(18,821)
Accrued payroll	(2,257)	(4,203)
Unearned membership dues	(450)	(1,347)
Deferred revenue	(1,599)	(6,746)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>235,705</u>	<u>1,678,178</u>

See accompanying notes to the financial statements.

	<u>2015</u>	<u>2014</u>
Cash flows from investing activities:		
Purchase of property and equipment	(183,197)	(1,728,845)
Proceeds from sale of investments	14,562	13,731
NET CASH USED BY INVESTING ACTIVITIES	<u>(168,635)</u>	<u>(1,715,114)</u>
Cash flows from financing activities:		
Cash received for long-term purposes	389,737	1,671,641
Cash repayments for long-term purposes	<u>(387,407)</u>	<u>(1,671,641)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>2,330</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	69,400	(36,936)
Cash and cash equivalents, beginning of year	<u>264,828</u>	<u>301,764</u>
Cash and cash equivalents, end of year	<u>\$ 334,228</u>	<u>264,828</u>
Reconciliation of cash and cash equivalents on Statement of Financial Position:		
Unrestricted	\$ 201,893	232,117
Temporarily restricted	<u>132,335</u>	<u>32,711</u>
Total cash and cash equivalents	<u>\$ 334,228</u>	<u>264,828</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Net cash provided by operating activities	\$ 235,705	1,678,178
Capital campaign individual and corporate giving	63,323	127,304
Capital campaign grants	<u>211,844</u>	<u>873,078</u>
Net cash provided (used) by non-capital operating activities	<u>\$ (39,462)</u>	<u>677,796</u>

Girl Scouts of Alaska

Notes to Financial Statements
Years Ended September 30, 2015 and 2014

NOTE 1 – NATURE OF THE ORGANIZATION

The Girl Scouts of Alaska (the Organization) is a geographical unit chartered by the Girl Scouts of the United State of America to administer and develop girl scouting in Alaska. The Girl Scouts of Alaska was formed through the merger of the Girl Scouts Susitna Council and the Tongass – Alaska Girl Scout Council on October 1, 2009. The Girl Scouts of Alaska's jurisdiction includes Anchorage, Southcentral, Southwestern and Southeastern Alaska.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Girl Scouts of Alaska have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Revenue is recorded when earned and expenses are recorded when incurred. The financial statements included assets, liabilities, net assets and financial activities of those programs for which the Organization exercises fiscal and operational control.

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations. This includes funds received from individual, corporate, governmental and fundraising sources.

Temporarily Restricted Net Assets - Temporarily restricted net assets are restricted by the donor, grantor or other outside parties whose restrictions either expire by the passage of time or can be fulfilled and removed by action of the Organization. Revenues associated with these resources are earned when the Organization undertakes the necessary action or other restrictions are met. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently Restricted Net Assets - The part of the 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 and removed by actions of the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific uses.

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Reclassifications

Certain amounts on the Statement of Activities and the Statement of Cash Flows in the prior period have been reclassified to conform to the current financial statement presentation. These reclassifications have no effect on previously reported net assets.

Use of Estimates

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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of money market funds, certificates of deposit, petty cash and cash held in checking accounts. The Organization maintains its cash balances in financial institutions located in Anchorage, Alaska. At September 30, 2015 and 2014, the Organization had no uninsured cash balances.

Investments

The Girl Scouts of Alaska's investments consist mainly of mutual funds, carried at fair value. Realized and unrealized gains and losses are reflected in the statement of activities. The investment account contains cash and securities that are protected by the Securities Investor Protection Corporation (SIPC) up to a maximum of \$250,000 for cash claims and \$500,000 total.

Fair Value Measurements

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, that is, other than in a forced liquidation or distress sale. Accounting standards also establish a fair value hierarchy, which prioritizes the valuation into three broad hierarchy levels.

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fair Value Measurements, Continued

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to fair values determined using methodologies and models with unobservable inputs (Level 3 measurements). An asset's or a liability'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 three levels of the fair value hierarchy are described as follows:

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

Level 2 – Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liability, either directly or indirectly. 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 – Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the assets or liability developed based on the best information available in the circumstances.

Fair values are measured using the market approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Inventory

Inventory is comprised of patches, pins, publications, clothing and other Girl Scout supplies and items the Girl Scouts of Alaska stocks for resale to troops and individuals. Inventory is stated at the lower of cost or market using the weighted-average cost method.

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property, Equipment and Depreciation

Property and equipment are recorded at cost. Donated property and equipment are capitalized at their estimated fair value. Items with an original cost or donated value greater than \$5,000 are capitalized. Maintenance and repairs, including the replacement of minor items, are expenses as incurred and major additions to property and equipment are capitalized.

Depreciation of property and equipment is provided by charges to operations at rates calculated to amortize the cost of the related assets over their estimated useful lives, using the straight-line method. Estimated useful lives are as follows:

Land improvements	10 to 20 years
Buildings and improvements	5 to 39 years
Furniture and equipment	2 to 10 years
Computer hardware	2 to 10 years
Vehicles	5 years

Revenue Recognition

Unrestricted contributions are recognized as revenue when pledged. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in either temporarily or permanently restricted net assets, depending upon the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Contributions of in-kind goods or professional services, if measurable and significant, are recorded at fair value at time of receipt. Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Funds received under grants and contracts are recorded as revenue when the related amounts are determined to be due from the grantor agencies.

Pledges (Promises to Give)

Unconditional promises to give, less an allowance for uncollectible amounts, are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Receivables

Receivables are recorded when billed or advanced and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value.

Management reviews receivables periodically and provides for an estimated allowance for doubtful accounts for accounts that it believes there may be some difficulty in collecting. All accounts or portions thereof, deemed to be uncollectible or require an excessive collection cost are written off. Small balance accounts generally are written off when 12 months delinquent.

All contributions receivable are considered collectible, therefore, no allowance for uncollectible accounts has been provided for contributions.

Expense Allocation

Expenses are allocated between the membership, general programs, camps, management and general and fundraising functions for which the expense relates. Expenses incurred which are in common are allocated to the functional categories based upon yearly time budgets or other estimates approved by the Girl Scouts of Alaska's Management.

Program Services

Membership – the recruitment and administration of the Girl Scout membership and training, development and support of volunteers within the jurisdiction of the Girl Scouts of Alaska

General Programs – includes Council offered events and series and all other programs not specifically identified

Camps – the operation of day camps and resident camps at various locations

Supporting Services

Management and General – includes the functions necessary to maintain an equitable working environment, assist the board of directors in carrying out its duties, performance of the financial and budgetary functions of the Girl Scouts of Alaska and other services necessary to administer the operations of the council

Fundraising – efforts to raise funds for the operations of the programs of the Girls Scouts of Alaska

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Income Taxes

The Girl Scouts of Alaska is incorporated under the laws of the State of Alaska as a nonprofit corporation and is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. Although the Organization is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirements of filing Form 990-T and an income tax liability may be determined on those activities.

Subsequent Events

The Organization evaluated subsequent events through January 26, 2016, the date these financial statements were available to be issued. No material events were identified that required adjustment or additional disclosures in these financial statements, except as already adjusted or disclosed.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of September 30, 2015 and 2014, temporarily restricted cash and cash equivalents consisted of the following:

	<u>2015</u>	<u>2014</u>
ConocoPhillips	\$ 1,506	1,506
Fundraising Training for Board of Directors	-	3,128
Girls Hands on Banking	-	5,000
Troop in a Box	11,130	10,000
Aviation Program	14,855	-
SH Capital	104,844	13,077
	<u>\$ 132,335</u>	<u>32,711</u>

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 342,734	350,227
Land improvements	196,321	175,609
Buildings	4,188,693	753,244
Building improvements	581,155	571,972
Furniture and equipment	206,154	216,177
Computer hardware	50,055	71,690
Vehicles	47,087	37,427
Construction in progress	-	3,335,642
	<u>5,612,199</u>	<u>5,511,988</u>
Less accumulated depreciation	<u>(1,274,810)</u>	<u>(1,192,486)</u>
	<u>\$ 4,337,389</u>	<u>4,319,502</u>

Depreciation expense was \$157,911 and \$91,869 for the years ended September 30, 2015 and 2014, respectively.

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 5 – INVESTMENTS

The following sets forth, by level within the fair value hierarchy, the Girl Scouts of Alaska's investments at fair value as of September 30, 2015 and 2014:

September 30, 2015:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equity funds	469,856	-	-	469,856
Fixed income	620,319	-	-	620,319
Non-Traditional	48,869	-	-	48,869
Other	76,607	-	-	76,607
Total investments at fair value	<u>\$ 1,215,651</u>	<u>-</u>	<u>-</u>	<u>1,215,651</u>

September 30, 2014:

	Level 1	Level 2	Level 3	Total
Cash and money market	<u>\$ 1,300</u>	<u>-</u>	<u>-</u>	<u>1,300</u>
Mutual funds:				
Equity funds	535,503	-	-	535,503
Fixed income	694,462	-	-	694,462
Non-Traditional	49,780	-	-	49,780
Other	95,482	-	-	95,482
Total mutual fund	<u>1,375,227</u>	<u>-</u>	<u>-</u>	<u>1,375,227</u>
Total investments at fair value	<u>\$ 1,376,527</u>	<u>-</u>	<u>-</u>	<u>1,376,527</u>

During fiscal year 2015, Girl Scouts of Alaska obtained a margin loan on its investment portfolio. The loan carries interest at the 1 month LIBOR rate plus 3.6%, currently 3.8%, and had an outstanding balance of \$2,330 and \$0 as of September 30, 2015 and 2014, respectively.

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 6 – UNRESTRICTED AND TEMPORARILY RESTRICTED GRANTS AND SUPPORT

Unrestricted and temporarily restricted grants and support for the year ended September 30, 2015:

Type of Donor	<u>Temporarily Restricted Gifts, Grants & Support</u>				<u>Unrestricted Gifts, Grants & Support</u>		
	Balance at 9/30/14	Received in 2015	Released to unrestricted in 2015	Balance at 9/30/15	Temporarily restricted released in 2015	Unrestricted received in 2015	Total Unrestricted 2015
Foundations	\$ 53,520	43,558	(53,520)	43,558	\$ 53,520	302,570	356,090
Corporations	16,506	130,196	(14,367)	132,335	14,367	50,654	65,021
State and Local	-	-	-	-	-	18,535	18,535
Individuals	23,077	486	(12,927)	10,636	12,927	91,807	104,734
Total	<u>\$ 93,103</u>	<u>174,240</u>	<u>(80,814)</u>	<u>186,529</u>	<u>\$ 80,814</u>	<u>463,566</u>	<u>544,380</u>

Unrestricted and temporarily restricted grants and support for the year ended September 30, 2014:

Type of Donor	<u>Temporarily Restricted Gifts, Grants & Support</u>				<u>Unrestricted Gifts, Grants & Support</u>		
	Balance at 9/30/13	Received in 2014	Released to unrestricted in 2014	Balance at 9/30/14	Temporarily restricted released in 2014	Unrestricted received in 2014	Total Unrestricted 2014
Foundations	\$ 56,813	53,520	(56,813)	53,520	\$ 56,813	966,619	1,023,432
Corporations	2,005	82,489	(67,988)	16,506	67,988	95,659	163,647
State and Local	-	-	-	-	-	24,778	24,778
Individuals	128,144	62,905	(167,972)	23,077	167,972	80,963	248,935
Total	<u>\$ 186,962</u>	<u>198,914</u>	<u>(292,773)</u>	<u>93,103</u>	<u>\$ 292,773</u>	<u>1,168,019</u>	<u>1,460,792</u>

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 7 – PERMANENTLY RESTRICTED NET ASSETS

The following is a schedule of permanently restricted funds held in the UBS investment account and their respective purposes

Principal from Rudy Estate to benefit Girl Scouts of Gastineau Channel region	\$	75,000
Gifts in memory of Helen Zerbetz to fund adult education opportunities		1,510
Gifts in memory of Barbara Bergdol to fund camperships		1,153
Gifts in memory of Frank Gage to fund scholarship for National Girl Scout programs		933
	\$	<u>78,596</u>

NOTE 8 – SALES

For the year ended September 30, 2015:

	Product	Retail	Total
Sales	\$ 2,287,592	139,394	\$ 2,426,986
Cost of sales	842,985	104,070	947,055
Net sales	\$ 1,444,607	35,324	\$ 1,479,931

For the year ended September 30, 2014:

	Product	Retail	Total
Sales	\$ 1,988,747	141,384	\$ 2,130,131
Cost of sales	781,598	110,873	892,471
Net sales	\$ 1,207,149	30,511	\$ 1,237,660

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 9 – IN-KIND CONTRIBUTIONS

The Girl Scouts of Alaska had the following in-kind contributions for the years ended September 30:

	<u>2015</u>	<u>2014</u>
Contributed services	\$ 9,034	15,197
Contributed supplies and equipment	21,567	10,922
Contributed use of facilities	800	-
	<u>\$ 31,401</u>	<u>26,119</u>

NOTE 10 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Specifically, costs such as benefits, occupancy costs, insurance and depreciation totaling \$262,796 in 2015 and \$247,194 in 2014 have been allocated.

NOTE 11 – UNEMPLOYMENT COMPENSATION PROGRAM

The Girl Scouts of Alaska is self-insured for unemployment compensation. Funds are deposited with a trust company, which administers the program. The cost of unemployment compensation is expensed in the period it is incurred and deposits made to the Trust based on estimated safe levels provided by the trust administrator. For the years ended September 30, 2015 and 2014, there were \$1,261 and \$6,520, respectively, in unemployment claims and the net effect of total interest earned and administration expenses totaled a net expense of \$1,958 and \$1,835, respectively. Cash held in trust to provide for unemployment claims totaled \$32,930 and \$24,837 at September 30, 2015 and 2014, respectively.

NOTE 12 – RELATED PARTY TRANSACTIONS

The Girl Scouts of Alaska is related to the Girl Scouts of the United States of America (GSUSA), the national organization that chartered the Girl Scouts of Alaska. The Girl Scouts of Alaska entered into transactions with the GSUSA to purchase inventory and other items amounting to \$74,783 in 2015 and \$71,949 in 2014, respectively. The amount that was included in accounts payable at September 30, 2015 and 2014 was \$5,009 and \$1,119, respectively.

Girl Scouts of Alaska

Notes to Financial Statements, continued
Years Ended September 30, 2015 and 2014

NOTE 13 – CONCENTRATIONS

The Organization incurred expenses representing approximately 14% and 15% of total expenses for the years ending September 30, 2015 and 2014, respectively for purchases of cookies from Kellogg's. No amounts were included in accounts payable at September 30, 2015 and 2014.

NOTE 14 – PENSION PLAN

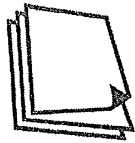
The Organization participates in the National Girl Scout Council Retirement Plan (NGSCR), a noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. The National Board of Girl Scouts of the USA voted to freeze the Plan to new entrants and to freeze future benefit accruals for all current participants under the Plan effective July 31, 2010. The Plan covers substantially all of the employees of various Girl Scout councils who were eligible to participate in the Plan prior to the Plan freeze. Accrued and vested benefits prior to July 31, 2010 are based on years of service and salary levels.

Although net Plan assets grew during the year, net Plan assets available for Plan benefits continue to be less than the actuarial present value of accumulated Plan benefits as of January 1, 2015. Based on the April 18, 2014 conditional approval by the Internal Revenue Service (IRS), all existing amortization bases in the Plan's funding standard account as of January 1, 2013 were combined into one base and the resulting amortization period for that single base was extended to 10 years. Approval applies as long as at a minimum, beginning with the January 1, 2013 calendar year, \$30,000,000 is remitted. The \$30,000,000 calendar year minimum applies for each succeeding calendar year until the Plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). In addition, on April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCR the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA.

Contributions made by the Organization in fiscal year 2015 and 2014 were \$60,803 and \$71,605, respectively. There were no amounts included in accounts payable at September 30, 2015 and 2014.

NOTE 15 – RISKS AND UNCERTAINTIES

The Organization invests in various investment securities (see Note 6). Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.



THOMAS, HEAD & GREISEN, PC
CERTIFIED PUBLIC ACCOUNTANTS

Kevin E. Branson, CPA
John A. Letourneau, CPA
Debra K. Mason, CPA/CFF, CFE
Erich R. Lamirand, CPA
Cindy L. Hulquist, CPA
Ronald E. Greisen, CPA/ABV/CFF

Independent Auditor's Report

To the Board of Directors
Girl Scouts of Alaska
Anchorage, AK

We have audited the accompanying financial statements of Girl Scouts of Alaska (a nonprofit organization), which comprise the statement of financial position as of September 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.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Alaska as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Girl Scouts of Alaska for the year ended September 30, 2014, were audited by another auditor who expressed an unmodified opinion on those statements on February 3, 2015.

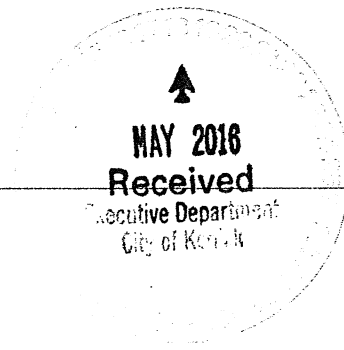
Thomas, Head & Graessner PC

January 26, 2016



KODIAK ISLAND FOOD BANK

March 11, 2016



1944 EAST REZANOF DRIVE
KODIAK, ALASKA 99615
(907) 486-4126 FAX 486-5567

Members,

When you hear the words “food insecurity” the first thing that comes to mind is maybe a third world nation or some scene from a movie set in the Middle Ages. The reality is that to see hungry people you will neither have to travel far or back in time at all.

Research by Feeding America shows a food shortage of 407,398 pounds on the island of Kodiak alone. Using national data of a meal weighing 1.2 pounds, a shortage of 339,498 meals can be calculated which may be a more relatable statistic.

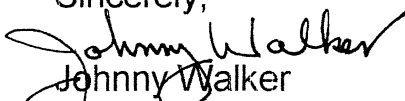
It’s often imagined that a food bank serves those who are incapable of holding down a job, but that is just not the case in Kodiak. Many of our clients hold jobs in seasonal industries or have sporadic hours. We are indeed providing a safety net for these members of our community who are often trying to fill a gap between paychecks.

These food insecurities plague the neediest families in our community, especially young families with children. No child should be hungry.

Kodiak Island Food Bank provided 211,014 pounds of food to our clients in 2015. This figure equates to being a little over fifty percent of the current need being met. Each year we find the challenge to finance the food bank becoming more difficult. As our economy slows so do donations of not only money, but food from various vendors. This makes it much more difficult to acquire the volume of food needed.

The Kodiak Island Food Bank is critical to our community. Operating a food bank is expensive and requires many resources coming together to be successful. None of us can do this alone. We are proud to be helping with something that is so important to our community. Together we can defeat hunger on Kodiak Island.

Sincerely,


Johnny Walker
Executive Director

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.

ORGANIZATIONAL OVERVIEW

Organization Name: Kodiak Island Food Bank/Kodiak Baptist Mission
Mailing Address: 1944 East Rezanof Dr. Kodiak, AK 99616
Telephone No. (907) 486-4127 Fax: (907) 486-5567
Email: execdir@kodiakbaptistmission.org
Federal Employer Tax ID Number: 92-0071967
Contact Person Johnny Walker, Executive Director

Contact Person Johnny Walker 5/16/16
Signature Date

List of Board Members and Officers:

Kim Davidson, President	Martin Belarde, Peter Sprague
Dan Davis	John Reft
Mark Nymeyer, Vice President	Ann Cusick
Shelly Paulson, Secretary	Alonzo Patterson

Does agency have 501©3 Status form the IRS Yes No

If yes, please include a letter from IRS Signifying agency's official non-profit tax exemption status.

If no, has your agency applied for 501©3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order priority:

Our highest priority is to provide direct food assistance to families struggling with food insecurity. Following direct service to families in need, our priority is to share food resources with other organizations supporting Kodiak's poor such as Brother Francis Shelter and the KWRC. The KIFB is Kodiak's agent for Federal Food Commodities (TEFAP) as well as the Commodity Supplemental Food Program (CSFP) providing an additional source of USDA food for pregnant and breastfeeding women, infants, children and the elderly.

The City of Kodiak Does not fund religious programs. Are Agency's Services faith-based?

Yes No

If yes, how does your agency plan to use city finding?

The Kodiak Baptist Mission is a faith based organization. The Kodiak Island Food Bank is not a religious program; funds received from The City of Kodiak are used for the express purpose of distributing food to people in need.

How many City residents will be served by this grant? In the previous fiscal year the Food Bank

Served 9830 people; we estimate that over 90% are City residents.

Please attach a copy of the Organizations mission Statement

City of Kodiak Nonprofit Grant Application/Report

FY2017

Page 1 of 4

How does the agency collaborate with other local nonprofit organizations?

We collaborate with other organizations through partnerships to distribute food and also by providing food for other agencies to give to their clientele. The Brother Francis Shelter and KWRC would be good examples of this. We also value active participation in Kodiak's Nonprofit Network and the Human Service Coalition.

FINACIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application)if approved by the council.

List category(s) of funding requested from the above list and explain how your organization's program fall within the powers of the City of Kodiak for each category of funding requested:

Category Public Safety Support Programs (Shelter/Food) Amount \$4,709

Explanation: This past year the Kodiak Island Food Bank distributed 211014 pounds of food to 9830 people. Figures provided by the USDA value KIFB's food assistance at \$559,911.00 dollars and the equivalent of 175,520 meals. We are pleased with this return on investment and see it as a powerfully effective use of effort. The KIFB is one of the few means tested food banks in the State. By continuing to verifying recipients' qualifications for assistance we demonstrate that this need is real and assure that this effort is making a difference by only supporting those who are truly needing a hand up; we appreciate the City's backing as we undergird so many Kodiak families living on the financial edge.

OTHER FUNDING SOURCES

List the amount of funds your agency received from other sources for this past fiscal year:End 6/30/15/

Federal \$0	State \$1,890
City of Kodiak \$5947	Kodiak Island Borough \$45,120
Parent Organization \$50,525(KBM)	Corporate grants \$12,048
Foundations \$0	Client fees \$0.00
Donations \$4660	Memberships \$0.00
Interest \$0.00	Gaming Permit activities (pull tabs, raffles etc.) \$0.00

If you receive state of federal grants, what is the percentage and amount of local match that is required for each grant your agency receives? N/A

What effects will there be and what alternative plans does your agency have if City funding is not received? Services will be continued to the best of KBM’s ability although the scope and ability to offer these services would definitely diminish. Time will prove, but we are especially concerned in the coming year for those on the bottom rung of Kodiak’s economic ladder. A housing market in which people were already slipping over the tipping point that will now have to absorb the loss of a very large segment of Kodiak’s entry level housing is a problem for the poor that we expect to see reflected at the Food Bank’s door. Diminished funding on top of increased community need would definitely be a blow to the base of Kodiak’s work force and our poorest families.

Did your organization receive funding from the City Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016)? Yes No

All applicants please complete the OTHERFUNDING SOURCES (top of page 4) and attach FY15 financial reports or latest audit with this application.

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs	25 points
Grant reports submitted to the City as required	25 points
Number of City Residents Served	25 points
Other sources of Applicant Funding Identified	25 points

CITY OF KODIAK GRANT REPORT

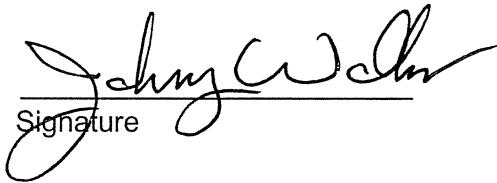
Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	KODIAK BAPTIST MISSION
Program:	KODIAK ISLAND FOOD BANK
2015-2016 Grant Amount:	4709 ⁰⁰
Amount Expended Year-to-Date:	4709 ⁰⁰
Balance:	0

Describe accomplishments with grant funds. DISTRIBUTED 211 014 LBS
OF FOOD TO 9830 PEOPLE USDA FEEDING
AMERICA VALUE THIS AT 559,911.0 DOLLARS
OR 175520 ACTUAL MEALS.
THIS REPRESENTS 51.7 % OF THE NEED

If you have not expended all funds, please describe how and when you intend to spend the balance.

0


 Signature

Submit to:

City Manager
 City of Kodiak
 710 Mill Bay Road, Room 114
 Kodiak, AK 99615

Date: 02 NOV 1980

Our Letter Dated:
February 28, 1980
Person to Contact:
John Sutton
Contact Telephone Number:
(206) 442-5106

▷ Kodiak Baptist Mission, Inc.
Mission Road P.O. Box 785
Kodiak, AK 99615

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section *See below. Your exempt status under section 501(c)(3) of the code is still in effect.

Grantors and contributors may rely on this determination until the Internal Revenue Service publishes notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



District Director

*509(a)(1) and 170(b)(1)(A)(vi)

915 Second Avenue, Seattle, Wash. 98174

Letter 1050 (DO) (7-77)

Kodiak Baptist Mission
Balance Sheet
June 30, 2015 and 2014

ASSETS	<u>2014</u>	<u>2015</u>
Current Assets		
Cash - unrestricted	183,095	210,906
- temporarily restricted	0	0
Accounts Receivable	36,443	42,750
Prepaid Expenses	16,368	12,101
Investment funds - unrestricted	13,504	13,504
	212,584	218,318
	205,001	150,901
	22,948	23,567
	<u>149,698</u>	<u>153,736</u>
Total Current Assets	839,641	825,783
Property, Plant & Equipment, net	1,114,831	1,077,938
Other Assets	<u>443,055</u>	443,055
Total Assets	2,397,527	2,346,776
LIABILITIES		
Accounts Payable	51,817	26,112
Accrued Liabilities	32,916	10,996
Deferred Income	<u>0</u>	<u>12,152</u>
Total Liabilities	84,733	49,260
NET ASSETS		
Unrestricted	1,043,330	990,665
Restricted (Retained Earnings)	<u>1,269,465</u>	<u>1,306,851</u>
Total Net Assets	2,312,795	2,297,516
Total Liabilities & Net Assets	2,397,528	2,346,776

Kodiak Baptist Mission
Statement of Activities
Years ended June 30, 2015 and 2014

CHANGES IN UNRESTRICTED NET ASSETS	<u>2014</u>	<u>2015</u>
From Operating Activities		
Support		
Individuals	74,141	123,001
Corporations	27,444	15,112
Government	68,074	76,315
Churches	<u>130,812</u>	<u>98,724</u>
Subtotal - Support	300,471	313,152
Revenue		
Fees & Services	449,667	500,589
Other Income	61,976	68,172
Interest on Investments	<u>24,693</u>	<u>35,618</u>
Subtotal - Revenue	536,336	604,379
TOTAL SUPPORT AND REVENUE	836,807	917,531
Expenses		
Personnel	477,634	506,753
Program Support	115,940	136,743
Advertising	684	2,208
Administration	24,142	19,508
Occupancy	207,846	222,941
Depreciation	<u>46,558</u>	<u>47,472</u>
TOTAL EXPENSE	872,804	935,625
Change in Net Assets from Operating Activities	-35,997	-18,094

Kodiak Baptist Mission
Statement of Activities - Page 2
Year Ended June 30, 2015 and 2014

	2014	2015
CHANGES IN UNRESTRICTED ASSETS		
From Non-Operating Activities		
Investment Gains (Losses)	69,876	-18,828
Grants Released for Capital Projects	0	0
Gain (Loss) on Disposal of Assets	0	0
Donated Equipment added to Assets	3,500	0
Prior Year Adjustment of Accrued Expenses	0	21,643
Change in Net Assets from Non-Operating Activities	73,376	2,815
increase in Unrestricted Activities	37,379	-15,279
 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS	 0	 0
 CHANGE IN PERMENANTLY RESTRICTED NET ASSETS	 0	 0
INCREASE (DECREASE) IN NET ASSETS	37,379	15,279
 NET ASSETS - Beginning of Year	 2,275,416	 2,312,795
NET ASSETS - End of Year	2,312,795	2,297,516
	37,379	-15,279

Kodiak Baptist Mission
Supplemental Schedule of Functional Expenses
For the Year Ended June 30, 2015

	PROGRAM SERVICES					Support Services			
	Food Bank	Preschool	After School	Summer Camp	Program Services	Development	Admin	Support Services	Total
PERSONNEL AND RELATED:									
Salaries	37,839	169,198	54,278	30,414	291,729	33,420	70,911	104,331	396,060
Payroll Taxes	3,572	15,380	5,145	2,727	26,824	2,910	6,193	9,103	35,927
Employee Benefits	10,140	23,508	15,009	4,378	53,035	4,896	16,835	21,731	74,766
Total Personnel and Related	51,551	208,086	74,432	37,519	371,588	41,226	93,939	135,165	506,753
PROGRAM SUPPORT									
Program materials	5,439	24,652	13,333	43,161	86,585	6,321	4,371	10,692	97,277
Other Program Support	7,116	5,084	5,646	17,286	35,132	2,546	1,788	4,334	39,466
Total Program Support	12,555	29,736	18,979	60,447	121,717	8,867	6,159	15,026	136,743
ADMINISTRATIVE									
Telephone	1,491	2,277	2,694	1,010	7,472	398	1,713	2,111	9,583
Office Supplies	503	1,266	1,340	893	4,002	1,450	1,219	2,669	6,671
Advertising	54	347	480	226	1,107	1,101	102	1,101	2,208
Postage	98	217	230	105	650	709	467	811	1,461
Misc.	850	115	81	94	1,140	186	467	653	1,793
Total Administrative Support	2,996	4,222	4,825	2,328	14,371	3,844	3,501	7,345	21,716
OCCUPANCY									
Utilities	28,132	22,603	31,182	13,881	95,798	4,942	5,026	9,968	105,766
Repairs and maintenance	22,720	18,254	25,191	14,594	80,759	4,647	4,016	8,663	89,422
Insurance	5,205	9,604	7,001	2,335	24,145	1,083	2,525	3,608	27,753
Total Occupancy	56,057	50,461	63,374	30,810	200,702	10,672	11,567	22,239	222,941
DEPRECIATION									
	11,933	10,742	13,490	6,559	42,724	2,374	2,374	4,748	47,472
TOTAL EXPENSES	135,092	303,247	175,100	137,663	751,102	66,983	117,540	184,523	935,625

Kodiak Island Food Bank Business Plan



“That all would be fed... that none would go hungry.”
Our purpose is to develop the food and financial resources to make this statement true across the Kodiak Archipelago.

Goal

Research by Feeding America indicates that we would need to develop and distribute 407,398 pounds of food to address the food insecurity needs of the Kodiak Island Borough. Presently the Kodiak Island Food Bank cannot meet the entire need that exists in Kodiak. That said, we have established an ambitious goal to develop and distribute 290,000 pounds of food to people experiencing food insecurity across the Kodiak archipelago. This assistance will be distributed in several ways. First and primary, we intend to provide approximately 10,000 units of direct service to families and individuals. Second, we will make distributions of food to other organizations directly supporting people in need. These food resources can be utilized in execution of agency programs or be redistributed to people participating in their services.

Food Development

Federal Commodities - While this resource has been greatly diminished over the years, it is still a very important component to any community’s plan to address food insecurity. The Food Bank will continue its role as Kodiak’s agent for Federal Commodities. This includes TEFAP and CSFP commodities. Between these two programs we presently anticipate being able to bring approximately 90,000 pounds of food to Kodiak by acting in this capacity.

Challenge - Significant Administrative Involvement - These programs do come with a weight of administrative responsibility to the USDA. Each household needs to be qualified annually and reports submitted.

Strategic Response The Food Bank Director will file monthly and annual reports to the USDA. Volunteers will be utilized to annually qualify food bank participants and also cover monthly sign-ins and distribution recording.

Challenge - Handling and Storage These shipments come as large infrequent bulk shipments and require rigorous storage protocols.

Strategic Response - The Food Bank will maintain adequate warehouse and freezer space within the Food Bank. To the degree possible, receipt of these commodities will be scheduled at

times of volunteer availability. The Food Bank Director will oversee the off loading, inventorying and spotting of these products in the facility. The Food Bank will also maintain a walk-in freezer qualifying us for TEFAP frozen goods.

Salvage Food - To Federal Commodities we plan to add approximately 200,000 pounds of additional food through salvage, food drives and donations; a preponderance of this will come from food salvage.

Challenge – Highly Labor and Vehicle Intensive - Food salvage requires considerable time on the road collecting food and then again at the sorting table. 85% of the food collected is distributable but requires significant inputs.

Strategic Response To accomplish this, the Food Bank Director and Assistant will continue to maintain the daily food pick-up route comprised of stops at Cost Savers and Safeway. Additionally they will response to on-call pick-ups at Walmart and the Coast Guard Commissary. To the degree possible volunteers will be coordinated by the Food Bank Director to participate in inspection, sorting and washing of salvaged food. To help contain vehicle cost the Food Bank box truck will be maintained by the Kodiak Baptist Mission maintenance staff and shop.

Food Drives The Public Education Director of the Kodiak Baptist Mission, with the help of the Food Bank Director, will give presentations to Kodiak's service groups, clubs, churches, school groups and other organizations that are or could potentially be interested in participating in food drives. The KBM Public Education Director will also maintain a Face Book page and a website and work with local broadcasters and the news paper to share information about the Food Banks needs and accomplishments.

Distribution

To reach our target group we will maintain two distributions days per week out of our facility located on the Baptist Mission campus. We will also maintain a monthly distribution out of the Kodiak senior center to best meet the needs of Kodiak's seniors. For this population we will also continue to oversee the CSFP program which is an important Federal commodities program offered to seniors along with pregnant and nursing mothers. The Food Bank will continue its goal of making monthly distributions in our village communities. The Food Bank will also continue to work with other agencies in Kodiak to help them meet their food needs for the services they offer.

Funding

Current budget projections anticipate serious financial challenges for the Food bank. In our last fiscal year Food Bank income ran around \$40K short of expenses. In response we have stepped up our public education efforts significantly and are seeing good results but are still projecting a significant shortfall. We look forward to the opportunity to participate in the Pick Click Give

Campaign for the first time now that legislative changes allow the Food Bank to participate.

Strategic Response Funding efforts will continue to focus on grants and funding requests. Funding support from the Borough, augmented by the City, has been a pillar for the operation of the Food Bank. To that we add continued success with the Rasmussen Safety Net Grant, the Alaska Food Coalition and similar funding sources that offer finances to purchase food (but offer no overhead or administrative support). In the past few years the Food Bank has seen a broadening base of community support among service organizations and business. Continued effort will be directed at developing these sources through KBM's Public Education office to keep pace with the growing cost associated with the loss of Commodities.

Long Range Plan

Presently Food Bank facilities are inadequate to handle the volume of food being distributed. We are in danger of work place injury due to the high level of manual handling of goods where forklifts and other mechanized equipment should but cannot be utilized due to space constraints.

Strategic Response The Kodiak Baptist Mission has offered space to the Food Bank in its Volker shop building. This space was formally the KBM gym but was replaced by the Heritage Center recently built on Mission Road. This space is on grade with the ground, has bay doors and is big enough to accommodate forklifts and trucks. That said, a fair bit of modification to the building would need to be made in as well as procurement of addition equipment such as racking, lighting, refrigeration and a walk in freezer. This project will be on the scale of a Rasmusen type of capital funder. This possibility will be explored in next few years.

White Paper: Food Insecurity in Kodiak Alaska

What's Needed

Research by Feeding America indicates that we would need to develop and distribute 407,398 pounds of food to address the food insecurity needs of the Kodiak Island Borough. At the updating of this paper the Kodiak Island Food Bank had an annual distribution of 211,014 pounds of food (2015). This level of service places the Food Bank over half

of the way to fully addressing food insecurity for Kodiak Island.

This is of course a very simplified analysis of an incredibly complicated issue and to assume that just churning out pounds will precipitate a solution would be naive. That said, the fact that this issue is being addressed to this level does offer us a significant and positive macro indicator that while these needs are significant, food insecurity around the Kodiak archipelago is a surprisingly addressable issue. This fact is even further encouraged by the consideration that the total food resource needed to meet this goal fully exists and actually far exceeds the needs of the island; it simply needs to be diverted out of the waste stream and away from our land fill and to food banking. Research of landfill composition finds that 19% of municipal waste is made up of food. The University of Arizona's extensive work on this topic finds that 14-15% of this food is not only edible but that it is untouched and unopened at the time of disposal. If we apply these figures to our own Kodiak Land fill we can expect to find 551,000 pounds of unopened untouched food there. Considering this, we are at present only salvaging approximately 25% of our usable discards.

Presently wasted food resources are only being tapped minutely in Kodiak. With the exception of Cost Savers which is diverting 100% of its usable discards, the remainder of our grocers divert only a fraction of what is being thrown away to the food banking stream. After having a community food bank, the next most important step in the strategy to address food insecurity is to develop this nearly untapped resource. To do this we have to understand the bias for disposal and barriers to donating.

Barriers to Donation

It is easier to just throw it away!

It just is! As stores deal with sorting out products that they can no longer sell, it is more efficient to just throw that product away than to set it aside, work around it and keep track of it until it passes from the store's custody to the Food Bank's.

Response: Food banking has to make it as convenient and advantageous as possible to donate. Pickups need to be frequent and timely so grocers aren't tripping over donated products or left wondering if anyone will show or not.

Competing with Yourself

If you give it away people won't buy it. It seems very simple if you're giving people food out of the back of your store, then it's that much less business you're going to have through the front of your store.

Response: While logical, it just isn't that simple when dealing with food insecurity, especially in Kodiak. A vast majority of people accessing the food bank are employed but experience under-employment. They all still shop right along with everyone else but what they buy is often very different and highly driven by available funds. Interestingly the cheapest foods in our stores are also the most calorically compact and least nutritious. With a buying strategy that focuses on these foods you can quickly meet (exceed actually) your caloric needs but still be far short of your nutrient requirements. We don't hear it much anymore but our Grandmothers used to talk about empty calories, those foods that are full of calories but no nutrients. She usually meant candy but that describes a lot of our foods today. Empty calories really do make us fat while at the same time leave us short of the nutrients that make us healthy. Conversely, you will have a hard time meeting your caloric needs by eating leafy greens and vegetables but by the time you do, you will be highly saturated with a diverse abundance of the nutrients key to your good health but God help you at the register! Receiving support from the food bank allows people to shift the purchasing power they do have away from maximizing calories to expanding options to include more healthy choices for their families.

The Liability is just too great

This statement has become the trump card in conversations about donating food and ends many attempts to do so. There is usually one of two situations at work when liability is being cited as a reason for discarding instead of donating products. One, it may be just that, the vendor is concerned about what could happen once that product leaves their hands. Or, possibly more often, it sounds a lot better to be able to say "it's out of my hands, can't do it for legal reasons" when the barrier is another issue that, if voiced, might put the vendor in a less favorable light.

Response: In situations where vendors are truly concerned that they are jeopardized by donating food, food banks have two important roles to play. One, demonstrate excellent food handling practices and policies to build the confidence that the food bank is just as concerned as the donor. And two, educate the vendor about laws that protect them from liability. Specifically the 1996 Federal Good Samaritan Food Donation Act.

. This law:

- * Protects you from liability when you donate to a non-profit organization;

- * Protects you from civil and criminal liability should the product donated in good faith later cause harm to the recipient;

- * Standardizes donor liability exposure. You or your legal counsel do not need to investigate liability laws in 50 states; and

- * Sets a floor of "gross negligence" or intentional misconduct for persons who donate grocery products. According to the new law, gross negligence is defined as "voluntary and conscious conduct by a person with knowledge (at the time of conduct) that the conduct is likely to be harmful to the health or well-being of another person."

In most cases donors do not change their disposal practices after being informed of their legal protections. This is an indicator that liability is not really at the heart of the reluctance to donate. In these situations the community and food bank need to focus on the real underlying issues and not dissipate itself on an educational campaign regarding liability protection.

Significant External Forces Affecting Food Banking:

In 2000 when the Kodiak Island Food Bank started, the food banking landscape was very different. The heart of the program was The Emergency Food Assistance Program (TEFAP). This program utilizes food produced through Federal subsidies to farmers and distributes it to food banks. With the increased profitability of farming in the US, subsidies have nearly ended, diminishing this food supply. If food banking were the proverbial three legged stool then TEFAP made up two of the legs with salvaged food acting as the third. Today TEFAP still plays an important role in a community's food banking plan but a much diminished one. Now salvaged food is the predominant resource with TEFAP playing a supporting role.

The pressure to maintain food resources while traditional sources of food have dropped off has been intense. With the drop off of commodities (TEFAP), food banks have had to focus on food salvage to keep pace with needs. This brings significant challenges to food bank operations as food salvage is labor intensive and the captured resource is highly perishable. Compared to handling TEFAP products in neat consistent and uniform boxes of shelf stable food, salvage is tremendously challenging.

Happily the Kodiak Island Food Bank has maintained a consistent food supply throughout this change but it has not been without impact to operational expenditures. To keep pace with this level of service it has require moving from three day a week pickup schedule to doing pickups every day. It has also required a lot of extra time be devoted inspecting, sorting and cleaning items along with necessitating a significant increase in refrigeration space to support distributions based on salvaged perishables. In accomplishing this, our staff and food bank truck are spending a lot more time on the road and we finally had to add an additional part time staff to spread the load. In fourteen years the Food Bank has met budget only one time so even a moderate increase to costs is alarming. In addition to working harder to salvage available food, the Food Bank has to rise to the challenge of developing funding resources so that it can adequately meet the food insecurity needs impacting our community. Toward this end we continue to implement new projects such as our empty bowl campaign run during the bazaar season along with other fund raising efforts. This coming year with he now enacted legislative changes the Food Bank will be able to participate in Pick, Click, Give for the first time.

June 15, 2016

Aimee Kniaziowski, City Manager
City of Kodiak
710 Mill Bay road
Kodiak, AK 99615

Dear Ms. Kniaziowski,

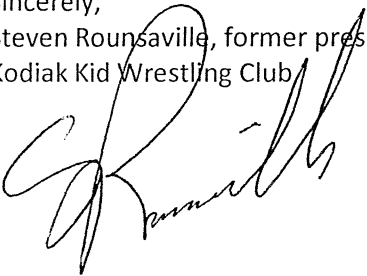
Kodiak Kid Wrestling is very appreciative of the help the City of Kodiak has given us for the past many years. It has often been our only money to start our season until registrations are paid by families. The support from the City of Kodiak has been key to our being to help kids in our community for thirty-six years now.

Currently, we feel it would be wrong for us to reapply for the non-profit grant from the City. We have some very generous donors who have helped us financially a great deal these past wo years, to the point where we have carryover funds that will ensure our ability to continue this next year without any help from the City. Knowing how many other organizations there are who can better use the funds, we will not be applying this year.

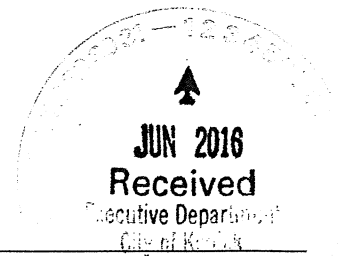
Our current situation is definitely not permanent, and we would very much like to be able to apply next year and in the future. We do not want the people who will manage KKW in the future to be without help from the City, knowing how much it has meant to us in the past.

Sorry for the rather lengthy letter, but we wanted to express our gratitude and explain our reason for not applying this year. Thank you from the many community members who have been part of KKW, now and in the past.

Sincerely,
Steven Rounsaville, former president
Kodiak Kid Wrestling Club

A handwritten signature in black ink, appearing to read 'S. Rounsaville', written over the typed name and title.

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.



ORGANIZATIONAL OVERVIEW

Organization Name Kodiak Kingfisher Swim Club
Mailing Address POB 2311
Telephone No. 942-0657 Fax No. —
Email foy.alaska@gmail.com
Federal Employer Tax ID Number 20-4875337
Contact Person Robert Foy President
Printed Name Title
Contact Person Robert Foy 6/1/16
Signature Date

List of Board Members and Officers:

<u>Robert Foy</u>	<u>Sharon Fish</u>
<u>Megan Holland</u>	<u>Michael Buchanan</u>
<u>AnneMarie Navoy</u>	
<u>Nicole Carver</u>	

Does agency have 501(c)3 status from the IRS? Yes No
If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

Provide recreational/competitive swim program to students 5-18 yo
New: provide lesson program to support Cok Park + Ice program
Support Community pool with practice and meets
Travel to events (meets) throughout State & nationally.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?

Yes No

If yes, how do you plan to use the City's funding? ~~130 children~~

How many City residents will be served by this grant? 130 children from ~100 families

How does your agency collaborate with other local nonprofit organizations?

NA

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Youth Rec Program Amount \$ 2,500

Explanation: KKF is a youth based learn to swim program. In addition we now provide year-round swim lessons to youth. We compete throughout the state. Fundraising is required to pay for coaching, travel, supplies, & support for the Kodiak Community Pool.

Category _____ Amount _____

Explanation: _____

Category _____ Amount _____

Explanation: _____

Total funding request to the City of Kodiak \$2,500

What percentage of funds will be used for administrative costs? 0

What percentage of funds will be used for direct services? \$2,500

How will the funds be used? The funds will be used to offset costs with swim meets + pool supplies. This year this will include support for a State wide meet hosted by Kodiak to support the High School swim program.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

Lined area for providing details of the project and funding request.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal	<u>0</u>	State	<u>\$ 0</u>
City of Kodiak	<u>\$ 2,500</u>	Kodiak Is. Borough	<u>\$ 0</u>
Parent Organization	<u>\$ 0</u>	Corporate Grants	<u>\$ 0</u>
Foundations	<u>\$ 0</u>	Client Fees	<u>\$ 0</u>
Donations	<u>\$ 16,761</u>	Memberships	<u>\$ 33,608</u>
Interest	<u>\$ 0</u>	Gaming Permit Activities (pull tabs, raffles etc.)	<u>\$ 0</u>

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives? NA

What effects will there be and what alternative plans does your agency have if City funding is not received? Any cost not realized through fundraising will increase dues from the membership.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

- Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs) 25 points**
- Grant reports submitted to City as required 25 points**
- Number of City residents served 25 points**
- Other sources of applicant funding identified 25 points**

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Kodiak Kingfishers Swim Club
Program:	Youth Swimming
2015-2016 Grant Amount:	\$2,500
Amount Expended Year-to-Date:	\$2,500
Balance:	\$0

Describe accomplishments with grant funds. FY16 funds were used to pay for monthly swim meets from December through May, 2016. Funds were also used to support software to run swim meets.

If you have not expended all funds, please describe how and when you intend to spend the balance.



Signature

Submit to:

City Manager
 City of Kodiak
 710 Mill Bay Road, Room 114
 Kodiak, AK 99615

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAR 16 2007**

KODIAK KINGFISHERS SWIM CLUB INC
PO BOX 2311
KODIAK, AK 99615

Employer Identification Number:
20-4875337
DLN:
17053046034007
Contact Person:
JOAN C KISER ID# 31217
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
509(a)(2)
Form 990 Required:
Yes
Effective Date of Exemption:
October 19, 2005
Contribution Deductibility:
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

KODIAK KINGFISHERS SWIM CLUB MISSION STATEMENT

To inspire and enable our swimmers to achieve excellence
in the sport of swimming and in life.

TEAM GOALS

- 1. For the Swimmers:** To support swimmers as they strive to reach their potential; to set and reach realistic goals; and to help them further develop their self-esteem and positive feelings about the sport of swimming and competition.
- 2. For the Team:** To promote good sportsmanship, team camaraderie, self-discipline, and physical fitness among the swimmers; promote competitive swimming as a major sport in Kodiak; and to place well in competition as a team.
- 3. For the Families:** To provide a family-oriented club experience where the parents can play an active role in their swimmer's and the team's activities and development.
- 4. For the Community:** To provide positive direction and a supervised recreational opportunity for Kodiak's youth.

Kodiak Kingfishers Swim Club (KKF) exists, first and foremost, to provide a positive environment for our children's growth in the sport of swimming. Competition plays an important part in that growth. Our goal is to develop our children's abilities and self-confidence as swimmers and as team members. We want them to learn to enjoy and appreciate the sport of swimming and develop strong friendships.

KKF is a member of USA Swimming, Inc. (www.usaswimming.org) and Alaska Swimming (www.akswimming.org). These organizations are the governing bodies for senior and age group swimming across the state and nation. They provide for fair, uniform competition for our swimmers. KKF is open to young people ages five to 18 who are interested in competitive swimming.

Kodiak Kingfishers 2015-2016 Financial Overview
May 1, 2016

Financial Report

September 1, 2015- April 30, 2016; with estimates from May 1, 2016 – August 31, 2016.

INCOME

Dues	\$33,608
Fundraising	\$16,761
KKF Registration	\$2,600
Swim Store	\$2,749
Late Dues	\$1,810
Travel-Fundraising credit	-\$2,868
TOTAL INCOME	\$54,660

EXPENSES

Payroll (coaches and coach assistants)	\$34,044
Travel	\$5,580
Fundraising	\$351
Accounting	\$585
Swim Store	\$5,862
Insurance	\$2,091
Business Expenses	\$5,874
Meet fees/Travel Expenses	\$5,580
TOTAL EXPENSE	\$59,967

2016 FINANCIAL BALANCE	\$5,307
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**CITY OF KODIAK
 FY17 NONPROFIT FUNDING APPLICATION
 Return to City Manager's Office by June 17, 2016.**

ORGANIZATIONAL OVERVIEW

Organization Name Kodiak Maritime Museum

Mailing Address PO Box 1876, Kodiak, AK 99615

Telephone No. 907-496-0384 Fax No. _____

Email toby@kodiakmaritimemuseum.org

Federal Employer Tax ID Number 92-0165430

Contact Person Toby Sullivan, Executive Director

Contact Person Toby Sullivan Printed Name 6/17/2016 Title
 Signature Date

List of Board Members and Officers:

<u>Wallace Fields, Board President</u>	<u>Heather Abena, Rob Hoedel, Eva Holm,</u>
<u>Marty Owen, Vice President</u>	<u>Deb Nielsen, Dick Ross, Lon White</u>
<u>Mamie Leist, Treasurer</u>	_____
<u>Trent Dodson, Secretary</u>	_____

Does agency have 501(c)3 status from the IRS? Yes No
 If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
 If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:
 Kodiak Maritime Museum seeks to recognize, preserve, and interpret the maritime history of Kodiak Island. We are currently advancing this mission with four major programs, including the Thelma C Project, a Kodiak Harbor Walking Tour, the Harbor Lights Festival, and an ongoing oral history program.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No
 If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? 10,000

Please attach a copy of the organization's Mission Statement.
 City of Kodiak Nonprofit Grant Application/Report
 FY2017
 Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

KMM partnered with the Baranov Museum in 2010 to exhibit KMM's oral history photo portrait project, "When Crab Was King." KMM also partnered with Kodiak College to rebuild the Thelma C in 2012. and with the Kodiak arts Council in 2014 to produce "Fishermen Out Loud."

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Adult Recreation Programs Amount \$5,000

Explanation:

KMM is applying for regular non-profit funding of \$5,000 for Adult Recreation Programs, which include museum interpretive efforts such as our harbor tour and the Harbor Lights Festival.

Category Adult Recreation Programs Amount \$10,000

Explanation:

KMM is also requesting a special one-time funding of \$10,000 in order to finish the Thelma C Project. Details of the project are described on page 3, and in an addendum at the end of this application.

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$15,000

What percentage of funds will be used for administrative costs? \$5,000

What percentage of funds will be used for direct services? \$10,000

How will the funds be used?

\$5,000 will be used for KMM's administrative costs associated with operating the museum and its adult recreational and interpretive activities . \$10,000 will be used to help fund construction of the Thelma C Project. A description of the Thelma C Project is attached as an addendum to this applicaiton.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

A Project Description of the Thelma C Project is attached as an addendum to this application..

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal <u>0</u>	State <u>\$8,823</u>
City of Kodiak <u>\$5,000</u>	Kodiak Is. Borough <u>\$10,000</u>
Parent Organization <u>0</u>	Corporate Grants <u>\$2,510</u>
Foundations <u>\$2,500</u>	Client Fees <u>\$13,315</u>
Donations <u>\$14,910</u>	Memberships <u>\$2,490</u>
Interest <u>\$153</u>	Gaming Permit Activities (pull tabs, raffles etc.) <u>0</u>
Crab Fest booth: \$16,547	

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

Our state Legislative grant for the Thelma C Project requires no local match.

What effects will there be and what alternative plans does your agency have if City funding is not received?

If City grant money is not received for KMM's \$5,000 administrative funding request, the museum will adjust it's budget accordingly. If our \$10,000 one time funding request is not received for the Thelma C Project, the museum will adjust it's Capital Campaign planning accordingly.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs	25 points
Grant reports submitted to City as required	25 points
Number of City residents served	25 points
Other sources of applicant funding identified	25 points

CITY OF KODIAK GRANT REPORT

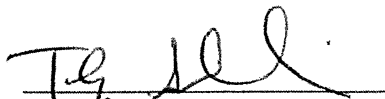
Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Kodiak Maritime Museum
Program:	Thelma C Interpretive Project
2015-2016 Grant Amount:	\$5,000
Amount Expended Year-to-Date:	\$5,000
Balance:	0

Describe accomplishments with grant funds.

KMM used the funds received from the City of Kodiak in 2015 to continue work on the interpretive elements of the Thelma C Project. This included administrative work associated with designing the schematic plan for the narrative content of the interpretive panels which will be mounted around the boat exhibit.

If you have not expended all funds, please describe how and when you intend to spend the balance.


Signature

6/17/2016

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

JAMIN, EBELL, SCHMITT & MASOIN
A Professional Corporation

Date: DEC 16 2002

Employer Identification Number:
92-0165430

DEC 23 2002

KODIAK MARITIME MUSEUM AND ART
CENTER
C/O ALAN L. SCHMITT
323 CAROLYN STREET
KODIAK, AK 99615

DLN:
17053289006042
Contact Person:
PAUL D KERR
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Form 990 Required:
Yes
Addendum Applies:
No

KODIAK, ALASKA
ID# 31104

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c) (3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a) (1) and 170(b) (1) (A) (vi).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a) (1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the

Letter 947 (DO/CG)

KODIAK MARITIME MUSEUM AND ART

part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

Letter 947 (DO/CG)

KODIAK MARITIME MUSEUM AND ART

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

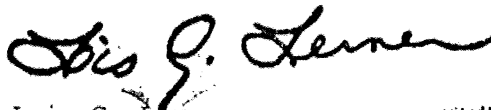
If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations

Letter 947 (DO/CG)

Kodiak Maritime Museum Mission Statement

“To recognize, preserve, and interpret Kodiak’s maritime heritage.”

Kodiak Maritime Museum
Profit & Loss
 January through December 2015

	TOTAL
Income	
Revenue	
Crabfest Booth	16,547.00
Endowment Gains	97.67
Interest Income	153.77
Membership Income	2,490.00
Miscellaneous Revenue	375.00
Program Ticket Sales	13,315.00
Sales	
Cards, Postcards, Etc.	48.00
Guides	60.00
Total Sales	108.00
Total Revenue	33,086.44
Support	
Corporate / Business	2,510.24
Government	
Borough	10,000.00
City of Kodiak	5,000.00
Thelma C Legislative Grant	8,823.38
Total Government	23,823.38
Grants	2,500.00
Individual Contributions	14,910.21
Total Support	43,743.83
Total Income	76,830.27
Expense	
Administrative	
Accounting Fees	2,060.19
Advertising	370.76
Affiliations, dues	330.00
Annual Meeting	184.01
Bank Service Fees	294.42
Books, Subscriptions, Reference	57.59
Bus Reg Fees, Taxes & Licenses	84.76
City Sales Tax Expense	527.53
Contract Services	82.85
Credit Card Fees	1,026.68
Endowment Losses	758.42
Insurance	
Commercial Liability	1,010.00
Total Insurance	1,010.00
Office Equipment	13.99
Postage, Mailing Service	425.64
Printing and Copying	127.53
Software	386.40
Staff & Board Training	304.28
Supplies	8,690.83
Telephone, Telecommunications	1,207.79
Travel and Meetings	
Conference, Convention, Meeting	1,714.04
Travel	3,706.55
Total Travel and Meetings	5,420.59
Website Expense	1,480.00
Total Administrative	24,844.26
Fund Raising Expenses	1,207.00
Payroll Expenses	
Payroll Taxes	3,898.80

Kodiak Maritime Museum
Profit & Loss
January through December 2015

	<u>TOTAL</u>
Wages	39,603.00
Worker's Comp Insurance	23.00
Total Payroll Expenses	43,524.80
Program Support	
Contract Services	16,505.95
Freight	216.00
Miscellaneous	8.29
Program Materials	202.15
Total Program Support	16,932.39
Total Expense	86,508.45
Net Income	<u><u>-9,678.18</u></u>

Kodiak Maritime Museum
Balance Sheet
 As of May 1, 2016

	May 1, 16
ASSETS	
Current Assets	
Checking/Savings	
CU1-S1 Regular Share Acct.	176.45
CU1-S88 Business Checking	-922.50
CU1-S88.1 Petty Cash Acct	218.52
CU1-S88.2 KMM Building	1,500.00
First National Savings	229.52
Restricted Funds	
CU1-S88.3 Thelma C Checking	2,678.75
Kodiak Mar Mus Endowment Fund	7,235.76
Total Restricted Funds	9,914.51
Total Checking/Savings	11,116.50
Total Current Assets	11,116.50
Fixed Assets	
Accumulated Depreciation	-110.00
Furniture and Equipment	1,203.00
Total Fixed Assets	1,093.00
TOTAL ASSETS	12,209.50
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	
AESC	104.64
AK ESC Payable	125.44
Federal Payroll Taxes Payable	1,381.44
FUTA	56.00
Total Payroll Liabilities	1,667.52
Total Other Current Liabilities	1,667.52
Total Current Liabilities	1,667.52
Total Liabilities	1,667.52
Equity	
Opening Balance Equity	-1,688.39
Restricted Net Assets	11,686.14
Unrestricted Net Assets	10,002.24
Net Income	-9,458.01
Total Equity	10,541.98
TOTAL LIABILITIES & EQUITY	12,209.50

Thelma C Interpretive Project Background

Addendum to Kodiak Maritime Museum request for City of Kodiak non-profit funding

June 17, 2016

Kodiak Maritime Museum was founded in 1996 by a group of dedicated volunteers who believed that more interpretive facilities were needed near the harbor to help visitors and residents understand and appreciate Kodiak's unique bond with the sea. KMM came to understand that interpretive historical displays near St. Paul Harbor were necessary and appropriate primarily because while the harbor is the historical center of Kodiak, little information was available there for visitors and residents to gain an understanding of the commercial fishing and processing industry and its role in the economic and cultural history of the town. The museum also understood that the harbor was the town's signature tourist attraction, and that interpretive facilities there would improve both the business climate for local retail establishments and the cultural ambience of the downtown core.

With these things in mind, in 2002 Kodiak Maritime Museum designed and built a series of interpretive panels for the walkway overlooking the west side of the harbor on Shelikof St. The fourteen all-weather panels help explain the commercial fishing industry and working waterfront activities to visitors, students, and non-fishing residents. Funding for the \$50,000 project came from the City of Kodiak, the Kodiak Island Borough, and KMM. The signs are informative, free, available 24 hours a day, and have become one of the most heavily visited attractions in downtown Kodiak.

To continue this interpretive effort, in the early 2000's the museum began seeking a historically significant fishing vessel as the centerpiece of an interpretive exhibit which would tell the story of Kodiak's commercial salmon industry and other stories relevant to the harbor. In 2006, the museum acquired the *Thelma C* and completed some preliminary interpretive planning in 2007. In 2011, with the receipt of a \$298,000 grant from the Alaska Legislature, the museum began refurbishing the boat to its original 1965 configuration and designing the exhibit which would be built around the vessel.

With the recently completed sidewalk from Pier II to the harbor, there is more need than ever to offer pedestrian friendly attractions to visitors in the downtown area. The *Thelma C* Exhibit helps to meet that need, and indeed, the City's 2010 Landscape Master Plan includes the *Thelma C* Exhibit as part of the overall interpretive design for the harbor area.

***Thelma C* Vessel History**

The *Thelma C* was built at Commercial Marine in Seattle from a vessel design by famed marine architect, William Garden, for an Afognak Island Native, Ken Christoffersen. Mr. Christoffersen contracted for the new boat when his original vessel was lost in the tsunami in Valdez following the March 1964, Great Alaskan Earthquake. He sailed the *Thelma C* to Alaska in the spring of 1965.

In the years following the earthquake hundreds of these Bill Garden-designed boats were built at Commercial Marine for the Alaskan salmon fishery and eventually became known collectively as "earthquake boats." While they were ubiquitous in harbors around the Gulf of Alaska for decades, over the years, one by one, these vessels sank, burned, grounded or became derelict in boat yards and harbors around the Gulf.

The *Thelma C* served Mr. Christoffersen well however, and he fished salmon, halibut, and crab with the *Thelma C*, for many years before retiring in the 1980s. The boat was subsequently fished out of Kodiak by several other owners until its last skipper, Mark Thomas, donated the boat to KMM in 2006. The museum believes the *Thelma C* is the last surviving example of these beautiful, hardworking, and historic vessels.

Thelma C Exhibit Design In 2012, with funding from a 2011 “Harbor Gateway,” Legislative grant, Barnes Architecture worked with the museum to create an architectural design for the exhibit. The design calls for boat built to be mounted in a specially built cradle on a small concrete plaza near the harbor. Pedestrian ramps will provide ADA compliant access to the deck level to allow visitors to examine the boat’s deck and rigging. Due to safety concerns, visitors will not be able to set foot on the boat however. An open sided steel frame pavilion will keep weather off the boat, and a set of outdoor interpretive panels will help visitors understand the vessel in the context of the long history of Kodiak’s commercial salmon fishing industry.

Project Goals

The *Thelma C* Exhibit will tell several stories- the story of the *Thelma C* herself, a brief history of Kodiak’s salmon fishery, how the 1964 earthquake and tsunami effected Kodiak’s harbor, and the personal stories of fishermen who fished on the boat. With these threads of local history and culture woven through the exhibit, KMM believes the exhibit will be a major addition to the cultural infrastructure of Kodiak’s city center.

Project History and Implementation Timeline

2004 - KMM Board members present a concept plan for a downtown fishing boat display to the Kodiak City Council. The Council discusses and voices support for the project, with the stipulation that the project be reviewed by the Kodiak Ports and Harbors Advisory Board.

2006 - KMM acquires the *Thelma C* and begins searching for funding for the project.

2009 - The Kodiak Ports and Harbors Advisory Board approves a site for the project on City land on the harbor spit adjacent to Oscar’s Dock.

2011 - The Alaska Legislature grants KMM \$298,000 to reconstruct the *Thelma C*, and design and build an outdoor exhibit around the boat.

Spring 2012 - KMM moves the *Thelma C* to a temporary building at Kodiak College and with a team of volunteers and two hired shipwrights, rebuilds the boat to its original 1965 configuration.

Fall 2012 - KMM receives architectural drawings from Barnes Architecture describing the exhibit site platform and retaining wall, and overhead pavilion roof.

September -December 2013 - U.S. Army Corps of Engineers issues wetlands permit authorizing construction of the project in the tidal zone of Kodiak harbor. Kodiak Island Borough issues a zoning compliance permit for the project.

December 2014 KMM begins working with Exhibit AK, a Juneau based interpretive design firm, to design interpretive panels. Community involvement is part of this process, as the museum strives to include the voices and stories of the salmon industry into the exhibit.

Fall 2015

KMM approves a construction plan tendered by Brechan Inc., which modifies the 2012 architectural plan to fit within existing and foreseeable funding. With this construction plan in hand and site control lease from the City of Kodiak, the museum plans to begin construction of the foundation and viewing platform in the fall of 2016, with expected completion within 90 days.

December 2016 A geotechnical survey of the original project site, adjacent to Oscar's Dock on the harbor side of the harbor spit, reveals that the cost to build the exhibit there would be prohibitive. KMM begins working with the City to move the project site across the spit and adjacent to Trident Seafoods.

Spring 2016 The museum continues to work with supporters to complete a funding plan to finish the project. Major funders as of June 2016 include the Alaska Legislature, National Park Service, City of Kodiak, and the Kodiak Island Borough. Further funding is pending from the City of Kodiak, Rasmuson Foundation and M.J. Murdock Foundation. Planning for a capital campaign to enlist local and industry donors is underway.

May 2016 The Kodiak City Council approves in principle moving the project to the new site adjacent to Trident Seafoods. A new site survey and zoning compliance are needed, but are expected to be created and approved in the summer of 2016

Project schedule looking forward:

September 2016 Begin construction of exhibit platform.

December 2016 Complete construction of exhibit platform.

January 2017 Installation of Thelma C on exhibit platform

March 2017 Complete construction of exhibit pavilion over vessel

March-June 2017 Construction and installation of interpretive panels

June 2017 Exhibit is complete

Thelma C Itemized Project Budget

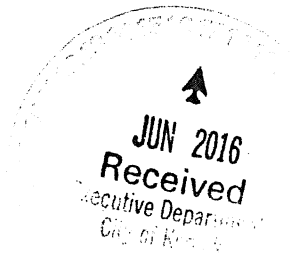
Legal name of organization: Kodiak Maritime Museum and Art Center

Date: June 1, 2016

Project title: Thelma C Interpretive Project

COSTS (Expenses)				SOURCES OF FUNDING (Revenue)			
Item List each project component	UNIT COST	Source of Unit Cost	Item cost (quote or estimate)	Pending Funding	Secured Funding	Other sources of funding - Name and list each source of revenue for each item.	Indicate whether revenue is pending, committed, or secured; whether cash or in-kind.
Exhibit Foundation				20,000		Murdock Trust	
Earthwork	172,000			71,269	100,731	Rasmuson Foundation AK Legislature Grant 2011	pending cash secured cash
Block retaining wall	68,000			8,500		Rasmuson Foundation	
Steps	2,500				46,968	AK Legislature Grant 2011	secured cash
Slab & sidewalk	38,000				40,000	NPS Maritime Heritage	pending cash
				10,000.00		City of Kodiak	pending cash
				3,032		Capital Campaign	pending cash
Exhibit Foundation subtotal		Brechan Inc. quote 3/1/16	280,500			280,500	checksum
Building Package							
Building package	116,500	Brechan quote 4/20/16		100,000		Rasmuson Foundation	pending cash
Erection	55,000			16,500		Murdock Trust	pending cash
				55,000		Murdock Trust	pending cash
Electrical	25,800			15,000		Capital Campaign	pending cash
				10,800		Murdock Trust	pending cash
Building package subtotal		Brechan Inc. quote	197,300			186,500	checksum
Exhibit Components							
Panel Construction	30,000	KMM Estimate		15,000		Rasmuson Foundation	pending cash
				15,000		Murdock Trust	pending cash
Printing, Interpretive design	2,000	KMM estimate			700	AK Legislature Grant 2012	secured cash
					1,300	AK State Museum Grant	secured cash
Boat Cradle Construction	25,000	Arc&Spark Welding Estimate		15,000		Murdock Trust	pending cash
					10,000	NPS Maritime Heritage	pending cash
Thelma C construction 2012	99,774	Work complete			99,774	AK Legislature Grant 2011	secured cash
Move Boat to Exhibit Site	1,000	KMM Estimate			1,000	KMM Cash	committed cash
Boat cleanup / paint for exhibit	5,000	KMM Estimate		5,000		Capital Campaign	pending cash
Exhibit Components subtotal			162,774			162,774	checksum
Design, Engineering, Permitting							
Project Design (Barnes)	26,888	Contract bid			20,344	AK Legislature Grant 2011	secured cash
					6,544	AK Legislature Grant 2012	secured cash
	5,000	Design Contingencies 2016			5,000	AK Legislature Grant 2012	secured cash
COE Permit (PND)	12,500	Work complete			12,500	AK Legislature Grant 2011	secured cash
Site Geotech work (PND)	1,500	Work complete			1,500	AK Legislature Grant 2012	secured cash
Site Engineering (PND)	12,000	Contract bid			12,000	AK Legislature Grant 2012	secured cash
Boat Cradle Engineer (PND)	5,000	PND Estimate			5,000	AK Legislature Grant 2012	secured cash
Interpretive Design (ExhibitAK)	12,400	Contract bid			5,300	AK Legislature Grant 2011	secured cash
					2,100	AK State Museum Grant	secured cash
					5,000	City of Kodiak 2015	
Electric Utility Investigation	10,000	Kodiak Electric Assoc			10,000	AK Legislature Grant 2012	secured cash
Building Permit and Fees	1,000	City of Kodiak Estimate		1,000		City of Kodiak	pending in-kind
Project Manager	10,000	Kodiak Construction Services			10,000	AK Legislature Grant 2012	secured cash
Design, Eng, Permitting subtotal			96,288			96,288	checksum
Exhibit Site Land	50,000	Fair market value	50,000		50,000	City of Kodiak	secured in-kind 25 year lease \$10/year
Project Sub-total	786,862		786,862				
Contingency 5%	39,343		39,343	19,343		Capital Campaign	pending cash
						19,343	checksum
KMM Admin costs	34,912	KMM admin worksheet	34,912		12,383	AK Legislature Grant 2011	secured cash
					20,000	AK Legislature Grant 2012	secured cash
				2,529		Capital Campaign	
						34,912	checksum
TOTALS	861,117		861,117	382,973	478,144	861,117	checksum
	UNIT COST	Source of Unit Cost	Item cost (quote or estimate)	Pending Funding	Secured Funding	Other sources of funding - Name and list each source of revenue for each item.	Indicate whether revenue is pending, committed, or secured; whether cash or in-kind.
				44.5%	55.5%	100.0%	checksum
				Pending Funding	Secured Funding	Funding sources	
			15.4%	132,300		M.J. Murdock Trust	
			22.6%	194,769		Rasmuson Foundation	
			5.8%		50,000	National Park Service Maritime Heritage Grant	
			5.2%	44,904		Capital Campaign	
			34.6%		298,000	Alaska Legislature 2011 grant	
			8.2%		70,744	Alaska Legislature 2012 grant	
			0.4%		3,400	AK State Museum Grant in aid	
			6.4%	11,000	55,000	City of Kodiak	
			0.1%		1,000	Kodiak Maritime Museum	
			98.7%	382,973	478,144	861,117	
				44.5%	55.5%	100.0%	

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.



ORGANIZATIONAL OVERVIEW

Organization Name Kodiak Public Broadcasting Corporation
Mailing Address 620 Egan Way Kodiak Ak 99615
Telephone No. 907-486-3181 Fax No. 907-486-2733
Email gm@kmxt.org
Federal Employer Tax ID Number 23-7422357
Contact Person Michael J. Wall General Manager

Contact Person *Michael J. Wall* Printed Name Signature
June 16 2016 Title Date

List of Board Members and Officers:

- | | |
|--|------------------------------------|
| <u>Jared Griffin- President</u> | <u>Jody Spivey- Vice President</u> |
| <u>Kathryn Hollis-Buchanan-Treasurer</u> | <u>Lindsey Howell- Treasurer</u> |
| <u>Sally Troxell-Member</u> | <u>Anthony White-Member</u> |
| <u>Bill Bissett-Member</u> | <u>Pam Barela-Member</u> |

Does agency have 501(c)3 status from the IRS? Yes No

If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.

If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

1. We broadcast public and local radio programming live and via the internet,
2. We maintain emergency services and are prepared to relay information to the community in the case of an emergency,
3. We provide forums for community-wide issues and activities over the airwaves and at events throughout the community, and
4. We train community members in a variety of media-related activities.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? Our services are available to ALL of them

Please attach a copy of the organization's Mission Statement.

How does your agency collaborate with other local nonprofit organizations?

We provide forums, new stories, public service announcements, and enhanced public service announcements for all of the nonprofits. We assist most of the nonprofits in town who wish to promote their events and pass on information about what they're up to. We work collaboratively with many of the nonprofits in town by participating in the nonprofit network group. We help and plan group trainings many other organizations participate in. We're now moving into doing joint fundraising with some of the other nonprofits who've expressed interest. We host a community calendar on our website that's become the "go-to" place for people wanting to know what's going on in town on any given day. We're still in the process of developing a weekly talk show in collaboration with the Kodiak Community Foundation where we'll be showcasing nonprofit issues during the show.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Emergency Response Support Programs Amount \$10,000

Explanation:

KMXT is a critical part of the local emergency service network. We are prepared to broadcast emergency information over the airwaves when needed. The Chiniak fire last year was a good example of what we're capable of doing when called upon and wound up with us winning a Second Place Award from the Ak Press Club for, staying up, on the air, all night, to relay information to the worried public. We test our equipment regularly and have full backup systems in place. We train volunteers for emergencies. We air your meetings.

Category Adult Recreation Programs Amount \$5,000

Explanation:

Our organization offers all adults and young adults in the community a rare opportunity to do something very few places in US allow: the opportunity to learn and become a radio announcer, reporter or editor. We offer free training for anyone willing to take the time to learn. We teach a variety of skills and have trained hundreds.

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$15,000

What percentage of funds will be used for administrative costs? 0

What percentage of funds will be used for direct services? \$15,000

How will the funds be used?

As we've done in the past, we'd like to use the funding exclusively for general operating expenses and, as in the past, we ONLY expend City funding for electricity, heat, telephone and insurance bills.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal <u>\$126,743</u>	State <u>\$137,334</u>
City of Kodiak <u>\$15,000</u>	Kodiak Is. Borough <u>\$8,100</u>
Parent Organization _____	Corporate Grants _____
Foundations _____	Client Fees <u>\$80,926</u>
Donations (Included in Members) _____	Memberships <u>\$73,017</u>
Interest <u>\$10,518</u>	Gaming Permit Activities (pull tabs, raffles etc.) <u>\$78,902</u>

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

Our State grant requires no local match. Our federal grant requires a match of approximately 25% right now. Our federal cap level is due to increase this year and for us to be able to qualify at the current funding level we need to now generate \$300,000 in local revenue a year to qualify as a Level C station.

What effects will there be and what alternative plans does your agency have if City funding is not received?

We're like many organizations in the State these days: seriously challenged to continue doing what we do with less State and local funding. We've already taken a serious hit from the State and our funding is still uncertain as of today. Our federal funding is being challenged. We're looking at cutting programming and, perhaps, staff.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs)	25 points
Grant reports submitted to City as required	25 points
Number of City residents served	25 points
Other sources of applicant funding identified	25 points

CITY OF KODIAK GRANT REPORT

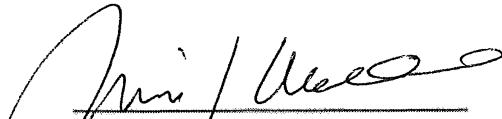
Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Kodiak Public Broadcasting Corporation
Program:	Emergency Response & Adult Recreation
2015-2016 Grant Amount:	\$15,000
Amount Expended Year-to-Date:	\$12,082.34
Balance:	\$2,917.66

Describe accomplishments with grant funds.

We've spent, to date, \$5,275 for electricity from KEA for the main station, \$3,077 for electricity through Aksala for service up on Pillar, \$980.24 for heat, \$1,500 for phone services and \$1,250.10 for insurance bills.

If you have not expended all funds, please describe how and when you intend to spend the balance. Our bookkeeper has these funds earmarked to be expended out totally by the end of our fiscal year. We'll be paying bills in those same operating expense categories we've previously expended your grant for.


Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

Internal Revenue Service
District Director

Department of the Treasury

Date: AUG 5 1980

Our Letter Dated:
January 24, 1975

Person to Contact:
John Sutton

Contact Telephone Number:
(206) 442-5106

Kodiak Public Broadcasting
Corporation
P.O. Box 484
Kodiak, AK 99615

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

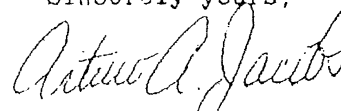
Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section *See below. Your exempt status under section 501(c)(3) of the code is still in effect.

Grantors and contributors may rely on this determination until the Internal Revenue Service publishes notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Arturo A. Jacobs
District Director

*509(a)(1) and 170(b)(1)(A)(vi)

915 Second Avenue, Seattle, Wash. 98174

Letter 1050 (DO) (7-77)

Attachment f.

Mission Statement

The mission of Kodiak Public Broadcasting Corporation is to educate, entertain, enlighten, and empower the diverse people of the Kodiak region; to foster a deeper understanding of events, ideas, and cultures in an open vigorous and responsible manner; to provide a communication and emergency link; and to encourage community participation in this mission.

Kodiak Public Broadcasting Corp
City Detail
July 1, 2015 through June 17, 2016

Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance
Income									
6200 · City Grant									
Deposit	09/10/2015		City of Kodiak	City grant pa...	City Gra...		1000 · First N...	15,000.00	15,000.00
Total 6200 · City Grant								15,000.00	15,000.00
Total Income								15,000.00	15,000.00
Expense									
8705 · Electricity									
Bill	07/31/2015	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	631.00	631.00
Bill	09/30/2015	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	765.00	1,396.00
Bill	10/31/2015	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	717.00	2,113.00
Bill	11/23/2015	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	577.00	2,690.00
Bill	11/23/2015	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	293.00	2,983.00
Bill	12/31/2015	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	469.00	3,452.00
Bill	01/31/2016	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	413.00	3,865.00
Bill	01/31/2016	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	347.00	4,212.00
Bill	05/25/2016	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	273.00	4,485.00
Bill	05/31/2016	5020...	Kodiak Electric Ass...	KEA	City Gra...		2000 · Accoun...	790.00	5,275.00
Total 8705 · Electricity								5,275.00	5,275.00
8706 · Electricity/Aksala									
Bill	07/01/2015	19791	Aksala Electronics I...	July power c...	City Gra...		2000 · Accoun...	304.00	304.00
Bill	07/31/2015	19808	Aksala Electronics I...	August Powe...	City Gra...		2000 · Accoun...	304.00	608.00
Bill	08/31/2015	19825	Aksala Electronics I...	Sept Power ...	City Gra...		2000 · Accoun...	304.00	912.00
Bill	11/03/2015	19876	Aksala Electronics I...	November po...	City Gra...		2000 · Accoun...	304.00	1,216.00
Bill	12/31/2015	19929	Aksala Electronics I...	January pow...	City Gra...		2000 · Accoun...	341.00	1,557.00
Bill	01/29/2016	19964	Aksala Electronics I...	Feb power sh...	City Gra...		2000 · Accoun...	304.00	1,861.00
Bill	02/26/2016	19982	Aksala Electronics I...	March power ...	City Gra...		2000 · Accoun...	304.00	2,165.00
Bill	04/01/2016	19999	Aksala Electronics I...	April power s...	City Gra...		2000 · Accoun...	304.00	2,469.00
Bill	04/29/2016	20033	Aksala Electronics I...	May Powersh...	City Gra...		2000 · Accoun...	304.00	2,773.00
Bill	06/01/2016	43612	Aksala Electronics I...	June Power ...	City Gra...		2000 · Accoun...	304.00	3,077.00
Total 8706 · Electricity/Aksala								3,077.00	3,077.00
8710 · Heat									
Bill	09/23/2015	4-28-...	Petro Star Inc	Petro Star	City Gra...		2000 · Accoun...	250.36	250.36
Bill	01/20/2016	4-28-...	Petro Star Inc	Petro Star	City Gra...		2000 · Accoun...	426.66	677.02
Bill	05/04/2016	4-28-...	Petro Star Inc	Petro Star	City Gra...		2000 · Accoun...	223.34	900.36
Bill	05/04/2016	4-28-...	Petro Star Inc	Petro Star	City Gra...		2000 · Accoun...	79.88	980.24
Total 8710 · Heat								980.24	980.24

Kodiak Public Broadcasting Corp
City Detail
July 1, 2015 through June 17, 2016

Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance
8720 - Telephone									
Bill	07/05/2015	1893...	Alaska Communicat...	ACS	City Gra...		2000 · Accoun...	478.67	478.67
Bill	07/16/2015	4261...	GCI Wireless	GCI Wireless	City Gra...		2000 · Accoun...	193.55	672.22
Bill	08/05/2015	1893...	Alaska Communicat...	ACS	City Gra...		2000 · Accoun...	90.80	763.02
Bill	08/25/2015	4261...	GCI Wireless	GCI Wireless	City Gra...		2000 · Accoun...	193.55	956.57
Bill	09/16/2015	4261...	GCI Wireless	GCI Wireless	City Gra...		2000 · Accoun...	162.90	1,119.47
Bill	09/16/2015	4261...	GCI Wireless	GCI Wireless	City Gra...		2000 · Accoun...	30.65	1,150.12
Bill	10/04/2015	6673...	GCI Wireless	GCI Wireless	City Gra...		2000 · Accoun...	109.26	1,259.38
Bill	11/11/2015	6767...	GCI Wireless	GCI Wireless	City Gra...		2000 · Accoun...	158.63	1,418.01
Bill	12/05/2015	1893...	Alaska Communicat...	ACS	City Gra...		2000 · Accoun...	71.33	1,489.34
Bill	12/05/2015	1893...	Alaska Communicat...	ACS	City Gra...		2000 · Accoun...	10.66	1,500.00
Total 8720 - Telephone								1,500.00	1,500.00
8730 - Insurance									
Bill	07/07/2015	6486...	Allstate Insurance ...	Allstate Insur...	City Gra...		2000 · Accoun...	250.00	250.00
Bill	07/16/2015	6486...	Allstate Insurance ...	Allstate Com...	City Gra...		2000 · Accoun...	417.24	667.24
Bill	08/10/2015	6486...	Allstate Insurance ...	Allstate	City Gra...		2000 · Accoun...	82.86	750.10
Bill	10/09/2015	6486...	Allstate Insurance ...	Allstate	City Gra...		2000 · Accoun...	417.24	1,167.34
Bill	12/09/2015	6486...	Allstate Insurance ...	Allstate	City Gra...		2000 · Accoun...	82.76	1,250.10
Total 8730 - Insurance								1,250.10	1,250.10
Total Expense								12,082.34	12,082.34
Net Income								2,917.66	2,917.66

**Kodiak Public Broadcasting
Corporation**

Financial Statements

For the Years Ended June 30, 2015 and 2014

Kodiak Public Broadcasting Corporation

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Statement of Functional Expenses – Year Ended June 30, 2014	7
Notes to Financial Statements.....	8-15

Independent Auditor's Report

To the Board of Directors
Kodiak Public Broadcasting Corporation
Kodiak, Alaska

We have audited the accompanying financial statements of Kodiak Public Broadcasting Corporation (a non-profit Corporation), which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kodiak Public Broadcasting Corporation as of June 30, 2015 and 2014, and the changes of its net assets, cash flows and functional expenses for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting & Forensic Services, PC

January 20, 2016

305 Eagle Street, Anchorage, Alaska 99501
Phone 907-334-9501 | Fax 907-334-9502

William J. Schmid, CPA (bill@afs-pc.us) Susan M. Spyker, CPA, CVA, MAFF (sue@afs-pc.us)

Kodiak Public Broadcasting Corporation

Statements of Financial Position

June 30, 2015 and 2014

Assets

	June 30,	
	2015	2014
Current Assets		
Cash	\$ 86,782	\$ 82,783
Grants and other receivables - net of allowance	53,427	53,842
Prepaid expenses	6,291	10,767
Total current assets	146,500	147,392
Investment in marketable securities	470,855	460,337
Investment in joint venture	21,200	18,200
Property and equipment - net of accumulated depreciation	437,961	451,358
Total Assets	\$ 1,076,516	\$ 1,077,287

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ 9,772	\$ 14,385
Accrued payroll and related liabilities	30,165	28,122
Deferred revenue	34,407	23,732
Total current liabilities	74,344	66,239
Net Assets		
Unrestricted	1,002,172	1,011,048
Temporarily restricted	-	-
Total net assets	1,002,172	1,011,048
Total Liabilities and Net Assets	\$ 1,076,516	\$ 1,077,287

See accompanying notes.

Kodiak Public Broadcasting Corporation

Statement of Activities

For the Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains and Other Support			
State and local grants	\$ 165,999	\$ -	\$ 165,999
CPB grants	99,567	27,176	126,743
Underwriting	80,926	-	80,926
In-kind contributions	52,978	-	52,978
Memberships and donations	73,017	-	73,017
Fundraising and gaming	94,723	-	94,723
Premium sales	475	-	475
Other revenue	4,421	-	4,421
Investment return, net of fees \$4,315	10,518	-	10,518
Net assets released from restriction:			
Purpose restrictions met	27,176	(27,176)	-
Total revenue, gains and other support	609,800	-	609,800
Expenses			
Programming and production	279,992	-	279,992
Technical and broadcasting	55,205	-	55,205
Fundraising and development	132,677	-	132,677
Management and general	150,802	-	150,802
Total expenses	618,676	-	618,676
Increase (decrease) in Net Assets	(8,876)	-	(8,876)
Net Assets - beginning of year	1,011,048	-	1,011,048
Net Assets - end of year	\$ 1,002,172	\$ -	\$ 1,002,172

See accompanying notes.

Kodiak Public Broadcasting Corporation

Statement of Activities

For the Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue, Gains and Other Support			
State and local grants	\$ 164,388	\$ -	\$ 164,388
CPB grants	106,276	28,738	135,014
Underwriting	103,534	-	103,534
In-kind contributions	53,670	-	53,670
Memberships and donations	66,010	-	66,010
Fundraising and gaming	104,537	-	104,537
Premium sales	200	-	200
Other revenue	1,099	-	1,099
Investment return, net of fees \$4,324	60,806	-	60,806
Net assets released from restriction:			
Purpose restrictions met	28,738	(28,738)	-
Total revenue, gains and other support	689,258	-	689,258
Expenses			
Programming and production	291,223	-	291,223
Technical and broadcasting	61,471	-	61,471
Fundraising and development	140,565	-	140,565
Management and general	159,077	-	159,077
Total expenses	652,336	-	652,336
Increase in Net Assets	36,922	-	36,922
Net Assets - beginning of year	974,126	-	974,126
Net Assets - end of year	\$ 1,011,048	\$ -	\$ 1,011,048

See accompanying notes.

Kodiak Public Broadcasting Corporation

Statements of Cash Flows

For the Years Ended June 30, 2015 and 2014

	June 30,	
	2015	2014
Cash Flows From Operating Activities		
Increase in net assets	\$ (8,876)	\$ 36,922
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	33,132	58,268
(Increase) decrease in current assets:		
Underwriting and other receivables	416	(15,914)
Prepaid expenses	4,476	(1,640)
Increase (decrease) in current liabilities:		
Accounts payable	(4,613)	3,373
Accrued payroll and related liabilities	2,043	5,756
Deferred revenue	10,675	(10,062)
Net cash provided by operating activities	37,253	76,703
Cash Flows From Investing Activities		
Investment in money market account, net	(10,518)	(60,805)
Investment in SMS-KMXT Joint Venture, net	(3,000)	(5,000)
Acquisition of property and equipment	(19,736)	(24,165)
Net cash (used) by investing activities	(33,254)	(89,970)
Net (Decrease) in Cash	3,999	(13,267)
Cash - beginning of year	82,783	96,050
Cash - end of year	\$ 86,782	\$ 82,783

See accompanying notes.

Kodiak Public Broadcasting Corporation

Statement of Functional Expenses

For the Year Ended June 30, 2015

	Program Services		Supporting Services		Total
	Programming and Production	Technical and Broadcasting	Fundraising and Development	Administration	
Salaries and benefits	\$ 158,402	\$ -	\$ 94,946	\$ 86,092	\$ 339,440
In-kind expense	-	32,227	1,280	\$ 19,471	52,978
Programs and network fees	75,515	-	-	-	75,515
Fundraising expenses/premiums	-	-	32,277	-	32,277
Depreciation	20,542	8,283	-	4,307	33,132
Accounting and legal	-	-	-	24,880	24,880
Contract services	-	190	-	-	190
Utilities	7,355	3,625	1,985	3,095	16,060
Insurance	3,126	600	-	4,750	8,476
Office expense	655	2,073	1,137	1,226	5,091
News service	7,979	-	-	-	7,979
Board expense and training	-	-	-	1,001	1,001
Scholarships	-	-	-	-	-
Telephone and internet	4,606	500	1,022	3,697	9,825
Travel and per diem	-	866	-	1,486	2,352
Repairs and maintenance	-	6,841	-	-	6,841
Dues and publications	-	-	-	797	797
Production supplies	1,312	-	-	-	1,312
Volunteer expense	500	-	30	-	530
	\$ 279,992	\$ 55,205	\$ 132,677	\$ 150,802	\$ 618,676

See accompanying notes.

Kodiak Public Broadcasting Corporation

Statement of Functional Expenses

For the Year Ended June 30, 2014

	Program Services		Supporting Services		Total
	Programming and Production	Technical and Broadcasting	Fundraising and Development	Administration	
		\$	\$	\$	
Salaries and benefits	153,193	-	107,471	86,541	347,205
In-kind expense	-	32,227	1,280	20,163	53,670
Programs and network fees	74,979	-	-	-	74,979
Fundraising expenses/premiums	-	-	28,161	-	28,161
Depreciation	36,126	14,567	-	7,575	58,268
Accounting and legal	-	-	-	26,340	26,340
Contract services	-	541	-	-	541
Utilities	7,427	3,525	1,925	2,975	15,852
Insurance	2,498	600	-	5,314	8,412
Office expense	229	2,433	1,333	1,121	5,116
News service	8,044	-	-	-	8,044
Board expense and training	-	-	-	669	669
Scholarships	5,500	-	-	-	5,500
Telephone and internet	1,748	500	395	2,968	5,611
Travel and per diem	-	-	-	182	182
Repairs and maintenance	-	7,078	-	3,604	10,682
Dues and publications	115	-	-	1,625	1,740
Production supplies	1,343	-	-	-	1,343
Volunteer expense	21	-	-	-	21
	\$ 291,223	\$ 61,471	\$ 140,565	\$ 159,077	\$ 652,336

See accompanying notes.

Kodiak Public Broadcasting Corporation

Notes To Financial Statements

June 30, 2015 and 2014

Note 1 - Summary of Significant Accounting Policies

KMXT-FM Radio is owned and operated by Kodiak Public Broadcasting Corporation (the Organization), a nonprofit corporation located in Kodiak, Alaska. KMXT-FM is a public broadcasting station and receives a significant amount of its support from the Alaska Public Broadcasting Commission, the Corporation for Public Broadcasting, from membership revenues and other contributions from businesses and individuals in the Kodiak region.

The significant accounting policies followed by the Organization are summarized below:

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.

Basis of Presentation

The financial statement presentation follows the recommendations of the Accounting Standards Codification relating to Not-for Profit Organizations. 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.

Use of Estimates

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 revenues and expenses. Actual results could differ from those estimates.

Property and Equipment

Property and equipment with expected useful lives in excess of one year are recorded at cost or, in the case of donated property, at estimated fair value. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets, which range from 3 to 40 years. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Temporarily restricted net assets are reclassified to unrestricted net assets at that time.

Kodiak Public Broadcasting Corporation

Notes To Financial Statements

June 30, 2015 and 2014

Note 1 - Summary of Significant Accounting Policies - Continued

Donated Services

Contributions of time and services are included in the financial statements if the services (1) would need to be purchased if not provided by donation, (2) require special skills and are provided by individuals who possess these skills, or (3) create or enhance non-financial assets.

Support, Revenue and Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. 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.

Pledges

The Organization engages in fundraising campaigns manifested by offering special radio programs accompanied by on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Organization for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding listeners. Uncollected pledges are not enforceable against contributors. Contributions and collected pledges are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Organization.

Program and Production Underwriting

Revenue from program underwriting is recorded on a pro rata basis for the period covered, and for production underwriting on an estimated percentage-of-completion basis. Unearned underwriting revenues are reported as a liability in the statement of financial position.

Kodiak Public Broadcasting Corporation

Notes To Financial Statements

June 30, 2015 and 2014

Note 1 - Summary of Significant Accounting Policies - Continued

Functional Expenses

Expenses are charged to program and supporting services on the basis of periodic time and expense studies and direct identification of expenditures incurred. Expenses not directly chargeable are allocated based on direct labor costs and estimates of actual usage.

Reclassifications

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

Income Taxes

Kodiak Public Broadcasting Corporation was incorporated under the laws of the State of Alaska as a nonprofit corporation and is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation. Tax returns are subject to examination by the Internal Revenue Service, generally for 3 years after they were filed.

Note 2 - Grants and Other Receivables

Receivables consist of the following:

	June 30,	
	2015	2014
Underwriting receivables	\$ 51,973	\$ 49,280
Pledges receivable	575	575
Gaming and other	1,129	4,237
	<u>53,677</u>	<u>54,092</u>
Less: allowance for estimated uncollectible accounts	(250)	(250)
	<u>\$ 53,427</u>	<u>\$ 53,842</u>

Kodiak Public Broadcasting Corporation

Notes To Financial Statements

June 30, 2015 and 2014

Note 3 – Investments

The Company's investments, none of which are held for trading purposes, are presented in the financial statements at fair market value. Realized and unrealized gains or losses are reported as unrestricted gains or losses in the statement of activities. Investments at June 30, 2015 and 2014 and investment returns for the years ended consist of the following:

<u>For the Year Ended June 30, 2015</u>	<u>Cost</u>	<u>Unrealized</u>		<u>Market Value</u>
		<u>Gain</u>	<u>Loss</u>	
Cash	\$ 56	-	-	\$ 56
Stocks	227,029	65,672	(220)	292,481
Mutual Funds	170,791	9,909	(2,382)	178,318
	<u>\$ 397,876</u>	<u>75,581</u>	<u>(2,602)</u>	<u>\$ 470,855</u>

Interest and dividend income	\$ 18,251
Unrealized investment gain/(loss)	(3,419)
	<u>\$ 14,832</u>

<u>For the Year Ended June 30, 2014</u>	<u>Cost</u>	<u>Unrealized</u>		<u>Market Value</u>
		<u>Gain</u>	<u>Loss</u>	
Cash	\$ 225	-	-	\$ 225
Stocks	227,052	68,623	(60)	295,615
Mutual Funds	156,662	7,835	-	164,497
	<u>\$ 383,939</u>	<u>76,458</u>	<u>(60)</u>	<u>\$ 460,337</u>

Interest and dividend income	\$ 16,041
Unrealized investment gain/(loss)	49,089
	<u>\$ 65,130</u>

The Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy (Level 1, 2, and 3) that prioritizes the inputs to valuation techniques used to measure fair value. Fair value of the Company's investments is determined based on quoted prices in active markets for identical assets, which are Level 1 assets in the fair value hierarchy.

Kodiak Public Broadcasting Corporation

Notes To Financial Statements

June 30, 2015 and 2014

Note 4 – Investment in Partnership

The Company has an investment in SMS-KMXT General Partnership, a pull-tab joint venture with St. Mary's School. The partnership is operated in Kodiak, Alaska. The investment in the partnership is accounted for using the equity method. Income from the partnership was \$78,902 and \$81,839 for the years ended June 30, 2015 and 2014, respectively.

Note 5 - Property and Equipment

Property and equipment are stated at cost and consist of the following:

	June 30,	
	2015	2014
Studio and broadcasting equipment	\$ 660,522	\$ 645,695
Building	500,919	497,254
Earth Stations and tower	126,036	126,036
Land	60,000	60,000
Office furnishings and equipment	130,209	128,965
	<u>1,477,686</u>	<u>1,457,950</u>
Less: accumulated depreciation	<u>1,039,725</u>	<u>1,006,592</u>
	<u>\$ 437,961</u>	<u>\$ 451,358</u>

Note 6 – Significant Grants and Awards

Corporation for Public Broadcasting:

The Corporation for Public Broadcasting (CPB) is a private, nonprofit organization and is the largest single source of funding for public radio, television, and related online and mobile services. CPB provides essential operational support for nearly 1,400 locally-owned and operated public television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities.

CSGs are used to augment the financial resources of public broadcasting stations and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients. The Organization uses these funds for purposes relating primarily to production and acquisition of programming and other operating activities. Also, the Grants may be used to sustain activities begun with Community Service Grants awarded in prior years.

Kodiak Public Broadcasting Corporation

Notes To Financial Statements

June 30, 2015 and 2014

Note 6 – Significant Grants and Awards, continued

Corporation for Public Broadcasting, continued:

CSGs are reported on the accompanying financial statements as unrestricted and temporarily restricted operating funds. Certain guidelines must be satisfied in connection with application for and use of the Grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, record keeping, audits, financial reporting and licensee status with the Federal Communications Commission.

In March 2005, the Organization was awarded an Internet Services Acquisition grant for \$15,000. The grant funds are restricted for the purchase of qualified website services from internet suppliers. As of June 30, 2008, the Organization had received \$10,000 and expended \$5,000 of the funds. The Organization was not in compliance with the grant spending timelines. Included in the accounts payable balance at June 30, 2015 and 2014 is \$5,000 representing the amount previously received, but not spent within the grant spending period.

State of Alaska:

The State of Alaska, through the Alaska Public Broadcasting Commission, provided grant awards totaling \$137,334 and \$ 138,220 for the years ending June 30, 2015 and 2014, respectively. Of those awards \$137,334 and \$138,220 were unrestricted funds that were fully expended during the years ended June 30, 2015 and 2014, respectively.

The Organization also received direct in-kind support from the State of Alaska through, Alaska Public Broadcasting Commission, Alaska Public Broadcasting Inc., and the Satellite Interconnection Project. The amount of the in-kind support for the years ending June 30, 2015 and 2014 was \$50,681 and \$51,253, respectively.

Local:

The Organization received a total of \$28,665 and \$25,000 in grants from the Borough and City of Kodiak for the years ending June 30, 2015 and 2014, respectively. The awards were unrestricted and fully expended during both years.

Kodiak Public Broadcasting Corporation

Notes To Financial Statements

June 30, 2015 and 2014

Note 7 - In-Kind Contributions

The values of non-cash contributions included in the financial statements are as follows:

	June 30,	
	2015	2014
Engineering and technical services	\$ 32,227	\$ 32,227
Fundraising support	1,280	1,280
Administrative support	19,471	20,163
	<u>\$ 52,978</u>	<u>\$ 53,670</u>

The Organization also benefited from volunteer services and other donations that were not recognized in the financial statements because they did not meet the criteria for recognition.

Note 8 - Concentrations

A significant amount of the Organization's funding comes from operating grants awarded by the State of Alaska and the Corporation for Public Broadcasting. The Organization receives approximately 47% of its direct funding from the Corporation for Public Broadcasting and the State of Alaska. Both funding sources are subject to budgetary pressures. A significant decline in funding from these sources could have a material impact on the Organization's operations.

Note 9 - Contingencies

The Organization's grantors require the fulfillment of certain conditions as set forth in funding agreements and by law and regulation. Failure to fulfill these conditions can result in the return of the funds to the grantors. Also, amounts reflected in the financial statements and expenses in prior periods have generally not been audited by grantor agencies. Accordingly, adjustments of amounts received could result if the awards were audited by such agencies. Management believes the material provisions of the grant awards have been accommodated and that no significant liability will result from the foregoing matters. Except for the amount included in accounts payable (Note 5), no liabilities for amounts which may be payable have been recorded in the accompanying financial statements.

National Public Radio, Inc. (NPR) operates the Public Radio Satellite System on behalf of all interconnected public radio stations and other public telecommunications entities. Excess capacity is leased to commercial entities. NPR reports this activity on its own tax returns. The IRS has declined to rule that reporting by NPR is appropriate and not separate reporting by the various 362 public radio and telecommunications entities. Kodiak Public Broadcasting, Inc. does not include any Public Radio Satellite System information in its tax returns.

Kodiak Public Broadcasting Corporation

Notes To Financial Statements

June 30, 2015 and 2014

Note 10 – Reclassification of Net Assets

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donor as follows:

	June 30,	
	2015	2014
CPB Comm Service Grant - National Programming	\$ 27,176	\$ 28,738

Note 11 – Deferred Revenue

	June 30,	
	2015	2014
Unearned underwriting revenue	\$ 34,407	\$ 23,732

The Organization records underwriting revenue for which the station has not fulfilled their portion of the underwriting agreement as deferred revenue.

Note 12 – Pension

The Organization has a defined contribution Savings Incentive Match Plan for Employees (SIMPLE) pension plan under Internal Revenue Code Section 408(p). The Organization matches 100% of employee contribution up to 3% of compensation. For the years ended June 30, 2015 and 2014 the Organization's contributions were \$7,200 and \$7,295, respectively.

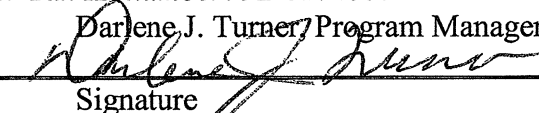
Note 13 – Subsequent Events

Management has evaluated subsequent events through January 20, 2016, the date on which the financial statements were available to be issued.

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016

↑
JUN 2016
Received
Executive Dep.

ORGANIZATIONAL OVERVIEW

Organization Name: Kodiak Teen Court
Mailing Address: 610 Upper Mill Bay Road, Kodiak AK 99615
Telephone No.: 486-3550
Fax No.: 486-3541
Email: darlene@kodiakteencourt.org or teencourt@kodiakteencourt.org
Federal Employer Tax ID number: 92-0174887
Contact Person: Darlene J. Turner, Program Manager
Contact Person:  6/1/16
Signature Date

List of Board Members:

Board President Arielle Himelbloom, Board Vice President Robert Otto , Secretary Solomon Himelbloom, Treasurer *Tim Luther, Board Members: Gabe Nummer, Rafael Bitanga, Josh Nummer, Stephanie Menijivar, Elbren Montuya, Joel Williams, Erica Kostelecky, Emma Sutton, Liz Spivey, Derek Rocheleau, Sophia Sannito, Lauren Hosier, *Judge Steve Cole, *Amanda Harber, *Teri Hosier, *Sgt. Tim Putney, *Kathleen Buchanan, *Alex Otto, and * Brian Himelbloom.

Advisory Members

Andrew Ott, Legal Advisor/Program Advisor, Darlene Turner, Executive Director/Program Manager

* Denotes Adult Board Members

Does Agency have 501(c) 3 status from IRS? Yes

If yes, please provide a letter from the IRS signifying agency's official non-profit tax exemption status.

(See Attachment #1)

SERVICES:

Kodiak Teen Court, Inc., founded in 1995, is a community based restorative justice project developed and operated in a manner consistent with the goals and recommendations of the *Alaska Governor's Conference on Youth and Justice*. Current teen attorneys and judges include Fifty Three (53) youth in grades 8-12; each has completed a three (3) month "Introduction to Law/Teen Court" class taught by Program volunteers in the classroom and courtroom. Seventeen (17) of these students are also gaining valuable leadership experience by serving as Corporation officers, Directors and Bar Association officers.

City of Kodiak Nonprofit Grant Application/Report

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Kodiak Teen Court members must participate in a minimum of four (4) CLE (Continuing Legal Education) training segments during each FY to remain active in the program.

Defendants are referred to Kodiak Teen Court in two ways. The Juvenile Probation Officer, with the concurrence of the minor and their parent/guardian, may refer youth following a screening process for suitability. This occurs within the terms of the "Youth Court Act", AS 47.12.400. In the second scenario, a minor may plead "guilty" or "no contest" in regular court to a charge of "Minor possessing or consuming alcohol or tobacco". With the concurrence of the judge or the magistrate, if the youth is 18 or younger they may elect deferral to Kodiak Teen Court for sentencing. In this case, Kodiak Teen Court serves as a "Community Diversion Panel" within the terms of AS 04.16.050(b) and AS 12.55.085.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?

Yes No

if yes, how do you plan to use the City's funding?

How many City residents will be served by this grant?

All City Residents will be served either directly or indirectly by this grant. Court sessions are held at the Kodiak State Courthouse and any defendant who is a resident of the City of Kodiak or the Borough and meets the eligibility parameters may be referred to the Program.

Within the scope of restorative Justice for youth offenders; which includes victims, (including businesses), witnesses, defendants, parents or guardians of defendants and the community-at-large.

Defendants perform community work service as part of their sentence for non-profit organizations and Local, State and Federal government agencies.

The community as a whole benefits from having youth take ownership of their conduct and holding them accountable for their actions and the competency development learned by the defendant. The community also benefits from the leadership role of the youth that serve as attorneys, judges and nonprofit board members with Kodiak Teen Court.

Please attach a copy of your Mission Statement.

(See Attachment #2)

How does your agency collaborate with other local nonprofit/government organizations?

Kodiak Teen Court Inc. Partners with the following agencies through MOA's.

City of Kodiak Nonprofit Grant Application/Report

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Kodiak Police Department
Alaska State Troopers
Alaska State Court System
Alaska District Attorney - Kodiak
Public Defender Agency - Kodiak
Division of Juvenile Justice State of Alaska
 Kodiak Juvenile Probation Office
Judge Steve Cole, State Superior Court Judge
Kodiak Area Native Association
 Prime for Life Class
 Substance Abuse Counseling
 Tobacco Cessation Counseling
Kodiak Island Borough School District
 Middle School
 High School
 Ms. Foy – Recommendation for PFL or Full Assessment by PKICC or
 KANA
Providence Kodiak Island Mental Health Center
 Prime for Life
 Substance Abuse Counseling
 Anger Management Counseling
Mr. Andrew Ott, Attorney-at-Law
Magistrate Dawson Williams, State District Court
Sun'aq Tribe of Kodiak, Tribal Court

The following Nonprofit/Government agencies accept referrals from KTC clients for Community Work Service:

Adult Basic Education Program (Kodiak College)
Alutiiq Museum
American Legion Post #17
Bayside Fire Station
Fir Terrace Apartments
Hope Community Resources
Humane Society (Kodiak Animal Shelter)
KMXT Radio Station
Kodiak Assembly of God Church
Kodiak College
Kodiak Fisheries Research Center (Kodiak Island Borough)

City of Kodiak Nonprofit Grant Application/Report
FY17

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Kodiak 4-H
 Kodiak Island Food Bank (Kodiak Baptist Mission)
 Kodiak High School
 Kodiak Island Convention & Visitor's Bureau
 Kodiak Island Housing Authority
 Kodiak Island Sportsman's Association
 Kodiak Lions Club
 Kodiak Public Library
 Kodiak Teen Court
 Kodiak Regional Aquiculture - Office
 Kodiak Women's Resource and Crisis Center
 Monk's Rock Coffee House and Bookstore
 Kodiak Senior Center
 Parks & Recreation Department (City of Kodiak)
 Salvation Army Thrift Store
 St. Innocent's Academy
 Threshold Recycling Service

FINANCIAL INFORMATION:

Funding will be granted only for the following kinds of programs/activities and up to the maximum identifies funding amount per organization, per program type:

Youth Recreation Programs	\$2,000
Adult Recreation Programs	\$5,000
Public Safety Support Programs	\$10,000
Emergency Response Support Programs	\$10,000

List category(s) of funding requested form the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category: Public Safety

Amount: \$5,000

Explanation:

Public Safety: Kodiak Teen Court offers a community based direct intervention for those who make mistakes early in their lives to constructively pay their debt to the community. It fosters an atmosphere of respect for the law and the community through the principle of judgment by peers and restitution for wrongs committed. Kodiak teen Court practices Restorative Justice.

Total funding request to the City of Kodiak: \$5,000

What percentage of funds will be used for administrative costs? 33%

What percentage of funds will be used for direct services? 66%

How will the funds be used? 33% Administrative - \$1,300 Program Insurance and \$366 for software up-grades and anti-virus up-dates; 66% Direct Costs -\$3,333 for training of attorneys and judges through bar meetings, Continuing Legal Education (CLE), and United Youth Courts of Alaska conferences.

Is your agency audited: ___ Yes _x__ No

The agency employs the services of Darlene Turner for disbursement of funds and financial report preparation to ensure compliance with accepted professional accounting practices.

The agency must also comply with all requirements of the State of Alaska DHSS/ DJJ Grant reporting process.

OTHER FUNDING SOURCES:

List amount of funding your agency received from other sources for this past fiscal year:

Federal:	-0-
State:	\$33,300
City of Kodiak	\$5,000
Kodiak Island Borough:	\$5,100 (in-kind office space)
Parent Organization:	-0-
Corporate Grants:	-0-
Foundations:	-0-
Client Fees:	-0-
Donations:	\$1,540
Interest:	-0-
Gaming permit activities (pull tabs, bingo, raffles):	-0-
Miscellaneous direct fund-raises e.g. School concession for games, car washes, bake sales, etc.:	\$2,324

If you receive state or federal grants, what is the percentage and amount of local match that is required for each grant your agency receives?

None

What effects will there be and what alternative plans does your agency have if City funding is not received?

Kodiak Teen Court, Inc. operates on a very basic budget for FY '16, based on currently known funding sources. This budget will continue to require a large amount of donated in-kind services and resources; the Program has a strong commitment of volunteer time. If City support is not received, the Program will have to reallocate its' financial resources and priorities to meet this need.

We continue to plan fund raising events by volunteers, and request funding from other non-profits, for-profit businesses to operate our program.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016)? Yes

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs)

25 points

Grant reports submitted to City as required

25 points

Number of City residents served

25 points

Other sources of applicant funding identified

25 points

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2013 through June 30, 2014.

Organization:	Kodiak Teen Court Inc.
Program:	Kodiak Teen Court
2015-2016 Grant Amount:	\$5,000.00
Amount Expended Year-to-Date:	\$5,000.00
Balance:	\$-0-

Describe accomplishments with grant funds.

Norton anti-virus software and computer software.

Paid the Program Insurance and administrative costs to the program.

Provided training to the Teen court attorneys and judges through bar meetings, Continuing Legal Education (CLE), and United Youth Courts of Alaska conferences.

If you have not expended all funds, please describe how and when you intend to spend the balance.



Signature

6-1-16

Date

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAR 14 2006**

KODIAK TEEN COURT INC
PO BOX 943
KODIAK, AK 99615-0000

Employer Identification Number:
92-0174887
DLN:
17053042707016
Contact Person:
SHAREN J LOCKLEAR ID# 31209
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated AUGUST 2003, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

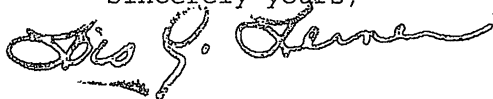
Based on the information you submitted, our letter dated JANUARY 2006 in which you were presumed to be a private foundation is hereby superseded. You are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Letter 1050 (DO/CG)

Kodiak Teen Court Mission Statement

Provide the structure and training in State Criminal Law, ethics and leadership to youth in our community by empowering the youth, through the Teen Court Bar Association, to provide an alternate adjudication and sentencing procedure for youthful offenders identified by Division of Juvenile Justice.

Kodiak Teen Court will offer an opportunity to those who make mistakes to constructively pay their debt to society without incurring a criminal record.

Kodiak Teen Court will foster an atmosphere of respect for the law through the principle of judgment by peers and restitution for wrongs committed.

Kodiak Teen Court will emulate State of Alaska adult criminal proceedings to provide an opportunity for youth to learn about the criminal justice system.

Kodiak Teen Court will serve the community of Kodiak and victims of juvenile crime. KTC will ensure that once a youth defendant is sentenced a combination of restorative justice measures including community service, paying restitution to the victim, writing apology letters, and other appropriate restorative justice sanctions authorized by the program are initiated. Kodiak Teen Court will work closely with other local service agencies to provide the best possible service to the youth in the program, the youth defendants served by the program and to the community service agencies to provide the best possible service to the youth involved in the program, the youth defendants served by the program and to the community

Attachment #2

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	Q
		STATE GRANT	KIB Grant	City Grant	LOCAL CASH	State Grants Remaining	Borough Funds Remain	City Grant Funds Remaining	Local Funds Remaining		First Quarter	Second Quarter	Third Quarter	Fourth Quarter		
1	FY15 Expenses															
2	PERSONAL SERVICES - 100															
3	Class Instructor - stipend	2,080.00				0						2080				
4	Legal Advisor - stipend	9,600.00				0					2274.99	2274.99	2274.99	2274.99	2775.03	
5	Program Manager	13,920.00				0					3354.99	3354.99	3354.99	3354.99	3855.03	
6	TRAVEL - 200															
7	Travel	3,000.00			6,682.38	0			1603.91			915.16	4678.4	3453.55	968.64	
8	Conference fee			968.64												
9	FACILITY EXPENSE - 300															
10	Rent - Office		5,100.00				0				5100					
11	Rent - High School				50.00				0		50					
12	Telephone/ Internet/skype	2,000.00				166.9					502.52	498.77	501.22	340.56		
13	Bank Fees				20.75				8.9		10.24	0.45	0.87	0.29		
14	Computer maintenance	0.00			650.00				422.27				147.74	79.99		
15	Software /adobe	0.00		255.00	9.86			0	1.38		13.99	14.99	104.28	129.97		
16	SUPPLIES - 400															
17	Office Supplies	1,000.00				162.5					351.04	184.15	302.31			
18	Postage	0.00			50.00				50.00							
19	Bar Meeting/CLE/Tng							0.00			265.27	75.44	1322.4	694.00		
20	Board Meeting				0.00											
21	Swearing-in				675.54				0.00				675.54			
22	Red Ribbon Campaign				0.00											
23	Plaques/ Annual Meet	0.00			2,500.00				870.36					1,629.64		
24	EQUIPMENT - 500															
25	Printer for Youth Attorneys							0.00					119.25			
26	OTHER - 600															
27	Professional Services	1,700.00				0.00						425.00	425	425	425	
28	Insurance	0.00		1,300.00				0.00							1300	
29	Printing/Advertising	0.00			300.00	0.00			300.00							
30	Dues KCC				125.00				0.00			125.00				
31	Dry Cleaning				50				50							
32	Other				663.39				158.28							
33	Restitution (pass through)															
34	Biennial Report															
35	TOTAL	33,300.00	5,100.00	5,000.00	11,776.92	329	0	0	\$3,465	0	0	425.00	425	425	425	1300

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	Q
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		Budget funding	amount remaining	Budget							
36	INCOME															
37	Fundraising								\$33,300	state						
38	Bake Sale	908.03	1264.44	1001.59			3,174.06	0	5100	borough						
39	Gift Wrapping			152			152.00	0	5000	city						
40	Donations	500	40	1000			1,540.00	0	1540	donation						
41	Amazon Smile					5	5.00		5	donation						
42	Local - Account Carry-over	6,905.86					6,905.86	0	\$10,232	local						
43	Restitution - pass through							0	\$55,177							
44	State Grant - DJJ	8,325	6909	8325	6660		33,300.00	3,081								
45	KIB Grant	5100					5,100.00	0								
46	City of Kodiak Grant	5000					5,000.00	0								
47	Total	26738.89	8213.44	10478.59	6665	52095.92	55,176.92	3081								

City of Kodiak
FY16 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016

JUN 2016
Received
Executive Depar
...

ORGANIZATIONAL OVERVIEW

Organization Name: Kodiak Women's Resource and Crisis Center-

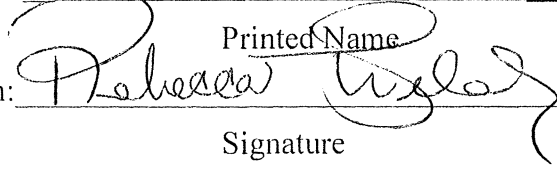
Mailing Address: 422 Hillside, Kodiak AK. 99615-

Telephone: (907) 486-6171 Fax No. (907) 486-4264

E-mail: rebecca@gci.net

Federal Employer Tax ID Number: 92-0070130

Contact Person: Rebecca Shields, Executive Director

Contact Person:	<u>Rebecca Shields</u>	<u>Executive Director</u>
	Printed Name	Title
		
	Signature	Date

List of Board Members and Officers: Elsa DeHeart President, Debbie Olson, Vice President
Heidi Barrett-McNerney, Treasurer, Megan Ivanoff, Secretary
Borghy Holm, Jonathan Strong

Does agency have 501 (c) 3? Yes X No

If *yes*, please provide letter from the IRS signifying agency's official non-profit tax exemption status. If *yes*, please include a letter from IRS signifying agency's non-profit tax exempt status.
ATTACHED

If *no*, have you applied for 501(c)3 status? Yes No

SERVICES

Please give brief description of organization's current programs in priority.

Immediate Safety- Shelter for women and children who are victims of Domestic Violence/ Sexual Assault (DV/SA). Safe Homes for male victims of DV/SA over 18 years of age and pets.

Crisis Intervention- For DV/SA and related issues. For personal/professional or other issues.

Community Education & Outreach re: DV/SA and related issues.

See Attachment: Goals & Objectives FY16

The City of Kodiak does not fund religious programs. Are agency's services faith-based? Yes
No X

If yes, how do you plan to use the City's funding? N/A

How many City residents will be served by this grant? KWRCC services are offered City wide/Island wide. See Attached Goals and Objectives and FY16 Grant Report.

Please attach a copy of the organization's Mission Statement. **ATTACHED**

How does your agency collaborate with other local nonprofit organizations?

KWRCC is a member of the Nonprofit Network. We work closely with Brother Frances Shelter, We have a MOU with the Animal Shelter, Senior Center. Our Collaborations are strong with KANA, Sun'aq, Providence Kodiak Island Counseling Center, Kodiak Police Department, Alaska State Troopers, Office of Children's Services, Kodiak Island School District. We are a resource agency. Services to our clients relies on coordination efforts. Please see attached Community Coordination

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the Maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special on-time funding increase for a special project is applied for (see page 3 of application) if approved

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested.

Category Public Safety Support Programs Amount \$10,000

Explanation: Direct Client Services Include:

- Temporary safe housing in shelter or Safe Homes for adults and their children who are victims or who are at risk of becoming victims of Domestic Violence and/or Sexual Assault.
- Crisis Intervention for Domestic Violence/ Sexual Assault issues as well as other personal or professional issues (includes operation of a 24-hour generic Crisis Line).

Indirect Services include:

- Local and Rural community outreach regarding DV/SA and related issues via public/private media, educational presentations and trainings geared to staff and clients of outside agencies and institutions, as well as schools, service organizations and the general population.

Category Emergency Response Support Programs Amount \$10,000

Explanation: Kodiak Women's Resource and Crisis Center is coordinating Kodiak's Sexual Assault Response Team (SART), as well as the Coordinated Community Response Team (CCR). Both teams are a collaborative effort between Kodiak Police Department, Alaska State Troopers, Kodiak Area Native Association, District Attorney Office and Kodiak Women's Resource and Crisis Center. This team will provide emergency response to Sexual Assault victims on the Island. These services will include forensic Interviews and exams with advocacy services to help guide victims through the legal process when criminal charges are being pursued. The CCR team is a first response system that coordinates services through the legal system for victims of Domestic Violence.

Total funding request to the City of Kodiak \$20,000

What percentage of the funds will be used for administrative costs?
0%

What percentage of funds will be used for direct services?
100%

How will the funds be used?

Under Public Safety Support Program the \$10,000 would be used to pay for Facility expenses such as utility bills, garbage, water, heat, electric, repairs, and maintenance.

Under the Emergency Response Support Program the \$10,000 would be used to pay for the forensic exams. This includes the expense of a medical provider's time and services and clinic expenses. The average cost of a exam is \$1,500. Space up keep and supplies for the exam room which will be co-located with the Child Advocacy Center run through Kodiak Native Association. Funding may also be utilized for sexual assault/CCR trainings, supplies, and emergency transportation for victims.

Is your agency audited? Yes No

If yes, how do you plan to use the City's funding?

See above total funding request. **Attached:** FY14-FY15 Audit.

Note: KWRCC is audited every other year.

Public Safety Support Program costs: \$10,000

City Grant (under Public Safety Support Program will continue to fund KWRCC's Facility Expense line item including all utility expenses such as garbage, water, heat, electricity, repairs, and maintenance needs.

Emergency Response Support Program costs: \$10,000

Forensic exams: including medical provider time and services and clinic expense (use of room and equipment). The average cost of exams are \$1,500 x 6 exams equals \$9,000. Supplies and up keep of space, \$1,000.

Total Funding Request from the City of Kodiak is \$20,000

See Attachment: Goals & Objectives FY17

See Attachment: Proposed Budget FY17

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

OTHER FUNDING SOURCES

List amount of funds your agency received from other sources for this past fiscal year:

FY15 (July 1, 2014 – June 30, 2015) **OPERATIONS** **CAPITAL**
PROJECT

Federal:	<u>FVPSA/VOCA</u>	<u>\$76,047</u>
State:	<u>CDVSA</u>	<u>\$340,167</u>
City:		<u>\$20,000</u>
AJJP:	<u>Rural Grant (sub-grantee)</u>	<u>\$12,000</u>
Sunaq Tribe:	<u>OVW (sub-grantee)</u>	<u>\$21,372</u>
State Of Alaska:	<u>Turning the Tide</u>	<u>\$42,624</u>
Client Fees/Shelter Fees:		<u>\$20,000</u>
Donations:		<u>\$30,000</u>
Interest:		<u>\$100</u>
Gaming permit activities:	<u>(pull tabs, bingo, raffle)</u>	
Fundraising: (other events)		<u>\$10,352</u>
Crossing Guard Duty:		<u>\$ 0</u>
Other: Membership dues		<u>\$ 2,000</u>
Inkind: goods and services		<u>\$97,978</u>

If you receive state or federal grants, what is the percentage and amount of local match that is required for each grant your agency receives?

Current:

FY16 State Grant	\$302,501	match = \$41,609
FVPSA	\$22,659	match = \$5,665
VOCA	\$91,054	match = \$22,764

FY17

FY17 State Grant	\$416,214	match = \$70,038
------------------	-----------	------------------

Note: The above figure is the amount requested in FY17 grant RFP. While KWRCC has been assured that our program has been funded, the amount awarded has not been announced. CDVSA may assign some Federal funding as part of the grant award for FY17. This will not be announced until after their funding decision August 15, 2016 Federal funding will require a 20% match.

What effects will there be and what alternative plans does your agency have if City funding is not received?

If KWRCC is not funded through City Emergency Response Support Program,

- A. Fewer SART exams on Island, pull money from other programs
- B. SART forensic exams will be referred off Island to Anchorage till funding source can be secured.

Progressive cuts to programs dependent upon level of funding from City for Public Safety and Support Program. KWRCC would have to shuffle funds to pay for facility expenses. We would have to take money out of programs to adjust. Following are suggested cutbacks dependent upon funding level from all sources.

- A. Reduce work hours of Outreach Coordinator
- B. Reduce travel to 1 trip per remote village
- C. Eliminate all travel to remote villages
- D. Eliminate Outreach Coordinator position

Progressive cuts to Administration

- A. No travel to Statewide Network meetings or trainings
- B. Reduce hours of Executive Director
- C. Reduce hours of Administrative Assistant

Progressive cuts to Immigrant Women's Program

- A. Reduce hours of Immigrant Outreach/Advocate
- B. Eliminate Immigrant Outreach/ Advocate position

Progressive cuts to Native Sexual Assault Advocate/Outreach

- A. Reduce hours of Native SA Advocate
- B. Eliminate position of Native SA Advocate

Progressive cuts to shelter staff

- A. Reduce hours of 3 full time Advocates
- B. Reduce hours of On-Call Relief Advocates

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016)? Yes X No

If yes, please complete the attached grant report on page 4 and submit it with this application.

ATTACHED

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs	25 points
Grant reports submitted to City as required	25 points
Number of City residents served	25 points
Other sources of applicant funding identified	25 points

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

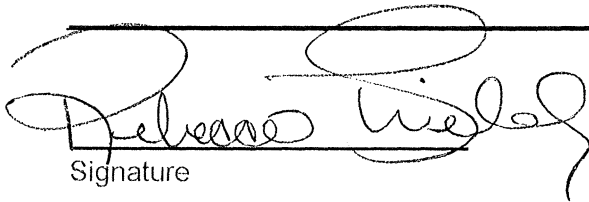
Organization:	Kodiak Women's Resource and Crisis Center
Program:	SART – Emergency Response Support
2015-2016 Grant Amount:	\$10,000
Amount Expended Year-to-Date:	\$1264.12
Balance:	\$8735.88

Describe accomplishments with grant funds

Kodiak Sexual Assault Response Team (SART) and Community Coordinated Response (CCR) has been active and serving our community. The team consists of Kodiak Police Department, Alaska State Troopers, Office of Children's Services, Child Advocacy Center, Sunaq Tribe Advocate, Public Health, and Kodiak Women's Resource and Crisis Center. SART is activated for Sexual Assault cases, and CCR is coordinated response to domestic violence cases. The Teams meet monthly to work on sealing the gaps in systems. So far in FY16 the team has been activated 19 times for cases. (See attached goal and objective report). Due to this team being in place, no victims have had to fly to Anchorage for Sexual Assault exams.

If you have not expended all funds, please describe how and when you intend to spend the balance.

We still have some outstanding bills that will be processed and paid by the end of this month (fiscal year). June is also when we order supplies for the program / client needs. We will have all monies spent out by June 30th 2016.



Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road
Kodiak, AK 99615

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

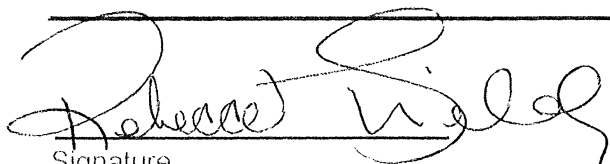
Organization:	Kodiak Women's Resource and Crisis Center
Program:	Shelter – Public Safety Support
2015-2016 Grant Amount:	\$10,000
Amount Expended Year-to-Date:	\$10,000
Balance:	\$0

Describe accomplishments with grant funds. _____

Please see attached Goal and Objective Report for FY16.

If you have not expended all funds, please describe how and when you intend to spend the balance.

This money is used to pay shelter facility utilities. We will have more utility expense to be paid before the end of this fiscal year. We have exceeded city grant funding, so monies will be pulled from other budgeted line items from other funding streams to cover expenses for the remainder of this fiscal year.


Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road
Kodiak, AK 99615



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248459775
Mar. 04, 2009 LTR 4168C E0
92-0070130 000000 00 000
00025611
BODC: TE

KODIAK WOMENS RESOURCE AND CRISIS
CENTER
PO BOX 2122
KODIAK AK 99615-2122



055478

Employer Identification Number: 92-0070130
Person to Contact: MISS CSINSI
Toll Free Telephone Number: 1-877-829-5500

Dear TAXPAYER:

This is in response to your request of Feb. 23, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in MAY 1979, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I

KODIAK WOMEN'S RESOURCE & CRISIS CENTER

MISSION STATEMENT

The goal of the Kodiak Women's Resource and Crisis Center(KWRCC) is to help women develop inner strength and achieve their full potential.

We are dedicated to the prevention and elimination of Domestic Violence and Sexual Assault (DV/SA) by providing education and promoting community awareness.

KWRCC provides resources and crisis services to the community, as well as shelter for women and their children who are victims of Domestic Violence and Sexual Assault.

Approved 4/1/86

Kodiak Women's Resource and Crisis Center
Victim Service Programs 2016-2017

Standardized Goals & Objectives

- Immediate safety

Goal I: Ensure immediate safety by providing emergency services for victims of domestic violence and sexual assault and their children.

Obj:1.1 Provide (2,500) nights of safe shelter to (45) adult victims and (30) children.

Obj: 1.2 Provide emergency transportation to (Kodiak) for (4) adult victims & (4) children.

- Crisis intervention

Goal II: Ensure safety by providing crisis intervention and advocacy for victims of domestic violence, sexual assault, and other violent crimes.

Obj: 11.1 Maintain a 24 hour crisis line and respond to (90) crisis calls.

Obj: 11.2 Provide (3,500) individual advocacy services to (275) individuals.

Obj: 11.3 Provide (1,500) systems advocacy services to (275) individuals.

Obj:11.4 Provide (500) legal advocacy services to (275) individuals.

Obj: 11.5 Provide (8) accompaniments to sexual assault survivors during forensic or medical exams.

Obj: 11.6 Provide (300) adult survivors with support/education groups for a total of (130) group contacts.

- Children's services

Goal III: Reduce the impact of domestic violence and sexual assault on children who have been exposed to these forms of violence.

Obj: III.1 Provide (1,200) individual advocacy services to (30) children.

Obj: III.2 Provide (1,000) systems advocacy services to (30) children.

Obj: III.3 Provide (100) legal advocacy services to (30) children.

Obj: III.4 Provide (86) age-appropriate support/education group contacts for (30) children.

Obj: III.5 Provide (86) contacts of childcare for (30) children.

- Services to non-offender family members

GOAL IV: Reduce the impact of violence on non-offender family members.

Obj: IV.1 Provide (3,000) support services and referrals to (1,000) non-offending family members of victims of violent crime.

- Education and Community Coordination

GOAL V: Strengthen community response to domestic violence and sexual assault through outreach, education, and prevention programs.

Obj: V.1 Provide (10) trainings to (35) village/community service, safe home, and rural service providers.

Obj: V.2 Provide (30) age-appropriate presentations to (800) students.

Obj: V.3 Provide (20) trainings to (120) first responders who interact with victims of violence.

Obj: V.4 Provide (65) educational presentations to community members on domestic violence and sexual assault.

Kodiak Women's Resource and Crisis Center
For City of Kodiak
FY16 Victim Service Quarterly Goals & Objectives Report

Program: Kodiak Women's Resource Center

July 1, 2015 - March 31 2016

(4th quarter still in progress)

IMMEDIATE SAFETY

GOAL I: Ensure immediate safety by providing emergency services for victims of domestic violence and sexual assault and their children.

Obj. I.1 children.

	1st Q	2nd Q	3rd Q	4th Q	YTD
Nights	814	732	625		2171
Adults	29	21	28		78
Children	21	6	8		37

Obj. I.2 Provide emergency transportation to Kodiak for (4) adult victims and (4) children

	1st Q	2nd Q	3rd Q	4th Q	YTD
Adults	2	16	4		22
Children	1	2	0		3

Obj. I.3 Provide village-based emergency shelter to (X#) adult victims and (X#) children **(Not Applicable in Kodiak)**

	1st Q	2nd Q	3rd Q	4th Q	YTD
Adults	N/A	N/A	N/A	N/A	0
Children	N/A	N/A	N/A	N/A	0

Obj. I.4 (0) adult victims of domestic violence (only) had unmet requests for shelter due to program capacity. (FVPSA requirement)

	1st Q	2nd Q	3rd Q	4th Q	YTD
Adult victims	0	0	0		0

CRISIS INTERVENTION

Goal II: Ensure safety by providing crisis intervention and advocacy for victims of domestic violence, sexual assault, and other violent crimes

Obj. II.1 Maintain a 24-hour crisis line and respond to (90) crisis calls.

	1st Q	2nd Q	3rd Q	4th Q	YTD
Crisis Calls	27	19	10		56

Obj. II.2 Provide (3,500) individual advocacy services to (275) individuals.

	1st Q	2nd Q	3rd Q	4th Q	YTD
Individual advocacy	1,373	1193	902		3468
Individuals	102	152	124		378

Obj. II.3 Provide (1,500) systems advocacy services to (275) individuals.

	1st Q	2nd Q	3rd Q	4th Q	YTD
Systems advocacy	326	1891	2587		4804
Individuals	102	152	124		378

Obj. II.4 Provide (500) legal advocacy services to (275) individuals.

	1st Q	2nd Q	3rd Q	4th Q	YTD
Legal advocacy	227	370	195		792
Individuals	102	152	124		378

Obj. II.5 Provide (6) accompaniments to sexual assault survivors during forensic or medical exams

	1st Q	2nd Q	3rd Q	4th Q	YTD
Accompaniments	4	12	3		19

Obj. II.6 Provide (300) adult survivors with support/education groups for a total of (130) group contacts

	1st Q	2nd Q	3rd Q	4 QT	YTD
Adults	29	38	47		114
Group contacts	12	26	25		63

CHILDREN'S SERVICES

Goal III: Reduce the impact of domestic violence and sexual assault on children who have been exposed to these forms of violence.

Obj. III.1 Provide (1,200) individual advocacy services to (30) children

	1st Q	2nd Q	3rd Q	4th Q	YTD
Individual advocacy	342	631	321		1294
Children	37	89	16		142

Obj. III.2 Provide (1000) systems advocacy services to (30) children

	1st Q	2nd Q	3rd Q	4th Q	YTD
Systems advocacy	25	400	124		549
Children	37	89	16		142

Obj. III.3 Provide (100) legal advocacy services to (30) children

	1st Q	2nd Q	3rd Q	4th Q	YTD
Legal advocacy	4	14	14		32
Children	37	89	16		142

Obj. III.4 Provide (86) age-appropriate support/education group contacts for (30) children

	1st Q	2nd Q	3rd Q	4th Q	YTD
Contacts	6	7	21		34
Children	37	89	16		142

Obj. III.5 Provide (86) contacts of childcare for (30) children

	1st Q	2nd Q	3rd Q	4th Q	YTD
Childcare	17	12	21		50
Children	37	89	16		142

SERVICES TO NON-OFFENDER FAMILY MEMBERS

Goal IV: Reduce the impact of violence on non-offender family members.

Obj. IV.1 Provide (3,000) support services and referrals to (1,000) non-offending family members of victims of violent crime

	1st Q	2nd Q	3rd Q	4th Q	YTD
Support services	1108	1020	1,047		3175
Family members	551	725	879		2155

EDUCATION AND COMMUNITY COORDINATION

Goal V: Strengthen community response to domestic violence and sexual assault through outreach, education and prevention programs.

Obj. V.1 Provide (10) trainings to (35) village/community service, safe home, and rural service providers

	1st Q	2nd Q	3rd Q	4th Q	YTD
Trainings	1	5	2		8
Providers	35	12	10		57

Obj. V.2 Provide (30) age-appropriate presentations to (800) students

	1st Q	2nd Q	3rd Q	4th Q	YTD
Presentations	1	18	13		32
Students	25	3730	195		3950

Obj. V.3 Provide (23) trainings to (125) first responders who interact with victims of violence

	1st Q	2nd Q	3rd Q	4th Q	YTD
Trainings	5	4	4		13
First responders	15	60	30		105

Obj. V.4 Provide (65) educational presentations to community members on domestic violence and sexual assault

	1st Q	2nd Q	3rd Q	4th Q	YTD
Presentations	7	36	15		58

PROPOSED BUDGET FY 2017
Kodiak Women's Resource & Crisis Center
All Funding Sources
JULY 1, 2016 –JUNE 30, 2017

Budget

Income

State Grant	\$416,214
Borough	60,000
City	20,000
TTT	42,624
AIJP	12,000
Sun'aq Grant	24,440
Project Income:	
Membership Dues	2,000
Donations	30,000
Fund Raising Projects	10,352
Interest Income	100
Client Payments	2,000
Shelter Facilities Income	<u>20,000</u>
TOTAL INCOME	639,730
Plus In-kind Goods & Services	<u>99,472</u>
GRAND TOTAL	\$739,202

Expenses

Payroll /Taxes/Benefits

Payroll-State	\$378,696
Payroll-Borough	45,052
Payroll-AIJP	12,000
Payroll-Sun'aq	24,440
Turning the Tide	42,624
Volunteer Services	<u>57,983</u>
TOTAL PERSONNEL	\$560,795

Travel & Per Diem

Travel/PD Borough	\$4,863
Travel/PD Project Income	<u>8,258</u>
TOTAL TRAVEL/PER DIEM	\$13,121

Communications

CDVSA	\$6,300
Borough	2,649
Project Income	<u>1,055</u>
TOTAL COMMUNICATIONS	\$10,004

Utilities

Utilities-City	\$10,000
Utilities- Borough	1,000
Utilities-Project Income	997
Utilities-In-Kind	<u>3,789</u>
TOTAL UTILITIES	\$15,786

<u>Professional Service</u>	
CDVSA	\$13,000
Borough	400.00
Project Income	<u>14,000</u>
TOTAL PROF. SERVICES	\$27,000
<u>Insurance</u>	
CDVSA	\$10,000
Project Income	<u>3,000</u>
TOTAL INSURANCE	\$13,000
<u>Dues & Subscriptions</u>	
Dues/Subscriptions-Project Income	<u>\$5,000</u>
TOTAL DUES & SUBSCR.	\$5,000
<u>Training</u>	
Project Income	<u>1,000</u>
TOTAL TRAINING	\$1,000
Print/Advertising-Project Income	<u>2,000</u>
TOTAL PRINT/ADVERT.	\$2,000
<u>SART</u>	
City	<u>\$10,000</u>
TOTAL SART	\$10,000
<u>TOTAL EXPENSES</u>	<u>\$739,202</u>

Note* Above FY 2017 Budget is based on projected funding asked for in our State Grant that is being reviewed for the FY17 funding cycle. Numbers reflected in the “Other Funding Sources” (page 4); reflect the current funding that we are operating under.

COMMUNITY COORDINATION

Kodiak Women's Resource & Crisis Center (KWRCC) maintains close-working relationships with all locally based service providers and numerous other institutions/organizations that cooperate to support the service delivery system on the island. Input into KWRCC's planning process is solicited annually by the Community Needs Assessment, during annual negotiations of Memoranda of Agreement with key service providers and as part of on-going networking activities.

The need for networking by service providers to overcome individual agency size and financial limitations, to provide the necessary range of services/continuum of care and avoid duplication of services has long been recognized in Kodiak. Numerous groups function on a regular basis. KWRCC is an active participant in these networking meetings and activities: Kodiak Non-Profit Network, Kodiak Island Borough School District's Drug Free/Safe Schools, Human Services Coalition (a coalition which served to combine several networking groups), and others that are issue specific such as the Infant Learning Program's Compass Project (FAS), Kodiak Multidisciplinary Task Force and the Native Women's Advisory Council. In fall 2004, KWRCC convened an Intercultural Task Force, to address the unique needs of the Native, Hispanic, and Filipino residents on the island. The group includes representatives from St. Mary's Marian Center, ALMA, Filipino Women's Council, Sun'aq Tribe of Kodiak, Kodiak Area Native Association and the Native Women's Advisory Council.

Planning for rural services has been facilitated by establishing close working relationships with key representatives in each of the six remote villages of Akhiok, Old Harbor, Karluk, Larsen Bay, Port Lions and Ouzinkie. KWRCC's Annual Needs Assessment is used to gather input and assist in planning services which are geared to each village's needs as expressed by Village Response Team members, City and/or Tribal Councils, Health Clinic personnel, school personnel, Indian Child Welfare workers, Rural Mental Health Practitioners, VPSOs, Suicide Prevention workers, etc. The Center works closely with Kodiak Area Native Association, Sun'aq Tribe of Kodiak, the Kodiak Island Borough School District, and the Kodiak Village Services Network to plan and implement coordinated village services.

Social Service Providers: KWRCC maintains cooperative working relationships and negotiates annual referral and support agreements with Providence Kodiak Island Counseling Center Safe Harbor, Office of Children's Services, Kodiak Area Native Association, Sun'aq Tribe of Kodiak, Hope Community Resources, Kodiak Senior Center and the St. Mary's Marian Center. Staffs cooperate in case management of shared clients and make referrals for services. The agencies work together to share resource materials, provide reciprocal trainings for staff and volunteers, and plan coordinated special events.

Law Enforcement: KWRCC maintains cooperative working relationships and negotiates annual referral and support agreements with the Kodiak Police Department (KPD) and Alaska State Troopers (AST). The Center offers resource materials and training for new officers/troopers and the use of a private and confidential interview room for their work with domestic violence and sexual assault victims. KWRCC receives referrals from KPD and AST and experiences prompt responses to agency and client emergencies.

Multi discipline Task Force: KWRCC hosts a multi discipline task force that consist of law enforcement, Office of Children’s Services, and Social and Behavioral Health Services, and Health Care providers. The mission of this group is to provide multidisciplinary, cross jurisdictional coordination and comprehensive response of law enforcement agencies, prosecutors, victim service agencies, and other agencies and departments to crimes of domestic violence, sexual assault, stalking, human trafficking and child maltreatment to improve communication between agencies involved in the process of responding, intervening, and preventing domestic violence / sexual assault, child maltreatment and all related issues.

Turning the Tide in Kodiak: Is another collaborative effort between the Kodiak Women’s Resource and Crisis Center, Kodiak Area Native Association, and Providence Mental Health. This collaboration focuses on cross referencing client services as well as broadening a common outreach to the Kodiak larger community to build resources and collaborations to end domestic violence, sexual assault, and child abuse here on Kodiak Island. This collaboration includes such programs as “Green Dot”, which is a series of trainings for safe bystander intervention and prevention of crime. Another program, Kodiak Chooses Respect, this encourages our community to choose non violent solutions to family problems and teaches problem solving skills. Turning the Tide also facilitates the Kodiak Wide Intervention Team (KWIT) which is a series of meetings and trainings for community business and service providers to recognize and provide resource and referral to victims and families suffering from these issues.

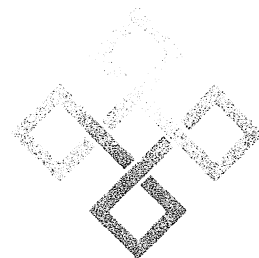
**Kodiak Women's Resource and
Crisis Center, Inc.**

Financial Statements
For the Years Ended June 30, 2015 and 2014

Kodiak Women’s Resource and Crisis Center, Inc.

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Independent Auditors Report

To the Board of Directors
Kodiak Women's Resource and Crisis Center, Inc.
Kodiak, Alaska

We have audited the accompanying statements of Kodiak Women's Resource and Crisis Center, Inc. (a non-profit corporation), which comprise the statement of financial position as of June 30, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

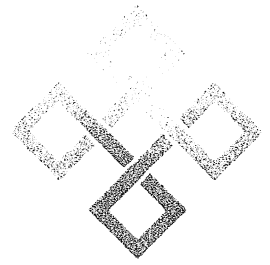
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statement 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Kodiak Women's Resource and Crisis Center, Inc. as of June 30, 2015 and 2014, 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.



Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying additional information on pages 15 and 16 is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Accounting & Forensic Services, P.C.

May, 2, 2016

Kodiak Women's Resource and Crisis Center, Inc.

Statements of Financial Position

June 30, 2015 and 2014

Assets

	June 30,	
	2015	2014
Current Assets		
Cash	\$ 355,980	\$ 498,440
Grants receivable	-	5,494
Prepaid	3,211	4,861
Total current assets	359,191	508,795
Property and equipment - net of accumulated depreciation	547,871	214,160
Total Assets	<u>\$ 907,062</u>	<u>\$ 722,955</u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ 21,154	\$ 7,249
Current portion of long-term debt	6,052	-
Accrued payroll and related liabilities	21,579	22,698
Total current liabilities	48,785	29,947
Long term debt	138,948	-
Total liabilities	187,733	29,947
Net Assets		
Unrestricted - unreserved	642,963	616,642
Unrestricted - reserved	76,366	76,366
Total net assets	719,329	693,008
Total Liabilities and Net Assets	<u>\$ 907,062</u>	<u>\$ 722,955</u>

See accompanying notes.

Kodiak Women's Resource and Crisis Center, Inc.

Statement of Activities

For the Years Ended June 30, 2015 and 2014

	June 30,	
	2015	2014
Unrestricted Net Assets		
Revenue, gains and other support		
Grant revenues	\$ 593,747	\$ 563,297
In-kind contributions	160,061	88,046
Donations	38,000	46,178
Fundraising	3,705	9,395
Client fees & other support	14,160	11,691
Membership	1,013	1,800
Gain on sale	-	-
Interest income	183	153
Total revenue, gains and other support	<u>810,869</u>	<u>720,560</u>
Expenses		
Shelter programs	649,399	566,802
General and administration	135,149	111,541
Total expenses	<u>784,548</u>	<u>678,343</u>
Increase (decrease) in unrestricted net assets	<u>26,321</u>	<u>42,217</u>
Increase in Net Assets	26,321	42,217
Unrestricted Net assets - beginning of year	<u>693,008</u>	<u>650,791</u>
Unrestricted Net Assets - end of year	<u>\$ 719,329</u>	<u>\$ 693,008</u>

See accompanying notes.

Kodiak Women's Resource and Crisis Center, Inc.

Statements of Cash Flows

For the Years Ended June 30, 2015 and 2014

	June 30,	
	2015	2014
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 26,321	\$ 42,217
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	19,498	18,145
(Gain) Loss on asset disposition	-	-
(Increase) decrease in current assets:		
Accounts receivable	5,494	4,918
Prepaid expenses	1,650	(4,861)
Increase (decrease) in current liabilities:		
Accounts payable	13,905	(12,563)
Accrued payroll and related liabilities	(1,120)	(323)
Deferred revenue	-	-
Net cash provided by operating activities	65,748	47,533
Cash Flows From Investing Activities		
Acquisition of property and equipment	(353,208)	(10,450)
Net cash (used) by investing activities	(353,208)	(10,450)
Cash Flows From Financing Activities		
Acquisition of long term debt	145,000	-
Net cash provided (used) by financing activities	145,000	-
Net Increase in Cash	(142,460)	37,083
Cash - beginning of year	498,440	461,357
Cash - end of year	\$ 355,980	\$ 498,440

See accompanying notes.

Kodiak Women's Resource and Crisis Center, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2015

	Shelter Program	General and Administrative	Total
Salaries and benefits	\$ 446,527	\$ 78,799	\$ 525,326
Food supplies	97,762	-	97,762
Professional services	-	12,655	12,655
Program supplies	23,256	-	23,256
Assistance - rent/utilities	2,821	-	2,821
Utilities and telephone	19,197	3,388	22,585
Depreciation expense	16,573	2,925	19,498
Insurance	5,478	967	6,445
Office expense	6,344	1,119	7,463
Travel and per diem	4,470	31,132	35,602
Maintenance and repairs	19,514	3,444	22,958
Printing and advertising	3,376	-	3,376
Dues and publications	4,081	720	4,801
	<u>\$ 649,399</u>	<u>\$ 135,149</u>	<u>\$ 784,548</u>

See accompanying notes.

Kodiak Women's Resource and Crisis Center, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2014

	Shelter Program	General and Administrative	Total
Salaries and benefits	\$ 434,574	\$ 76,689	\$ 511,263
Food supplies	24,446	-	24,446
Professional services	-	20,920	20,920
Program supplies	13,663	-	13,663
Assistance - rent/utilities	12,706	-	12,706
Utilities and telephone	17,897	3,158	21,055
Depreciation expense	15,422	2,722	18,144
Insurance	4,696	829	5,525
Office expense	2,609	460	3,069
Travel and per diem	13,434	2,371	15,805
Maintenance and repairs	21,023	3,710	24,733
Printing and advertising	2,468	-	2,468
Dues and publications	3,864	682	4,546
	<u>\$ 566,802</u>	<u>\$ 111,541</u>	<u>\$ 678,343</u>

See accompanying notes.

Kodiak Women's Resource and Crisis Center, Inc.

Notes To Financial Statements

June 30, 2015 and 2014

Note 1 – Nature of Organization and Summary of Significant Accounting Policies

Kodiak Women's Resource and Crisis Center, Inc. (the Center), a nonprofit, charitable organization incorporated in 1978 for the purpose of providing shelter and support services for persons who are in crisis related to domestic violence and sexual assault. The Center's service area includes the Kodiak Island community, six surrounding villages, and the Kodiak Coast Guard Base. Shelter operations consist of operating and maintaining a secure shelter for victims of domestic violence and sexual assault, as well as counseling and support services. In addition, the Center provides educational information on domestic violence and sexual assault to the community and outlying villages in the service area. A significant amount of the Center's funding for these services is provided by grant funds received from the State of Alaska and local government sources.

The significant accounting policies followed by the Center are described below:

Basis of Accounting

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

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification for Not-for-Profit Organizations. The Organization 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.

Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and any other unrestricted highly liquid investments with an initial maturity of three months or less. Cash equivalents consist primarily of money market accounts.

Kodiak Women's Resource and Crisis Center, Inc.

Notes To Financial Statements

June 30, 2015 and 2014

Note 1 - Summary of Significant Accounting Policies - Continued

Financial Instruments

The Center's financial instruments consist primarily of cash, temporary investments, and other receivables, none of which are held for trading purposes. The Center estimates the fair value of all financial instruments does not differ materially from the carrying value reported in the accompanying statements of financial position.

Account Receivables

Accounts receivable consist primarily of grants receivable. Collectability is assessed when recorded and periodically thereafter. No allowance was deemed necessary.

Donated Services

Contributions of time and services are included in the financial statements if the services; (1) would need to be purchased if not provided by donation, (2) require special skills and are provided by individuals who possess these skills, or (3) create or enhance non-financial assets.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at estimated fair value. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets, which range from 5 to 10 years for furnishings and equipment and 15 to 40 years for buildings and building improvements. The Center capitalizes assets with a cost in excess of \$500 and an estimated life beyond one year.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Temporarily restricted net assets are reclassified to unrestricted net assets at that time.

Recognition of Revenue from Grants and Contracts

Grants and contract revenue are recognized in proportion to the extent of authorized costs incurred. Amounts in excess of recognized revenues are reported as deferred revenue in the statements of financial position. Grants receivable represent the remaining balance of awards to be received in cash.

Kodiak Women's Resource and Crisis Center, Inc.

Notes To Financial Statements

June 30, 2015 and 2014

Note 1 - Summary of Significant Accounting Policies - Continued

Donations

Donations received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. 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.

Unconditional promises to give, or pledges, are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All other donor-related support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

Functional Expenses

Expenses are charged to program and supporting services on the basis of periodic time and expense studies and direct identification of expenditures incurred. Expenses not directly chargeable are allocated based on estimates of actual usage.

Income Taxes

The Center was incorporated under the laws of the State of Alaska as a nonprofit corporation and is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Center has no uncertain tax positions.

Reserved Net Assets

Reserved net assets consist of funds generated from fundraising, donations, and program income. These funds are invested in interest bearing accounts and certificates of deposit. Interest earned remains in the account. The funds have been reserved by the Board of Directors to be used for future shelter operations and facility maintenance in the event operating expenses exceed available revenues.

Advertising Costs

Advertising costs are charged to operations when incurred.

Kodiak Women's Resource and Crisis Center, Inc.

Notes To Financial Statements

June 30, 2015 and 2014

Note 2 – Contributed Goods and Services

A number of volunteers and donors have made significant contributions of goods and services in support of the Center's goals. The value of donated goods has been included in the financial statements as in-kind contributions. The majority of these contributions support the Center's shelter program. Volunteer services are valued and included below.

	June 30,	
	2015	2014
Recorded in the financial statements:		
Crisis Line volunteer services	\$ 52,311	\$ 54,174
Program supplies	85,850	20,185
Food supplies	11,017	2,983
Household supplies	8,562	8,329
Utilities	2,295	2,295
Office supplies	26	-
Equipment	-	80
	<u>\$ 160,061</u>	<u>\$ 88,046</u>

Note 3 – Property and Equipment

Property and equipment consist of the following:

	2015	2014
Land	\$ 50,000	\$ 50,000
Building and improvements	775,924	425,654
Equipment and furnishings	55,050	52,112
	<u>880,974</u>	<u>527,766</u>
Less: accumulated depreciation	333,103	313,606
	<u>\$ 547,871</u>	<u>\$ 214,160</u>

Depreciation expense for the years ended June 30, 2015 and 2014 was \$19,498 and \$18,144, respectively.

Kodiak Women's Resource and Crisis Center, Inc.

Notes To Financial Statements

June 30, 2015 and 2014

Note 4 Long Term Debt

A mortgage was obtained for the purchase of residential real estate to be used in the Center's operations. The mortgage balance of \$145,000 to be paid in 180 monthly installments of \$1,248 at a variable interest rate that starts at 6.220%. Variable interest change dates cannot occur more often than on each five year anniversary of the loan. The loan is dated on May 29, 2015. First payment is due July 1, 2015.

Mortgage Debt

FY 2016	\$ 6,052
FY 2017	6,520
FY 2018	6,937
FY 2019	7,381
FY 2020	7,853
Thereafter	<u>110,257</u>
	<u><u>\$ 145,000</u></u>

Note 5 – Grant Revenues

The Center receives the majority of funding through grants received from State and local sources. Generally the grants may be utilized for any shelter operations specified in the grant agreements. Grant revenue recognized during the years ended June 30, 2015 and 2014 are as follows:

	<u>June 30,</u>	
	<u>2015</u>	<u>2014</u>
State of Alaska	\$ 416,214	\$ 405,608
Kodiak Island Borough	60,000	60,000
Other grants and contracts	97,533	77,689
City of Kodiak	<u>20,000</u>	<u>20,000</u>
Unrestricted grant revenue	<u><u>\$ 593,747</u></u>	<u><u>\$ 563,297</u></u>

Note 6 - Concentrations

A significant amount of the Center's funding comes from grants awarded by the State of Alaska and local governments. A significant decline in funding from these sources could have a material impact on the Organization's operations.

Kodiak Women's Resource and Crisis Center, Inc.

Notes To Financial Statements

June 30, 2015 and 2014

Note 7 - Contingencies

Expenses made pursuant to grants and contracts are subject to audit by governmental agencies or their representatives. Amounts reflected in the financial statements and expenses in prior periods have generally not been audited by their grantor agencies. Accordingly, adjustments of amounts received under grants and contracts could result if the awards are audited by such agencies. Management believes the material terms and provisions of such awards have been accommodated and, accordingly, no liabilities for amounts which may be payable have been recorded in the accompanying financial statements.

Note 8 – Concentration of Credit Risk

Bank balances are insured to \$250,000 per institution through the Federal Deposit Insurance Corporation. At June 30 2015, the Center's cash balance at a bank exceeded the FDIC insurance limits by \$62,600.

Note 9 – Commitments

In March 2012 the Center leased a copier under a 60 month operating lease. Lease payments are \$331 per month. Lease payments expense under this agreement was \$3,976 for the years ended June 30, 2015 and 2014. Minimum future lease payments under this operating lease are at \$3,976 per year.

Note 10 – Subsequent Events

Management has evaluated subsequent events through May 2, 2016, which is the date the financial statements were available to be issued.

Additional Information

Kodiak Women's Resource and Crisis Center, Inc.

Statement of Revenues and Expenses - Budget to Actual

For the Year Ended June 30, 2015

State Council on Domestic Violence and Sexual Assault - Grant No. 15-DV-09

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue - State Grant	<u>\$ 416,214</u>	<u>\$ 416,214</u>	<u>\$ -</u>
Expenses -			
Personnel	\$ 358,750	\$ 362,479	\$ 3,729
Facilities	15,110	13,771	(1,339)
Commodities	9,000	5,657	(3,343)
Equipment	8,500	8,759	259
Other contractual	24,854	25,548	694
	<u>\$ 416,214</u>	<u>\$ 416,214</u>	<u>\$ -</u>

See accountant's report.

Kodiak Women's Resource and Crisis Center, Inc.

Statement of Revenues and Expenses - Budget to Actual

For the Year Ended June 30, 2014

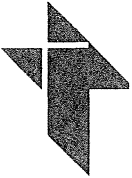
State Council on Domestic Violence and Sexual Assault - Grant No. 14-DV-09

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue - State Grant	<u>\$ 405,608</u>	<u>\$ 405,608</u>	<u>\$ -</u>
Expenses -			
Personnel	\$ 356,173	\$ 359,172	\$ 2,999
Facilities	14,610	15,007	397
Commodities	5,000	6,678	1,678
Equipment	6,500	6,588	88
Other contractual	<u>23,325</u>	<u>18,163</u>	<u>(5,162)</u>
	<u>\$ 405,608</u>	<u>\$ 405,608</u>	<u>\$ -</u>

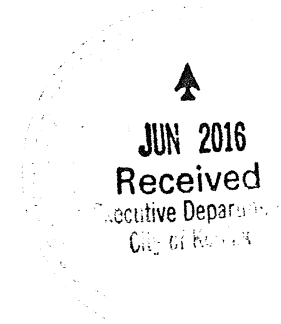
See accountant's report.

717 E. Rezanof Drive
Kodiak, Alaska
99615

Tel 907.481.2400
Fax 907.481.2419



June 15, 2016



Aimee Kniaziowski, Manager
City of Kodiak
710 Mill Bay Road
Kodiak, AK 99615

Dear Ms. Kniaziowski,

Greetings! Enclosed, please find our application for Non-Profit Corporation Funding from the City of Kodiak for fiscal year 2017.

Also enclosed are attachments requested including our most recent audited financial report.

Please let me know if there is anything else you may require.

Sincerely,

Mary Guilas-Hawver, Director
Providence Kodiak Island Counseling Center
717 Rezanof Drive
Kodiak, AK 99615
907-481-2400 extension 2423

**CITY OF KODIAK
 FY17 NONPROFIT FUNDING APPLICATION
 Return to City Manager's Office by June 17, 2016.**

ORGANIZATIONAL OVERVIEW

Organization Name Providence Kodiak Island Counseling Center Safe Harbor Program

Mailing Address 717 Rezanof Drive, Kodiak, Alaska 99615

Telephone No. 907-481-2400 Fax No. 907-481-2419

Email mary.guilashawver@providence.org

Federal Employer Tax ID Number 920162237

Contact Person Mary Guilas-Hawver Director

Contact Person *Mary Guilas-Hawver* Printed Name Title
6/15/2016 Date
 Signature Date

List of Board Members and Officers:

<u>Patricia Branson, Chair</u>	<u>Carol Juergens, MD, member</u>
<u>Ken Knowles, Vice Chair</u>	<u>Gretchen Saupe, member</u>
<u>Steve Honnold, Secretary</u>	<u>Dan Rohrer, member</u>
<u>Alvin Arboleda, member</u>	<u>Jerome Selby, member</u>

Does agency have 501(c)3 status from the IRS? Yes No
 If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
 If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

Outpatient Behavioral Health for both mental health and substance abuse treatment, Comm. Support Program, for chronically mentally ill adults and severely emotionally disturbed children, mental health clinicians in the Kodiak Island Schools, Alcohol Safety Action Program, Anger management classes, Urine Analysis Testings, Psychiatric Emergency Services, Mental Health Clinician at KCHC (primary care setting), Outreach services to BFSK, Public Library, KWRCC. Community education.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? Approximately 25

Please attach a copy of the organization's Mission Statement.

How does your agency collaborate with other local nonprofit organizations?

Providence Kodiak Island Counseling Center actively collaborates with other local non-profit agencies through coalitions, boards and multi-disciplinary team meetings, trainings & classes. MOAs are renewed annually. We work collaboratively with all human services (non-profit) in putting together a Community Action Plan to better coordinate and serve the behavioral needs agencies of the population of Kodiak Island. We provide services on-site at the KWRCC, BFSK, Library, & KCHC.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Emergency Response Support Programs Amount \$10,000.00

Explanation:

The services provided by Safe Harbor significantly lessen the workload of the Police and Fire (ambulance) departments. Practicing substance abusers highly tax the before mentioned departments. Helping these clients to gain sobriety is very valuable to the entire community.

Category _____ Amount _____

Explanation:

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$10,000

What percentage of funds will be used for administrative costs? 0

What percentage of funds will be used for direct services? 100%

How will the funds be used?

All of these funds will be used to provide direct substance abuse services to clients at Safe Harbor who have no funds for these services. Services include assessments, outpatient individual and group services, and case management. PKICC is able to offer sliding fee scale because of this fund we receive from the City of Kodiak.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

N/A

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal <u>0</u>	State <u>\$850,474</u>
City of Kodiak <u>\$10,000</u>	Kodiak Is. Borough <u>\$25,000</u>
Parent Organization <u>0</u>	Corporate Grants <u>0</u>
Foundations <u>0</u>	Client Fees <u>\$956,315</u>
Donations <u>0</u>	Memberships <u>0</u>
Interest <u>0</u>	Gaming Permit Activities (pull tabs, raffles etc.) <u>0</u>

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

State is 25% and 10% respectively for the two different grants we receive from the State. The 25% equals to \$185,118 and the 10% equals to \$11,000.

What effects will there be and what alternative plans does your agency have if City funding is not received?

PKICC director and board will have to make a decision as to what level of services PKICC Safe Harbor will be able to provide with the funding that is available to them.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

- Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs) 25 points**
- Grant reports submitted to City as required 25 points**
- Number of City residents served 25 points**
- Other sources of applicant funding identified 25 points**

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

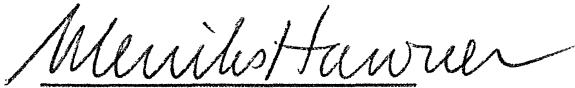
Organization:	Providence Kodiak Island Counseling Center
Program:	Safe Harbor Substance Abuse Treatment Program
2015-2016 Grant Amount:	\$10,000
Amount Expended Year-to-Date:	\$10,000
Balance:	\$0

Describe accomplishments with grant funds.

The funds were used to provide substance abuse services to outpatient clients at the Safe Harbor treatment facility. Furthermore, during FY16, PKICC Safe Harbor served 100 individuals, all of whom qualified for the sliding fee scale. Without this grant received from local government i.e. City of Kodiak (and KIB), PKICC will not be able to offer sliding fee scale to individuals seeking Substance Use Disorder (SUD) treatment.

If you have not expended all funds, please describe how and when you intend to spend the balance.

N/A



Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615



Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077552510
Jan. 23, 2009 LTR 4168C 0
51-0216586 000000 00 000

00023598

BODC: TE

PROVIDENCE HEALTH & SERVICES
WASHINGTON
1801 LIND AVE SW STE 9016
RENTON WA 98057-3368



006192

Employer Identification Number: 51-0216586
Person to Contact: Michelle Jones
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Dec. 23, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in December 2001, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(iii).

Donors may deduct contributions to you as provided in section 170 of the Code. Requests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Cindy Westcott
Manager, EO Determinations

11:55:41 a.m.

03-21-2007

2/2

668 6316

Providence Finance

0457130070

Mar. 16, 2007

LTR 147C

0

92-0162237

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00002142

SISTERS OF PROVIDENCE IN WASHINGTON
PROVIDENCE KODIAK MENTAL HEALTH CTR
PO BOX 196684
ANCHORAGE AK 99519-6604047

We apologize for any inconvenience we may have caused you, and thank
you for your cooperation.

Sincerely yours,

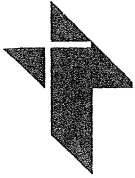
Deborah Bingham

Deborah Bingham
Accounts Management I

Enclosure(s):
Copy of this letter

717 E. Rezanof Drive
Kodiak, Alaska
99615

Tel 907.481.2400
Fax 907.481.2419



Please note that the Providence Kodiak Island Counseling Center (PKICC) Advisory Council is a sub-committee to the Providence Kodiak Island Medical Center (PKIMC) Community Advisory Board.

List of PKIMC Community Advisory Board Members and Officers:

Patricia Branson – Chair
Ken Knowles - Vice Chair
Steve Honnold – Secretary
Alvin Arboleda – member
Carol Juergens, MD – member
Gretchen Saupe – member
Jerome Selby- member
Dan Rohrer – Assembly Representative

List of PKICC Advisory Council to the Community Advisory Board:

Steve Honnold
Tim Hocum
Amy Belisle
Mary Guilas-Hawver



Providence Health & Services' Mission Statement:

As people of Providence, we reveal God's love for all, especially the poor and the vulnerable, through our compassionate service.

Providence Kodiak Island Counseling Center's Mission Statement:

To provide critical emotional and behavioral health services through an alliance with the client that contributes to improved functioning and quality of life.

Our Core Values are:

Respect

Compassion

Justice

Excellence

Stewardship



PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

Consolidated Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

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Consolidated Statements of Changes in Net Assets	6
Consolidated Statements of Cash Flows	7
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Supplemental Consolidating Schedules	
Supplemental Consolidating Schedules of Balance Sheet Information	25–26
Supplemental Consolidating Schedules of Operations	27–28



KPMG LLP
Suite 2900
1918 Eighth Avenue
Seattle, WA 98101

Independent Auditors' Report

The Board of Directors
Providence Health & Services – Washington:

We have audited the accompanying consolidated financial statements of Providence Alaska Service Area (the Service Area), a division of Providence Health & Services – Washington (a Washington nonprofit corporation), which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; 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.

Auditors' 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 audits 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 auditors' judgment, including 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 principles 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 opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Providence Alaska Service Area as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 24 through 27 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 audits 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 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.

KPMG LLP

May 20, 2016

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

Consolidated Balance Sheets

December 31, 2015 and 2014

(In thousands of dollars)

Assets	2015	2014
Current assets:		
Cash and cash equivalents	\$ 213,951	169,977
Accounts receivable, less allowance for bad debts of \$30,381 in 2015 and \$34,962 in 2014, respectively	152,004	156,322
Receivable from affiliates	693	1,118
Other receivables, net	19,441	19,480
Supplies inventory	12,605	15,584
Other current assets	1,166	848
Total current assets	399,860	363,329
Assets whose use is limited:		
Management-designated cash and investments	523,467	462,943
Gift annuities, trust funds, and other	360	411
Total assets whose use is limited	523,827	463,354
Property, plant, and equipment, net	552,021	591,603
Loans to affiliates	—	4,661
Other long-term assets	26,855	32,660
Total assets	\$ 1,502,563	1,455,607

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

Consolidated Balance Sheets

December 31, 2015 and 2014

(In thousands of dollars)

Liabilities and Net Assets	2015	2014
Current liabilities:		
Current portion of long-term debt	\$ 26,748	21,548
Accounts payable	14,237	22,222
Accrued compensation	24,888	34,358
Payable to contractual agencies	5,788	17,215
Payable to affiliates	604	2,608
Other current liabilities	4,232	5,259
Total current liabilities	76,497	103,210
Long-term debt, net of current portion	253,626	283,210
Asset retirement obligation	20,498	20,552
Other long-term liabilities	1,275	1,345
Total liabilities	351,896	408,317
Net assets:		
Unrestricted	1,138,093	1,035,146
Temporarily restricted	9,668	9,324
Permanently restricted	2,906	2,820
Total net assets	1,150,667	1,047,290
Total liabilities and net assets	\$ 1,502,563	1,455,607

See accompanying notes to consolidated financial statements.

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

Consolidated Statements of Operations

Years ended December 31, 2015 and 2014

(In thousands of dollars)

	2015	2014
Operating revenues:		
Net patient service revenues	\$ 828,679	772,719
Provision for bad debts	(24,946)	(15,168)
	803,733	757,551
Net patient service revenues less provision for bad debts		
Other revenues	51,996	58,317
	855,729	815,868
Total operating revenues		
Operating expenses:		
Salaries and wages	270,356	264,506
Employee benefits	76,780	79,012
Professional fees	19,041	17,566
Supplies	111,607	110,702
Purchased services	157,817	139,126
Depreciation	54,600	59,769
Interest and amortization	14,713	13,982
Other	24,529	22,973
	729,443	707,636
Total operating expenses		
Excess of revenues over expenses from operations	126,286	108,232
Net nonoperating (losses) income:		
Investment (losses) income, net	(859)	12,461
Equity loss from joint ventures	(2,114)	(1,141)
Other	(1,513)	(2,739)
	(4,486)	8,581
Total net nonoperating (losses) income		
Excess of revenues over expenses	121,800	116,813
Interdivision transfers and other	(18,962)	(6,099)
Net assets released from restrictions for capital	109	15
	102,947	110,729
Increase in unrestricted net assets	\$ 102,947	110,729

See accompanying notes to consolidated financial statements.

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

Consolidated Statements of Changes in Net Assets

Years ended December 31, 2015 and 2014

(In thousands of dollars)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total net assets</u>
Balance, December 31, 2013	\$ 924,417	9,647	2,609	936,673
Excess of revenues over expenses	116,813	—	—	116,813
Contributions, grants, and investment income	—	1,389	211	1,600
Net assets released from restriction	15	(1,712)	—	(1,697)
Interdivision transfers and other	(6,099)	—	—	(6,099)
Increase (decrease) in net assets	<u>110,729</u>	<u>(323)</u>	<u>211</u>	<u>110,617</u>
Balance, December 31, 2014	<u>1,035,146</u>	<u>9,324</u>	<u>2,820</u>	<u>1,047,290</u>
Excess of revenues over expenses	121,800	—	—	121,800
Contributions, grants, and investment income	—	1,551	86	1,637
Net assets released from restriction	109	(1,207)	—	(1,098)
Interdivision transfers and other	(18,962)	—	—	(18,962)
Increase in net assets	<u>102,947</u>	<u>344</u>	<u>86</u>	<u>103,377</u>
Balance, December 31, 2015	<u>\$ 1,138,093</u>	<u>9,668</u>	<u>2,906</u>	<u>1,150,667</u>

See accompanying notes to consolidated financial statements.

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

Consolidated Statements of Cash Flows
Years ended December 31, 2015 and 2014

(In thousands of dollars)

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 103,377	110,617
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	54,600	59,769
Amortization	(12)	(10)
Provision for bad debts	24,946	15,168
Equity income from joint ventures	(5,544)	(10,238)
Distributions from joint ventures	8,768	10,363
Restricted contributions and investment income received	(1,637)	(1,600)
Net realized and unrealized losses (gains) on investments	8,796	(5,059)
Loss (gain) on sale of property, plant, and equipment	692	(1,162)
Interdivision transfers and other	18,962	6,099
Changes in certain current assets and current liabilities	(48,522)	(10,262)
Changes in certain long-term assets and long-term liabilities	6,744	16,991
Net cash provided by operating activities	171,170	190,676
Cash flows from investing activities:		
Property, plant, and equipment additions	(18,962)	(36,177)
Proceeds from disposal of property, plant, and equipment	2,357	2,822
Purchases of investments	(293,913)	(317,811)
Proceeds from sales of investments	191,452	318,600
Re-designation of management designated cash and investments	33,193	—
Principal payments received on note receivable	—	296
Net cash used in investing activities	(85,873)	(32,270)
Cash flows from financing activities:		
Debt payments	(23,998)	(22,460)
Restricted contributions and investment income received	1,637	1,600
Interdivision transfers and other	(18,962)	(6,099)
Net cash used in financing activities	(41,323)	(26,959)
Increase in cash and cash equivalents	43,974	131,447
Cash and cash equivalents, beginning of year	169,977	38,530
Cash and cash equivalents, end of year	\$ 213,951	169,977
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of capitalized interest	\$ 13,994	12,213

See accompanying notes to consolidated financial statements.

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(1) Organization

Providence Alaska Service Area (the Service Area), is a division of Providence Health & Services – Washington (a Washington nonprofit corporation) (the Corporation). The accompanying consolidated financial statements are based upon separate records maintained by the Service Area. The Service Area operates two medical centers, three long-term care facilities, a foundation, and certain other physician and clinic organizations.

The Health System, which encompasses Providence Health & Services and Western HealthConnect, provides inpatient, outpatient, primary care, and home care services in Alaska, Washington, Montana, Oregon, and Southern California. The Health System owns or operates 34 general acute care hospitals, three ambulatory care centers, six medical groups, six long-term care facilities, seven homecare and hospice entities, five assisted living facilities, a high school, a university, 13 low-income housing projects, the Health Plan, a health services contractor, two programs of all inclusive care for the elderly, and 23 controlled fundraising foundations.

Affiliated Transactions

The Corporation provides various general and administrative services to the Service Area. The Service Area is charged an administrative expense for these services which is included in purchase service expense in the accompanying consolidated statements of operations.

In addition to general and administrative services, the Corporation administers employee benefit programs in which Service Area employees participate. The Service Area is charged for costs related to these programs which are included in employee benefits expense in the accompanying statements of operations.

The Corporation has also established self-insurance programs for professional and general liability and workers compensation risk, in which the Service Area participates. The programs provide insurance coverage for healthcare institutions associated with the Health System. The Health System also operates an insurance captive, Providence Assurance, Inc., to self-insure certain layers of professional and general liability risk. Charges related to the Service Area's participation in the professional and general liability and workers compensation are recorded in employee benefits expense and other expense in the accompanying statements of operations, respectively.

During the years ended December 31, 2015 and 2014, the Center had \$693,000 and \$1,118,000, respectively, in short-term receivables from affiliates and \$0 and \$4,661,000 in long-term loans to affiliates, respectively. As of December 31, 2015 and 2014, the Center had outstanding short-term payables to affiliates of \$604,000 and \$2,608,000, respectively.

(2) Summary of Significant Accounting Policies

(a) Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Service Area. All significant transactions and accounts between consolidated divisions of the Service Area have been eliminated.

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(b) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original or remaining maturity of three months or less when acquired, except for certain cash and cash equivalents included in assets whose use is limited.

(d) Property, Plant, and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation. Improvements and replacements of plant and equipment are capitalized. Maintenance and repairs are expensed. The cost of the property, plant, and equipment sold or retired and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is recognized at the time of disposal.

The Service Area assesses potential impairment to its long-lived assets when there is evidence that events or changes in circumstances have made recovery of the carrying value of the assets unlikely. An impairment loss, equal to the excess, if any, of the carrying value over the fair value less disposal costs, is recognized when the sum of the expected future undiscounted net cash flows from the use and disposal of the asset is less than the carrying amount of the asset.

(e) Depreciation

The provision for depreciation is determined by the straight-line method, which allocates the cost of tangible property equally over its estimated useful life or lease term.

(f) Net Assets

Unrestricted net assets are those that are not subject to donor imposed stipulations. Amounts related to the Service Area's noncontrolling interests in certain joint ventures are included in unrestricted net assets. Temporarily restricted net assets are those whose use by the Service Area has been limited by donors to a specific time period and/or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Service Area in perpetuity. Unless specifically stated by donors, gains and losses on temporarily and permanently restricted net assets are recorded as temporarily restricted.

(g) Net Patient Service Revenue

The Service Area has agreements with governmental and other third-party payors that provide for payments to the Service Area at amounts different from its established charges. Payment arrangements for major third-party payors may be based on prospectively determined rates, reimbursed cost,

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

discounted charges, per diem payments, predetermined rates per HMO enrollee per month, or other methods.

Net patient service revenues are reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with governmental payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as appropriate. Adjustments from finalization of prior years' cost reports and other third-party settlement estimates resulted in an increase in net patient service revenues of approximately \$3,228,000 and a decrease in net patient service revenue of approximately \$3,626,000 for the years ended December 31, 2015 and 2014, respectively.

The composition of significant third-party payors for the years ended December 31, 2015 and 2014, as a percentage of net patient service revenues, are as follows:

	2015	2014
Commercial and other insurance	63%	62%
Medicare	18	19
Medicaid	19	19
	100%	100%

(h) Provision for Bad Debts

The Service Area provides for an allowance against patient accounts receivable for amounts that could become uncollectible. The Service Area estimates this allowance based on the aging of accounts receivable, historical collection experience by payor, and other relevant factors. There are various factors that can impact the collection trends, such as changes in the economy, which in turn have an impact on unemployment rates and the number of uninsured and underinsured patients, the increased burden of copayments to be made by patients with insurance coverage and business practices related to collection efforts. These factors continuously change and can have an impact on collection trends and the estimation process used by the Service Area. The Service Area records a provision for bad debts in the period of services on the basis of past experience, which has historically indicated that many patients are unresponsive or are otherwise unwilling to pay the portion of their bill for which they are financially responsible.

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The estimates made and changes affecting those estimates for the years ended December 31, 2015 and 2014 are summarized below (in thousands of dollars):

	2015	2014
Changes in allowance for bad debts:		
Allowance for bad debts at beginning of year	\$ 34,962	63,469
Write-off of uncollectible accounts, net of recoveries	(29,527)	(43,675)
Provision for bad debts	24,946	15,168
Allowance for bad debts at end of year	\$ 30,381	34,962

(i) Charity and Un-sponsored Community Benefit Costs

The Service Area has policies that provide for serving those without the ability to pay. The policies also provide for discounted sliding scale payments based on the income and assets of the person responsible for the bill. In addition to uncompensated care, the Service Area also provides services that benefit the poor and others in the community it serves.

Information for the Service Area for the years ended December 31, 2015 and 2014 is summarized below (in thousands of dollars):

	2015	2014
Cost of charity care provided	\$ 41,738	42,944
Unpaid cost of Medicaid services	3,721	—
Un-sponsored community benefit costs	\$ 45,459	42,944

The cost of charity care provided is based on the Service Area's aggregate relationship of costs to charges. The unpaid cost of Medicaid services is the cost of treating Medicaid patients in excess of government payments. Revenues related to Medicaid services were \$162,888,000 and \$154,466,000 for the years ended December 31, 2015 and 2014, respectively.

(j) Excess of Revenues over Expenses

Excess of revenues over expenses includes all changes in unrestricted net assets, except for net assets released from restriction for the purchase of property, interdivision transfers, and other.

(k) Assets Whose Use Is Limited

Assets whose use is limited primarily include assets held by trustees under indenture agreements, self-insurance funds, funds held for the payment of health plan medical claims, assets held by related foundations, and designated assets set aside by the management of the Service Area for future capital improvements and other purposes, over which management retains control.

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During the year ended December 31, 2015, management redesignated certain cash and cash equivalents from assets whose use is limited to operating cash. This redesignation resulted in a \$33,193,000 cash inflow from investing activities in the statement of cash flows.

(l) *Supplies Inventory*

Supplies inventory is stated at the lower of cost (first-in, first-out) or market.

(m) *Donor-Restricted Gifts*

Unconditional promises to give cash and other assets to the Service Area are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted contributions if they are received with donor stipulations that limit the use of the donated assets. When the terms of a donor restriction are met, temporarily restricted net assets are reclassified as unrestricted net assets and reported as other revenues in the accompanying consolidated statement of operations and changes in net assets.

(n) *Financing Costs*

Financing costs are recorded in other assets and amortized using the effective-interest method over the term of the related debt, or at the earliest point for which a creditor can demand payment.

(o) *Capitalized Interest*

Interest capitalized on amounts expended during construction is a component of the cost of additions to be allocated to future periods through the provision for depreciation. Capitalization of interest ceases when the addition is substantially complete and ready for intended use. The Service Area capitalized \$13,000 and \$1,234,000 of interest costs during the years ended December 31, 2015 and 2014, respectively.

(p) *Net Nonoperating (Losses) Gains*

Net nonoperating (losses) gains include investment income, unrealized gains on trading securities, equity earnings from the Service Area's participation in joint ventures, income from recipient organizations, and other income.

(q) *Asset Retirement Obligation*

In accordance with ASC Topic 410, *Asset Retirement and Environmental Obligations*, the Service Area has recorded obligations primarily related to the presence of asbestos in its building. The Service Area has not designated any assets for purposes of settling these asset retirement obligations. The Service Area estimates at each balance sheet date the amount of cost to remediate its asset retirement obligations. Any change in estimated future cash flows is reflected as an adjustment to the provision and the corresponding property, plant and equipment.

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(r) Goodwill

Goodwill, which is not amortized, is recorded in other assets as the excess of cost over fair value of the acquired entity. Goodwill is tested at least annually for impairment.

(s) Income Taxes

The Service Area is a division of the Corporation, which has been recognized as exempt from federal income taxes, except on unrelated business income, under Section 501(c)(3) of the Internal Revenue Code.

(t) Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to clarify the principles for recognizing revenue and to improve financial reporting by creating common revenue recognition guidance for GAAP and International Financial Reporting Standards. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in the ASU can be applied either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the update recognized at the date of the initial application along with additional disclosures. The Service Area is currently evaluating the impact of ASU 2014-09, including the methods of implementation, which the Service Area intends to adopt for the fiscal year beginning on January 1, 2018.

In March 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. This update changes the presentation of debt issuance costs in the financial statements. Under the ASU, an entity presents such costs in the balance sheet as a direct deduction from the recognized liability rather than as an asset. Amortization of the costs is reported as interest expense. The Service Area has considered the provisions of this standard and will adopt in the effective fiscal year beginning January 1, 2016. The Service Area does not believe that the provisions of this standard will have a material impact in its combined financial statements.

In May 2015, the FASB issued ASU 2015-07, *Fair Value Measurement (Topic 820) – Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which eliminates the requirement to categorize investments in the fair value hierarchy if their fair value is measured at net asset value per share, or its equivalent, (NAV) using the practical expedient in the FASB's fair value measurement guidance. The Service Area adopted this standard effective December 31, 2015. As a result of the adoption of the standard, the Health System modified its fair value hierarchy footnotes.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lessees to recognize a lease liability and a right of use asset for all lease obligations with exception to short-term leases. The lease liability will represent the lessee's obligation to make lease payments arising from the lease measured on a discounted basis and the right of use asset will represent the lessee's right to

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use or control the use of a specified asset for a lease term. The lease guidance also simplifies accounting for sale leaseback transactions. The Service Area is currently evaluating the impact of ASU 2016-02, which the Service Area intends to adopt for the fiscal year beginning on January 1, 2019 with retrospective application to the earliest presented period.

(3) Fair Value Measurements

Accounting Standards Codification (ASC) Topic 820 (Topic 820), *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Health System and the Service Area have the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of management-designated cash and investments, funds held for long-term purposes, and funds held by trustee, which are the amounts reported in the consolidated balance sheets, are estimated based on quoted market prices. For master trust debt, the fair value is based on Level 2 inputs, such as the discounted value of the future cash flows using current rates for debt with the same remaining maturities, considering the existing call premium and protection. The carrying value and fair value of master trust debt, including accrued interest, were \$283,836,000 and \$306,548,000, respectively, as of December 31, 2015 and \$308,312,000 and \$336,370,000, respectively, as of December 31, 2014.

Other financial instruments of the Service Area include cash and cash equivalents and other receivables, including those from affiliates, and accounts payable. The carrying amount of these instruments approximates fair value because these items mature in less than one year. The carrying amount of other long-term investments, including loans to affiliate, accounts payable, and current payable to affiliates approximates fair value.

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(4) Assets Whose Use is Limited

The following table presents assets that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at the Service Area at December 31, 2015 (in thousands of dollars):

	December 31, 2015	Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Management-designated cash and investments:				
Cash and cash equivalents	\$ 100,914	100,914	—	—
Mutual funds – domestic:				
Large capitalization	64,273	64,273	—	—
Medium – small cap and other	20,759	20,759	—	—
Mutual funds – foreign	42,287	42,287	—	—
Debt Securities – U.S. Treasury	11,342	10,017	1,325	—
Debt Securities – US states and agencies	4,927	—	4,927	—
Corporate debt securities	137,820	—	137,820	—
Mortgage-backed securities	52,814	—	52,814	—
Investment in Health System Pool	88,331	—	—	—
Total	\$ 523,467	238,250	196,886	—

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The following table presents assets that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at the Service Area at December 31, 2014 (in thousands of dollars):

	December 31, 2014	Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Management-designated cash and investments:				
Cash and cash equivalents	\$ 46,760	46,760	—	—
Mutual funds – domestic:				
Large capitalization	69,741	69,741	—	—
Medium – small cap and other	22,651	22,651	—	—
Mutual funds – foreign	41,123	41,123	—	—
Debt Securities – U.S. Treasury	30,626	14,617	16,009	—
Debt Securities – US states and agencies	5,061	—	5,061	—
Corporate debt securities	118,551	—	118,551	—
Mortgage-backed securities	21,772	—	21,772	—
Other debt obligations	13,995	—	13,995	—
Investment in Health System Pool	92,663	—	—	—
Total	<u>\$ 462,943</u>	<u>194,892</u>	<u>175,388</u>	<u>—</u>

The Service Area invests in an allocated investment pool managed by the Health System. Investment income and losses from the Health System pool are allocated between the members of the pool, including the Service Area, based upon investment balances. The Service Area recognizes the changes in its interest in the Health System investment pool using a method that is similar to the equity method of accounting and is included in investment income in the consolidated statements of operations.

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The pool's assets were distributed as follows as of December 31, 2015 and 2014:

	2015	2014
Cash and cash equivalents	—%	3%
Mutual funds	5	3
Equity securities	17	20
U.S. Treasury, state and agency debt securities	17	24
Corporate debt securities	11	7
Collective investment funds	25	20
Hedge funds	21	22
Other	4	1
	100%	100%

The composition of the pooled investments held at the Health System is categorized by 47% and 55% in Level 1, 52% and 42% in Level 2, 1% and 3% in Level 3, as of December 31, 2015 and 2014, respectively.

Investment income from investments and management-designated cash and investments and pooled investments held at the Health System comprise the following for the years ended December 31, 2015 and 2014 (in thousands of dollars):

	2015	2014
Nonoperating income:		
Interest and dividend income	\$ 7,937	7,402
Net realized gains on sale of investments	3,648	11,383
Net unrealized loss on trading securities	(12,444)	(6,324)
Total investment (loss) income, net	\$ (859)	12,461

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(5) Property, Plant, and Equipment

Property, plant, and equipment and the total accumulated depreciation at December 31, 2015 and 2014 are shown below (in thousands of dollars):

	Approximately useful life (years)	2015	2014
Land and improvements	5–25	\$ 64,505	63,707
Plant	5–40	383,968	373,240
Equipment:			
Fixed	5–25	251,934	260,916
Major movable and minor	3–20	278,687	270,993
Rental property	20–40	293,469	294,106
Construction in progress	n/a	5,991	12,192
		<u>1,278,554</u>	<u>1,275,154</u>
Less accumulated depreciation		<u>726,533</u>	<u>683,551</u>
Property, plant, and equipment, net		<u>\$ 552,021</u>	<u>591,603</u>

Construction in progress primarily represents renewal and replacement of various facilities, as well as costs capitalized related to software development.

(6) Joint Ventures

The Service Area participates in various joint ventures, including LifeMed Alaska (LMA), Alaska Specialty Hospital (ASH), Providence Surgery Center (PSC), and Imaging Associates of Providence (IAP) for the purpose of furthering its healthcare mission. All joint ventures are accounted for under the equity method of accounting as the Service Area does not have effective control of the ventures. As of December 31, 2015 and 2014, the Service Area's investment balance in these joint ventures totaled \$8,409,000 and \$11,633,000, respectively, which is included in other long-term assets in the accompanying consolidated balance sheets. IAP and PSC's businesses are part of the Service Area's core business, these earnings are included in other operating revenues in the accompanying consolidated statements of operations and resulted in increase to operating revenues of \$7,658,000 and \$11,380,000 for the years ended December 31, 2015 and 2014, respectively. ASH and LMA's businesses are not part of the Service Area's core business; therefore these earnings are included in net nonoperating (losses) income in the accompanying consolidated statements of operations and resulted in net nonoperating losses of \$2,114,000 and \$1,141,000 for the years ended December 31, 2015 and 2014, respectively.

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The following represents the summary financial information of LMA, ASH, PSC, and IAP as of December 31, 2015 (in thousands of dollars):

	<u>LifeMed Alaska</u>	<u>Alaska Specialty Hospital</u>	<u>Providence Surgery Center</u>	<u>Imaging Associates of Providence</u>
Current assets	\$ 14,277	9,494	12,234	7,656
Noncurrent assets, net	4,759	5,536	1,206	13,250
	<u>\$ 19,036</u>	<u>15,030</u>	<u>13,440</u>	<u>20,906</u>
Current liabilities	\$ 4,208	8,747	954	4,942
Long-term liabilities	812	22,417	357	8,014
Equity (deficit)	14,016	(16,134)	12,129	7,950
	<u>\$ 19,036</u>	<u>15,030</u>	<u>13,440</u>	<u>20,906</u>
Revenues	\$ 38,184	33,136	30,802	22,888
Expenses	38,758	36,131	13,216	22,591
Net income (loss)	<u>\$ (574)</u>	<u>(2,995)</u>	<u>17,586</u>	<u>297</u>
Ownership percentage	50%	50%	47%	50%

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The following represents the summary financial information of LMA, ASH, PSC, and IAP as of December 31, 2014 (in thousands of dollars):

	<u>LifeMed Alaska</u>	<u>Alaska Specialty Hospital</u>	<u>Providence Surgery Center</u>	<u>Imaging Associates of Providence</u>
Current assets	\$ 12,465	10,896	12,713	6,890
Noncurrent assets, net	5,360	6,334	1,555	11,069
	<u>\$ 17,825</u>	<u>17,230</u>	<u>14,268</u>	<u>17,959</u>
Current liabilities	\$ 3,260	8,222	709	4,601
Long-term liabilities	287	22,060	722	5,705
Equity (deficit)	14,278	(13,052)	12,837	7,653
	<u>\$ 17,825</u>	<u>17,230</u>	<u>14,268</u>	<u>17,959</u>
Revenues	\$ 36,731	34,353	34,962	20,450
Expenses	37,393	37,495	13,581	19,248
Net income (loss)	<u>\$ (662)</u>	<u>(3,142)</u>	<u>21,381</u>	<u>1,202</u>
Ownership percentage	50%	50%	49%	50%

(7) Asset Retirement Obligations

Following is a reconciliation of the beginning and ending amount of the asset retirement obligations at December 31, 2015 and 2014 (in thousands of dollars):

Balance at December 31, 2013	\$ 14,631
Release of liability for work completed	(544)
Accretion expense	463
Change in estimate	6,002
Balance at December 31, 2014	20,552
Release of liability for work completed	(875)
Accretion expense	821
Balance at December 31, 2015	<u>\$ 20,498</u>

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(8) Short-Term and Long-Term Debt and Commitments

Short-term and long-term debt at December 31, 2015 and 2014 consists of the following (in thousands of dollars):

	<u>Maturing through</u>	<u>Coupon rates</u>	<u>Unpaid principal 2015</u>	<u>Unpaid principal 2014</u>
Master trust debt:				
Fixed:				
Series 2003H, AIDEA Revenue Bonds	2015	4.63–5.25%	\$ —	4,600
Series 2005, Direct Obligation Notes	2030	4.31–5.39%	44,380	46,295
Series 2006H, AIDEA Revenue Bonds	2036	5.00%	51,905	54,355
Series 2009A, Direct Obligation Notes	2019	5.05–6.25%	31,575	31,575
Series 2011A, AIDEA Revenue Bonds	2041	5.00–5.50%	122,720	122,720
Total fixed			<u>250,580</u>	<u>259,545</u>
Variable:				
Series 2013E, Direct Obligation Notes	2017	1.08%	24,594	39,627
Total variable			<u>24,594</u>	<u>39,627</u>
Unpaid principal, master trust debt			275,174	299,172
Premiums and discounts, net			<u>5,200</u>	<u>5,586</u>
Master trust debt, including premiums and discounts, net			<u>280,374</u>	<u>304,758</u>
Total debt			<u>\$ 280,374</u>	<u>304,758</u>

An Obligated Group formed for issuing debt under a master trust indenture. Members of the Obligated Group are jointly and severally responsible for all borrowings under the master trust indenture of the Obligated Group. The master trust indenture and bond trust indentures for each debt issue require the Obligated Group to meet certain financial covenants.

The members of the Obligated Group include the following:

- Providence Health & Services – Washington (exclusive of Inland Northwest Health Services)
- Western HealthConnect
- Providence Health & Services – Oregon (exclusive of Providence Plan Partners)
- Providence Health System – Southern California (exclusive of Medical Institute of Little Company of Mary, Lifecare Ventures, Inc., TrinityCare Hospice, and Facey)
- Providence St. Joseph Medical Center, and Providence Health & Services – Montana

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(a) Debt Service Requirements

Scheduled principal payments of long-term debt, considering all obligations under the master trust indenture as due according to their long-term amortization schedule, for the next five years and thereafter are as follows (in thousands of dollars):

Year ending December 31:		
2016	\$	26,748
2017		14,412
2018		2,225
2019		21,474
2020		2,465
Thereafter		<u>207,850</u>
	Scheduled principal payments of long-term debt	<u>\$ 275,174</u>

(b) Operating Leases

The Service Area leases various air ambulances, medical, and office equipment under operating leases. Future minimum lease commitments under noncancelable operating leases for the next five years and thereafter are as follows (in thousands of dollars):

Year ending December 31:		
2016	\$	4,549
2017		3,648
2018		2,973
2019		2,705
2020		2,318
Thereafter		<u>15,845</u>
	\$	<u>32,038</u>

Rental expense for all operating leases was \$6,660,000 and \$6,929,000 in 2015 and 2014, respectively, and is included in other expenses in the accompanying consolidated statements of operations.

(c) Commitments

The Service Area has certain commitments for construction and the purchase of capital equipment of approximately \$4,698,000 as of December 31, 2015.

(9) Retirement Plans

The Service Area participates in Providence Health & Services sponsored retirement plans, which include the Providence Health & Services 401(a) Service Plan (the Service Plan), the Providence Health & Services

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403(b) Value Plan (the Value Plan), the Providence Health & Services Cash Balance Retirement Plan (the Cash Balance Plan).

The Service Plan and Value Plan are defined contribution plans. Participant benefits under the Service Plan are determined based on defined eligible compensation and years of service. The Service Plan has a five year cliff vesting schedule. The Value Plan is a match contributory plan with matching rates dependent on eligible years of service. Vesting is immediate for the Value Plan.

The Cash Balance Plan is a defined benefit plan. The plan was frozen effective December 31, 2009. The plan benefits are based on defined average compensation and years of service. The plan has a five year cliff vesting schedule. The Health System's funding policy is based on the actuarially determined cost method, and includes normal service cost and prior service costs. Under the Cash Balance Plan, each employee carries an individual account balance. The Health System makes an annual contribution and provides an annual interest credit to each employee's account. The assets and liabilities related to the Cash Balance Plan are recorded at the Health System level.

Providence Health & Services sponsored retirement plans are maintained at the Health System level. Costs for the plans are allocated to Providence Health & Services service areas and ministries based on employee participation. The Service Area's contributions to these pension plans for the years ended December 31, 2015 and 2014 were \$20,030,000 and \$21,446,000, respectively, and are included in employee benefits expense in the accompanying consolidated statements of operations.

(10) Litigation and Contingencies

The healthcare industry is subject to numerous laws and regulations from federal, state, and local governments. Compliance with these laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government monitoring and enforcement activity continues with respect to investigations and allegations concerning possible violations by healthcare providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of patient services previously billed. Institutions within the Service Area are subject to similar regulatory reviews.

Management is aware of certain asserted and unasserted legal claims and regulatory matters arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Service Area's future financial position, results of operations, or cash flows.

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(11) Restrictions and Limitations on Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2015 and 2014 (in thousands of dollars):

	2015	2014
Contributions available for:		
Program support	\$ 8,345	8,156
Capital acquisition and other	1,323	1,168
	\$ 9,668	9,324

The Service Area has obtained contributions to support the various programs offered by the Service Area. Many of these contributions remain temporarily restricted as of December 31, 2015 and 2014 because the time or purpose restrictions stipulated by the donor have not been met. Generally, program support consists of items that will defray the cost of operating certain patient care activities of the Service Area.

Other revenues included \$1,098,000 and \$1,697,000 of assets released from restriction for operations for the years ended December 31, 2015 and 2014, respectively.

(12) Functional Expenses

The Service Area provides healthcare services to residents within its geographic service areas. Expenses related to providing these services are as follows for the years ended December 31, 2015 and 2014 are as follows (in thousands of dollars):

	2015	2014
Healthcare expenses	\$ 584,534	563,832
General and administrative expenses	144,899	143,804
Total operating expenses	\$ 729,433	707,636

(13) Subsequent Events

The Service Area has performed an evaluation of subsequent events through May 20, 2016, which is the date these consolidated financial statements were available to be issued.

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Supplemental Consolidating Schedule of Balance Sheet Information
Year ended December 31, 2015
(In thousands)

	Providence Alaska Medical Center	Providence Kodiak Island Medical Center	Providence Extended Care	Providence Transitional Care Center	Horizon House	Providence Residential Treatment Center	Regional Office, Eliminations, and Other	Providence Alaska Service Area
Assets								
Current assets:								
Cash and cash equivalents	\$ 121,022	63,180	23,297	523	736	—	5,193	213,951
Accounts receivable, net	128,136	8,507	3,262	2,857	982	366	7,894	152,004
Receivable from affiliates	42,591	—	217	—	—	—	(42,115)	693
Other receivables, net	15,959	377	46	—	172	—	2,887	19,441
Supplies inventory	12,004	440	—	—	—	—	161	12,605
Other current assets	878	246	54	150	—	—	(162)	1,166
Total current assets	320,590	72,750	26,876	3,530	1,890	366	(26,142)	399,860
Assets whose use is limited:								
Management-designated cash and investments	503,495	—	—	—	—	—	19,972	523,467
Gift annuities, trust funds, and other	—	—	68	—	—	—	292	360
Total assets whose use is limited	503,495	—	68	—	—	—	20,264	523,827
Property, plant, and equipment, net	281,586	3,875	55,212	16,065	4,672	595	190,016	552,021
Loans to affiliates	50,581	—	611	—	—	—	(51,192)	—
Other long-term assets	16,353	59	460	16	45	38	9,884	26,855
Total assets	\$ 1,172,605	76,684	83,227	19,611	6,607	999	142,830	1,502,563
Liabilities and Net Assets								
Current liabilities:								
Current portion of long-term debt	\$ 26,748	—	—	—	—	—	—	26,748
Accounts payable	10,227	1,423	200	301	1,094	6	986	14,237
Accrued compensation	17,563	1,900	1,014	663	368	65	3,315	24,888
Payable to contractual agencies	5,411	—	—	379	—	—	(2)	5,788
Payable to affiliates	61,222	34,546	—	—	—	—	(95,164)	604
Other, including accrued interest	2,896	34	733	3	45	—	521	4,232
Total current liabilities	124,067	37,903	1,947	1,346	1,507	71	(90,344)	76,497
Long-term debt, net of current portion	197,728	—	55,898	—	—	—	—	253,626
Asset retirement obligation	20,498	—	—	—	—	—	—	20,498
Other long-term liabilities	—	503	68	—	18	—	686	1,275
Total liabilities	342,293	38,406	57,913	1,346	1,525	71	(89,658)	351,896
Net assets:								
Unrestricted	820,435	38,128	24,848	18,261	5,055	890	230,476	1,138,093
Temporarily restricted	8,156	150	466	4	27	38	827	9,668
Permanently restricted	1,721	—	—	—	—	—	1,185	2,906
Total net assets	830,312	38,278	25,314	18,265	5,082	928	232,488	1,150,667
Total liabilities and net assets	\$ 1,172,605	76,684	83,227	19,611	6,607	999	142,830	1,502,563

See accompanying independent auditors' report.

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)
Supplemental Consolidating Schedule of Balance Sheet Information
Year ended December 31, 2014
(In thousands)

Assets	Providence Alaska Medical Center	Providence Kodiak Island Medical Center	Providence Extended Care	Providence Transitional Care Center	Horizon House	Providence Residential Treatment Center	Regional Office, Eliminations, and Other	Providence Alaska Service Area
Current assets:								
Cash and cash equivalents	\$ 119,944	31,269	7,524	132	84	—	11,024	169,977
Accounts receivable, net	115,442	5,740	22,782	2,318	794	669	8,577	156,322
Receivable from affiliates	18,317	—	1,307	—	1,599	249	(20,354)	1,118
Other receivables, net	12,254	2,006	—	—	83	—	5,137	19,480
Supplies inventory	15,059	377	—	—	—	—	148	15,584
Other current assets	485	264	55	135	3	—	(94)	848
Total current assets	281,501	39,656	31,668	2,585	2,563	918	4,438	363,329
Assets whose use is limited:								
Management-designated cash and investments	442,989	—	—	—	—	—	19,954	462,943
Gift annuities, trust funds, and other	—	—	47	1	—	—	363	411
Total assets whose use is limited	442,989	—	47	1	—	—	20,317	463,354
Property, plant, and equipment, net	302,940	3,047	58,183	16,729	4,900	638	205,166	591,603
Loans to affiliates	57,558	—	635	1,180	—	—	(54,712)	4,661
Other long-term assets	19,887	87	484	17	98	25	12,062	32,660
Total assets	\$ 1,104,875	42,790	91,017	20,512	7,561	1,581	187,271	1,455,607
Liabilities and Net Assets								
Current liabilities:								
Current portion of long-term debt	\$ 21,548	—	—	—	—	—	—	21,548
Accounts payable	17,579	986	111	867	222	5	2,452	22,222
Accrued compensation	24,690	2,564	1,437	842	426	89	4,310	34,358
Payable to contractual agencies	7,807	1,216	7,479	713	—	—	—	17,215
Payable to affiliates	48,754	2,305	—	48	386	1,448	(50,333)	2,608
Other, including accrued interest	3,424	12	733	396	51	—	643	5,259
Total current liabilities	123,802	7,083	9,760	2,866	1,085	1,542	(42,928)	103,210
Long-term debt, net of current portion	227,254	—	55,956	—	—	—	—	283,210
Asset retirement obligation	20,552	—	—	—	—	—	—	20,552
Other long-term liabilities	—	522	47	1	70	—	705	1,345
Total liabilities	371,608	7,605	65,763	2,867	1,155	1,542	(42,223)	408,317
Net assets:								
Unrestricted	723,594	35,040	24,764	17,636	6,378	14	227,720	1,035,146
Temporarily restricted	8,017	145	490	9	28	25	610	9,324
Permanently restricted	1,656	—	—	—	—	—	1,164	2,820
Total net assets	733,267	35,185	25,254	17,645	6,406	39	229,494	1,047,290
Total liabilities and net assets	\$ 1,104,875	42,790	91,017	20,512	7,561	1,581	187,271	1,455,607

See accompanying independent auditors' report.

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)
Supplemental Consolidating Schedule of Operations
Year ended December 31, 2015
(In thousands)

	Providence Alaska Medical Center	Providence Kodiak Island Medical Center	Providence Extended Care	Providence Transitional Care Center	Horizon House	Providence Residential Treatment Center	Regional Office, Eliminations, and Other	Providence Alaska Service Area
Net patient service revenues	\$ 695,053	42,055	24,678	9,994	5,229	1,371	50,299	828,679
Provision for bad debts	(21,310)	(27)	(55)	(2,094)	(12)	—	(1,448)	(24,946)
Net patient service revenues less provision for bad debts	673,743	42,028	24,623	7,900	5,217	1,371	48,851	803,733
Other revenues	23,319	169	358	584	774	(5)	26,797	51,996
Total operating revenues	697,062	42,197	24,981	8,484	5,991	1,366	75,648	855,729
Salaries and wages	197,145	18,548	9,856	7,631	3,444	689	33,043	270,356
Employee benefits	55,565	4,656	3,167	2,963	2,255	406	7,768	76,780
Professional fees	15,571	229	141	518	14	15	2,553	19,041
Supplies	103,092	2,271	1,121	2,439	625	88	1,971	111,607
Purchased services	134,456	9,413	4,725	3,041	1,469	266	4,447	157,817
Depreciation	30,645	658	2,963	1,135	449	35	18,715	54,600
Interest and amortization	11,813	—	2,866	—	—	—	34	14,713
Other	12,507	3,073	227	436	461	4	7,821	24,529
Total operating expenses	560,794	38,848	25,066	18,163	8,717	1,503	76,352	729,443
Excess (deficit) of revenues over expenses from operations	136,268	3,349	(85)	(9,679)	(2,726)	(137)	(704)	126,286
Net nonoperating gains	(4,283)	—	—	—	(1,497)	—	1,294	(4,486)
Excess (deficit) of revenues over expenses	\$ 131,985	3,349	(85)	(9,679)	(4,223)	(137)	590	121,800

See accompanying independent auditors' report.

PROVIDENCE ALASKA SERVICE AREA
(A Division of Providence Health & Services – Washington)
Supplemental Consolidating Schedule of Operations

Year ended December 31, 2014

(In thousands)

	Providence Alaska Medical Center	Providence Kodiak Island Medical Center	Providence Extended Care	Providence Transitional Care Center	Horizon House	Providence Residential Treatment Center	Regional Office, Eliminations, and Other	Providence Alaska Service Area
Net patient service revenues	\$ 638,470	40,459	26,573	9,758	5,160	1,270	51,029	772,719
Provision for bad debts	(7,305)	(3,016)	(38)	(2,145)	(114)	—	(2,550)	(15,168)
Net patient service revenues less provision for bad debts	631,165	37,443	26,535	7,613	5,046	1,270	48,479	757,551
Other revenues	24,954	722	286	254	620	78	31,403	58,317
Total operating revenues	656,119	38,165	26,821	7,867	5,666	1,348	79,882	815,868
Salaries and wages	190,266	17,634	9,411	7,690	3,135	668	35,702	264,506
Employee benefits	56,135	4,727	3,172	2,745	1,196	79	10,958	79,012
Professional fees	14,241	253	137	565	2	15	2,353	17,566
Supplies	102,011	2,421	1,113	2,064	527	65	2,501	110,702
Purchased services	122,539	7,868	3,715	3,582	1,354	147	(79)	139,126
Depreciation	34,127	659	3,276	942	434	31	20,300	59,769
Interest and amortization	8,774	—	2,866	—	—	—	2,342	13,982
Other	12,202	2,877	235	679	450	8	6,522	22,973
Total operating expenses	540,295	36,439	23,925	18,267	7,098	1,013	80,599	707,636
Excess (deficit) of revenues over expenses from operations	115,824	1,726	2,896	(10,400)	(1,432)	335	(717)	108,232
Net nonoperating gains	8,089	—	—	12	—	—	480	8,581
Excess (deficit) of revenues over expenses	\$ 123,913	1,726	2,896	(10,388)	(1,432)	335	(237)	116,813

See accompanying independent auditors' report.

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.



ORGANIZATIONAL OVERVIEW

Organization Name The Salvation Army Alaska Division - Kodiak Corps (1855 Mission Road Kodiak)
Mailing Address 143 East 9th Avenue Anchorage, AK 99501
Telephone No. 907-276-2515 Fax No. 907-276-1424
Email edward.markham@usw.salvationarmy.org
Federal Employer Tax ID Number 94-1156347
Contact Person Edward Markham Divisional Secretary
Printed Name Title
Contact Person 6-17-16
Signature Date

List of Board Members and Officers:

<u>David Jeffrey - Chairman of the Board</u>	<u>Stephen C. Smith</u>
<u>James M. Knaggs</u>	<u>Edward Hill</u>
<u>Doug Riley</u>	<u>Carolyn R. Knaggs</u>
<u>Victor R. Doughty</u>	

Does agency have 501(c)3 status from the IRS? Yes No
If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:
The Salvation Army Alaska - Kodiak Corps provides a transitional living center with 16 beds in Kodiak. Through this program we assist individuals and families transitioning from homelessness to self-reliance. We provide food boxes, clothing, rent or utilities assistance to Kodiak City and Borough residents; and we provide emergency housing to individuals in the event of a natural disaster or for those in need when traveling to Kodiak from a village for medical care. We also offer character building activities each week for local Youth and Adults.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No
If yes, how do you plan to use the City's funding? We will provide the services described above to those in need in our community, without discrimination.

How many City residents will be served by this grant? approximately 1,600 (316 families)

Please attach a copy of the organization's Mission Statement.
City of Kodiak Nonprofit Grant Application/Report
FY2017
Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

We network with other nonprofits in Kodiak and our surrounding areas, including Brother Francis

Shelter, Kodiak Island Housing Authority, Kodiak Area Native Association (KANA), Providence

Hospital Safe Harbor, The Salvation Army Alaska Clitheroe Center for addiction recovery, Kodiak Job

Services, Department of Labor Vocational Rehabilitation, Kodiak Police Department, Kodiak Public

Defenders Office, Kodiak Safeway, and the Kodiak Food Bank.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Youth Recreation Programs Amount \$2,500

Explanation: Each year, The Salvation Army of Kodiak assists financially so children who cannot afford
summer camp can attend and enjoy a camp experience. September through May of each year, we also
offer a boys and girls program at no cost to the youth of Kodiak. They attend and are educated by local
merchants and teachers on a variety of topics that are valuable to their life and life skills.

Category Public Safety Support Programs Amount \$10,000

Explanation: The Salvation Army of Kodiak Transitional Living Center is a 16 bed facility providing individuals
with the skills and tools necessary to reintegrate into the community and to be self-reliant. With the help of our
local Safeway, we provide a food pantry for those in need, distributing 130 food boxes weekly. During the
holidays, we assist 300 families with food, toys, and clothing.

Category Emergency Response Support Programs Amount \$10,000

Explanation: The Salvation Army Alaska - Kodiak Corps offers disaster services through emergency canteen
during the response phase of natural disasters. Rent, utilities, food, clothing, and furniture is available for
individuals and families who are experiencing a personal or family emergency.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal <u>\$0</u>	State <u>\$0</u>
City of Kodiak <u>\$16,401</u>	Kodiak Is. Borough <u>\$8,000</u>
Parent Organization _____	Corporate Grants <u>\$0</u>
Foundations <u>\$0</u>	Client Fees <u>\$0</u>
Donations <u>\$62,080</u>	Memberships <u>\$0</u>
Interest <u>\$0</u>	Gaming Permit Activities (pull tabs, raffles etc.) <u>\$0</u>

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives? n/a

What effects will there be and what alternative plans does your agency have if City funding is not received? The services we provide will be cut substantially, and we will have to rely heavily on community donations.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs	25 points
Grant reports submitted to City as required	25 points
Number of City residents served	25 points
Other sources of applicant funding identified	25 points

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	The Salvation Army Alaska - Kodiak Corps
Program:	Social Services and Disaster Response
2015-2016 Grant Amount:	\$16,401.00
Amount Expended Year-to-Date:	\$16,401.00
Balance:	\$0

Describe accomplishments with grant funds. Grant funds were used for costs in our FY16, which began October 1, 2015. Since that date, we have provided 1,334 Transitional Housing bed nights. We have served 880 individuals through our Social Service Department here on Kodiak, including 900 grocery orders. We provided seasonal assistance/Christmas food and gift assistance to 170 families representing 564 individuals. Total cases served thus far in FY16 is 480.

If you have not expended all funds, please describe how and when you intend to spend the balance.



Signature

Submit to:

City Manager
 City of Kodiak
 710 Mill Bay Road, Room 114
 Kodiak, AK 99615

Our funding categories actuals:
 Public Safety Support programs: \$10,471.67
 Youth Recreation Programs: \$2,315.87
 Emergency Response Support Programs: \$1,191.00
 Special Project (Equipment/Appliances): \$2,422.46
 Total: \$16,401.00



OGDEN UT 84201-0029

In reply refer to: 4077591934
Feb. 24, 2015 LTR 4168C 0
94-1156347 000000 00
00031928
BODC: TE

THE SALVATION ARMY
TERRITORIAL HEADQUARTERS
% TERRY O HUGHES
180 E OCEAN BLVD FL 9
LONG BEACH CA 90802



011363

Employer Identification Number: 94-1156347
Person to Contact: Ms. Wiles
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Jan. 27, 2015, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in June 2011.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(i).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

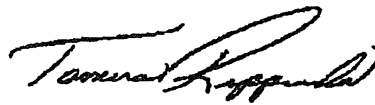
Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

4077591934
Feb. 24, 2015 LTR 4168C 0
94-1156347 000000 00
00031929

THE SALVATION ARMY
TERRITORIAL HEADQUARTERS
% TERRY O HUGHES
180 E OCEAN BLVD FL 9
LONG BEACH CA 90802

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Tamera Ripperda
Director, Exempt Organizations

Mission Statement

The Salvation Army, an international movement, is an evangelical part of the universal Christian church. Its message is based on the Bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
ALASKA DIVISION**

**STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2015, WITH COMPARATIVE TOTALS FOR 2014**

		Unrestricted				
	General Operating	Property Equipment	Total Unrestricted	Temporarily Restricted	2015 Total	2014 Summarized
ASSETS						
CASH AND CASH EQUIVALENTS	\$ 684,358	\$ -	\$ 684,358	\$ 164,410	\$ 848,768	\$ 1,417,736
FUNDS ON DEPOSIT AT WESTERN TERRITORY HEADQUARTERS (Note 10)	362,377	-	362,377	4,856	367,233	1,470,032
ACCOUNTS RECEIVABLE—Net of allowance of \$198,602 and \$160,394 in 2015 and 2014, respectively	417,496	-	417,496	-	417,496	699,644
RECEIVABLE—from Western Territory	34,384	-	34,384	-	34,384	-
PLEDGES RECEIVABLE—Net (Note 3)	25,000	-	25,000	161,626	186,626	181,400
INVENTORY (Note 2)	59,102	-	59,102	-	59,102	53,467
PREPAID EXPENSES AND DEFERRED CHARGES	<u>326,542</u>	-	<u>326,542</u>	<u>2,592</u>	<u>329,134</u>	<u>321,584</u>
Total	1,909,259	-	1,909,259	333,484	2,242,743	4,143,863
VEHICLES AND EQUIPMENT—Net (Notes 2 and 4)	-	468,824	468,824	-	468,824	596,940
TOTAL	<u>\$ 1,909,259</u>	<u>\$ 468,824</u>	<u>\$ 2,378,083</u>	<u>\$ 333,484</u>	<u>\$ 2,711,567</u>	<u>\$ 4,740,803</u>
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and accrued expenses	\$ 857,193	\$ -	\$ 857,193	\$ -	\$ 857,193	\$ 811,754
Other liabilities	<u>169,650</u>	-	<u>169,650</u>	-	<u>169,650</u>	<u>63,768</u>
Total liabilities	1,026,843	-	1,026,843	-	1,026,843	875,522
NET ASSETS (Note 5):						
Unrestricted	882,416	468,824	1,351,240	-	1,351,240	3,516,038
Temporarily restricted	-	-	-	333,484	333,484	349,243
Total net assets	<u>882,416</u>	<u>468,824</u>	<u>1,351,240</u>	<u>333,484</u>	<u>1,684,724</u>	<u>3,865,281</u>
TOTAL	<u>\$ 1,909,259</u>	<u>\$ 468,824</u>	<u>\$ 2,378,083</u>	<u>\$ 333,484</u>	<u>\$ 2,711,567</u>	<u>\$ 4,740,803</u>

See notes to financial statements.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
ALASKA DIVISION**

**STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2014**

	Unrestricted Property				
	General Operating	Equipment	Unrestricted	Temporarily Restricted	Total
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 1,249,905	\$ -	\$ 1,249,905	\$ 167,831	\$ 1,417,736
FUNDS ON DEPOSIT AT WESTERN TERRITORY HEADQUARTERS (Note 10)	1,468,134	-	1,468,134	1,898	1,470,032
ACCOUNTS RECEIVABLE—Net of allowance of \$160,394	699,644	-	699,644	-	699,644
PLEDGES RECEIVABLE—Net (Note 3)	10,000	-	10,000	171,400	181,400
INVENTORY (Note 2)	53,467	-	53,467	-	53,467
PREPAID EXPENSES AND DEFERRED CHARGES	313,470	-	313,470	8,114	321,584
Total	3,794,620	-	3,794,620	349,243	4,143,863
VEHICLES AND EQUIPMENT—Net (Notes 2 and 4)	-	596,940	596,940	-	596,940
TOTAL	\$ 3,794,620	\$ 596,940	\$ 4,391,560	\$ 349,243	\$ 4,740,803
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts payable and accrued expenses	\$ 811,754	\$ -	\$ 811,754	\$ -	\$ 811,754
Other liabilities	63,768	-	63,768	-	63,768
Total liabilities	875,522	-	875,522	-	875,522
NET ASSETS (Note 5):					
Unrestricted	2,919,098	596,940	3,516,038	-	3,516,038
Temporarily restricted	-	-	-	349,243	349,243
Total net assets	2,919,098	596,940	3,516,038	349,243	3,865,281
TOTAL	\$ 3,794,620	\$ 596,940	\$ 4,391,560	\$ 349,243	\$ 4,740,803

See notes to financial statements.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
ALASKA DIVISION**

**STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015, WITH COMPARATIVE TOTALS FOR 2014**

	Unrestricted		Temporarily Restricted	2015 Total	2014 Summarized
	General Operating	Property and Equipment			
SUPPORT AND REVENUE:					
Public support:					
Received directly:					
Contributions (Note 2)	\$ 3,167,069	\$ -	\$ 16,230	\$ 3,183,299	\$ 3,023,422
Donations-in-kind and contributed services (Note 2)	2,397,104	-	-	2,397,104	1,859,321
Total received directly	5,564,173	-	16,230	5,580,403	4,882,743
Received indirectly—allocated by federated fundraising organizations	114,893	-	161,625	276,518	285,528
Total public support	5,679,066	-	177,855	5,856,921	5,168,271
Fees and grants from government agencies	4,964,782	-	-	4,964,782	5,282,352
Other revenue:					
Program service fees	1,729,440	-	-	1,729,440	1,747,031
Income from Western Territory Headquarters (Note 10)	2,229,697	-	-	2,229,697	2,147,179
Sales to the public	1,806,853	-	-	1,806,853	1,865,896
Dividends and interest—net of fees	400	-	-	400	789
Gain on sale of vehicles and equipment	185,537	-	-	185,537	188,945
Other revenue	-	-	-	-	-
Total other revenue	5,951,927	-	-	5,951,927	5,957,774
Total support and revenue	16,595,775	-	177,855	16,773,630	16,408,397
NET ASSETS RECLASSIFIED DUE TO FULFILLMENT OF DONOR RESTRICTIONS (Note 6):					
Satisfaction of purpose restrictions	22,213	-	(22,213)	-	-
Satisfaction of time restrictions	171,401	-	(171,401)	-	-
TRANSFER TO WESTERN TERRITORY HEADQUARTERS (Note 10)	(123,250)	-	-	(123,250)	(134,803)
INTERFUND TRANSFERS	128,116	(128,116)	-	-	-
Total	\$ 16,794,255	\$ (128,116)	\$ (15,759)	\$ 16,650,380	\$ 16,273,594

(Continued)

**THE SALVATION ARMY USA, WESTERN TERRITORY,
ALASKA DIVISION**

**STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015, WITH COMPARATIVE TOTALS FOR 2014**

	General Operating	Unrestricted Property and Equipment	Total Unrestricted	Temporarily Restricted	2015 Total	2014 Summarized
EXPENSES (Note 10):						
Program services:						
Corps community center	\$ 3,940,971	\$ -	\$ 3,940,971	\$ -	\$ 3,940,971	\$ 3,740,049
Residential and institutional	3,820,611	-	3,820,611	-	3,820,611	3,829,386
Other social services	7,048,908	-	7,048,908	-	7,048,908	6,954,995
Total program services	14,810,490	-	14,810,490	-	14,810,490	14,524,430
Supporting services:						
Management and general	3,471,455	-	3,471,455	-	3,471,455	3,365,079
Fundraising	548,992	-	548,992	-	548,992	341,551
Total supporting services	4,020,447	-	4,020,447	-	4,020,447	3,706,630
Total expenses	18,830,937	-	18,830,937	-	18,830,937	18,231,060
CHANGE IN NET ASSETS	(2,036,682)	(128,116)	(2,164,798)	(15,759)	(2,180,557)	(1,957,466)
NET ASSETS—Beginning of year	2,919,098	596,940	3,516,038	349,243	3,865,281	5,822,747
NET ASSETS—End of year	\$ 882,416	\$ 468,824	\$ 1,351,240	\$ 333,484	\$ 1,684,724	\$ 3,865,281

(Concluded)

See notes to financial statements.

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
 Return to City Manager's Office by June 17, 2016.


JUN 2016
Received
 Executive Department
 City of Kodiak

ORGANIZATIONAL OVERVIEW

Organization Name Senior Citizens of Kodiak, Inc.
 Mailing Address 302 Erskine Kodiak, Alaska 99615
 Telephone No. 486-6181 Fax No. 486-4503
 Email scokinc@ak.net

Federal Employer Tax ID Number 23-7348249

Contact Person Susan Brockman, President Board of Directors

	<u>Printed Name</u>	<u>Title</u>
Contact Person	<u>Susan Brockman</u>	<u>May 31, 2016</u>
	<u>Signature</u>	<u>Date</u>

List of Board Members and Officers:

<u>Susan Brockman, President</u>	<u>David Blacketer, Vice-President</u>	<u>Monda Johnson, Secretary</u>
<u>Mona Johnson, Secretary/Treasurer</u>	<u>Laurence Anderson</u>	
<u>Florence Pestrikoff</u>	<u>Gretchen Saupe</u>	
<u>Roberta Austring</u>	<u>Pat Heitman</u>	<u>Joyce Gregory</u>

Does agency have 501(c)3 status from the IRS? Yes No

If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.

If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

The agency's mission is "To enhance the lives of older adults." Senior Citizens of Kodiak, Inc. (SCOK) does this by providing congregate and home delivered meals, adult day services, respite, Lifeline, chore, information & referrals, support groups, outreach, equipment loan program, training, transportation, Medicaid waiver services, Medicare counseling, case management.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? 5,000+

Please attach a copy of the organization's Mission Statement.

City of Kodiak Nonprofit Grant Application/Report

FY2017

Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

SCOK collaborates with almost all social service agencies in our community through the Human Services Coalition which meets quarterly and assures services are not duplicated and information is exchanged. We also work closely with Providence Kodiak Island Medical Center and Bayview Assisted Living in participating in discharge plans and case management for seniors and their families.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization’s programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Public Safety Support Programs (Shelter/Food) Amount \$10,000

Explanation:

City funds are used to assist the home delivered meal program and match the state grant for Nutrition, Transportation and Support Services. Each State grant requires a 20% match and City funds are used for required matching funds. Home delivered meals are for 7 days a week and on holidays. SCOK is the only senior center in Alaska which assures seniors have a meal each day. Home delivered meal recipients need to be assessed before receiving this service. The number of home delivered meals has increased 42% this year.

Category Adult Recreation Programs Amount \$5,000

Explanation:

SCOK uses these funds to provide scheduled activities for seniors throughout the year. In order for seniors to remain independent, not only are hot nutritious meals needed, but also socialization and activities such as exercise which is offered 5 days a week as well as games, special events. etc. No State funding is awarded for recreational activities for seniors. In order to remain independent, socialization and activities are needed for seniors.

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$15,000

What percentage of funds will be used for administrative costs? 0

What percentage of funds will be used for direct services? All City funds are used for direct services.

How will the funds be used?

Funds are used to match State grant funds and are used for direct services which include home delivered meals and activities at the center which keep seniors engaged, active and part of our community.

Is your agency audited? Yes No

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal \$14,400 _____	State \$543,559 _____
City of Kodiak \$15,000 _____	Kodiak Is. Borough \$35,000 _____
Parent Organization 0 _____	Corporate Grants \$2,500 _____
Foundations \$23,270 _____	Client Fees \$353,840 _____
Donations \$95,579 _____	Memberships \$15,000 _____
Interest \$100 _____	Gaming Permit Activities (pull tabs, raffles etc.) 0 _____

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

SCOK has four State grants each which require a 20% match. State grant amounts and required matches are: Nutrition, Transportation & Support Service grant-\$233,066-\$46,613 match; Adult Day-\$140,969-\$28,194 match; Family Caregiver-\$104,718-\$20,944 match; Senior In-Home- \$54,511-\$10,902 match.

What effects will there be and what alternative plans does your agency have if City funding is not received?

If match amounts are not received, grants are reduced and we would have to review service levels demands and create waiting lists.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs	25 points
Grant reports submitted to City as required	25 points
Number of City residents served	25 points
Other sources of applicant funding identified	25 points

CITY OF KODIAK GRANT REPORT

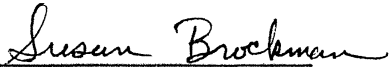
Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Senior Citizens of Kodiak, Inc.
Program:	Home delivered meals and adult recreation
2015-2016 Grant Amount:	\$15,000
Amount Expended Year-to-Date:	\$15,000
Balance:	0

Describe accomplishments with grant funds.

City funds are used to meet the required match for each of the four State grants. Home delivered meals increased 42% this year and we expect to deliver almost 17,000 this fiscal year. Activities are delivered each day the center is open. These services assist in keeping seniors in our community and viable citizens.

If you have not expended all funds, please describe how and when you intend to spend the balance.



Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

INTERNAL REVENUE SERVICE
EP/EO

Internal Revenue Service
EP/EO Disclosure Desk
P.O. Box 2350 Los Angeles, CA 90053

SENIOR CITIZENS OF KODIAK

P O BOX 315
KODIAK, AK 99615

Person to Contact:
L. Barragan (A to K)
F. Miraflor (L to Z)

Telephone Number:
(213)894-2336

Refer Reply to:
92-216

Date:
NOV 27 1991

RE: 23-7348249
SENIOR CITIZENS OF KODIAK

Gentlemen:

This is in response to your request for a determination letter of the above-named organization.

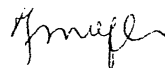
A review of our records indicates that the above-named organization was recognized to be exempt from Federal income tax in May 1976, as an organization described in Internal Revenue Code section 501(c)(3). It is further classified as an organization that is not a private foundation as defined in section 509(a) of the code, because it is an organization described in section 170(b)(1)(A)(vi).

This letter is to verify your exempt status and the fact that the determination letter issued in May 1976 continues to be in effect.

If you are in need of further assistance, please feel free to contact me at the above address.

We appreciate your cooperation in this regard.

Sincerely,



Disclosure Assistant



Senior Citizens of Kodiak, Inc.
302 Erskine Avenue, Kodiak, AK 99615
Phone: (907) 486-6181
Fax: (907)486-4503
E-mail: scokinc@ak.net

Mission Statement

To enhance the lives of older adults



SENIOR CITIZENS OF KODIAK, INC.

302 Erskine Avenue, Kodiak, AK 99615

Phone: (907) 486-6181

Fax: (907) 486-4503

E-mail: scokinc@ak.net

Senior Citizens of Kodiak, Inc. and Endowment Fund

Audited Consolidated Financial Statements and Additional Information
Years Ended June 30, 2015 and 2014

Federal Single Audit and Required Attachments
Year Ended June 30, 2015

(With Independent Auditor's Report Thereon)

Senior Citizens of Kodiak, Inc. and Endowment Fund

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Senior Citizens of Kodiak, Inc. and Endowment Fund

Statements of Consolidated Financial Position

	June 30,	
	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 88,779	185,164
Investments	1,870,174	1,826,457
Accounts receivable	66,289	91,626
Grants receivable	81,969	124,407
Prepaid expenses	10,630	21,270
Total current assets	<u>2,117,841</u>	<u>2,248,924</u>
Non-current assets:		
Land	227,677	227,677
Property and equipment, net of accumulated depreciation	1,494,484	1,480,771
Total non-current assets	<u>1,722,161</u>	<u>1,708,448</u>
TOTAL ASSETS	<u>\$ 3,840,002</u>	<u>3,957,372</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 93,104	169,794
Accrued payroll and related liabilities	33,259	27,385
Medicaid payable	-	28,300
Total current liabilities	<u>126,363</u>	<u>225,479</u>
Net assets (unrestricted):		
Designated:		
Endowment	1,901,570	1,849,366
Investment in property and equipment	1,722,161	1,708,448
Undesignated	89,908	174,079
Total net assets	<u>3,713,639</u>	<u>3,731,893</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,840,002</u>	<u>3,957,372</u>

The accompanying notes are an integral part of these financial statements.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Statements of Consolidated Activities

	Years Ended	
	June 30,	
	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
Operating activities:		
Support:		
Individuals	\$ 25,500	8,684
Government:		
State of Alaska	381,685	342,151
Federal sources	565,825	458,948
Local sources	136,558	82,640
In-kind	47,125	46,625
Total support	<u>1,156,693</u>	<u>939,048</u>
Revenue:		
Project income	477,424	503,550
Other	50,562	44,384
Total revenue	<u>527,986</u>	<u>547,934</u>
Total support and revenue	<u>1,684,679</u>	<u>1,486,982</u>
Expenses:		
Program services:		
Kodiak Area Transit System	362,796	311,371
Caregiver Support	147,370	147,056
Senior Services	592,443	574,975
Adult Day Care	445,094	453,274
Total program services	<u>1,547,703</u>	<u>1,486,676</u>
Support Services:		
Management and General	197,480	172,978
Fundraising - Endowment	3,803	13
Total support services	<u>201,283</u>	<u>172,991</u>
Total expenses	<u>1,748,986</u>	<u>1,659,667</u>
Change in net assets from operating activities	<u>(64,307)</u>	<u>(172,685)</u>

The accompanying notes are an integral part of these financial statements.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Statements of Consolidated Activities

	Years Ended	
	June 30,	
	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
Non-operating activities:		
Dividends and interest	48	155
Investment income	46,005	266,175
Change in net assets from non-operating activities	<u>46,053</u>	<u>266,330</u>
Change in unrestricted net assets	(18,254)	93,645
Net assets:		
Beginning of year	<u>3,731,893</u>	<u>3,638,248</u>
End of year	<u>\$ 3,713,639</u>	<u>3,731,893</u>

The accompanying notes are an integral part of these financial statements.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Statements of Consolidated Cash Flows

	Years Ended	
	June 30,	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase (decrease) from net assets	\$ (18,254)	93,645
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	112,494	101,711
Loss on disposal of fixed assets	1,143	102
Unrealized (gain) loss on investments	90,046	(160,650)
(Increase) decrease in assets:		
Accounts receivable	25,337	(35,205)
Grants receivable	42,438	(18,708)
Prepaid expenses	10,640	(421)
Increase (decrease) in liabilities:		
Accounts payable	(76,690)	40,274
Accrued payroll and related liabilities	5,874	(1,476)
Medicaid payable	(28,300)	28,300
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>164,728</u>	<u>47,572</u>
Cash flows from investing activities:		
Purchase of capital assets	(127,350)	(39,509)
Purchase of investments	(416,702)	(519,710)
Proceeds from sale of investments	282,939	544,463
NET CASH USED BY INVESTING ACTIVITIES	<u>(261,113)</u>	<u>(14,756)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(96,385)	32,816
Cash and cash equivalents:		
Beginning of year	<u>185,164</u>	<u>152,348</u>
End of year	<u>\$ 88,779</u>	<u>185,164</u>

The accompanying notes are an integral part of these financial statements.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements include the accounts of Senior Citizens of Kodiak, Inc. (the "Organization") and Senior Citizens of Kodiak Endowment Fund, Inc. (the "Endowment Fund"). The Organization is a nonprofit organization located in Kodiak, Alaska and was organized in 1973 to provide a full range of health, education and social services to the senior citizens of Kodiak. The mission of the Organization is to enhance the lives of older adults. The Organization is the first nationally accredited senior center in the State of Alaska by the National Institute of Senior Centers (NISC). In 1987, Senior Citizens of Kodiak, Inc. established the Senior Citizens of Kodiak Endowment Fund, Inc. to provide financial support to the charitable activities, projects and programs of the Senior Citizens of Kodiak, Inc. The Board of Trustees of the Endowment Fund is appointed by the Board of Directors of the Organization. All activities of the Endowment Fund are included in these financial statements.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant accruals. Under this method of accounting, revenues are recognized when earned. Liabilities and expenses are recorded when incurred. The financial statements include assets, liabilities, net assets and financial activities of those programs for which the Organization exercises fiscal and operational control.

Basis of Presentation

Financial statement presentation reports information regarding the Organization's financial position and activities according to three classes of net assets:

Unrestricted Net Assets - Net assets of the Organization that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent assets of the Organization whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of the Organization. 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 - The portion of net assets 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.

All net assets are unrestricted for use by the Organization or their temporary donor restrictions were met within the years presented.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts and other circumstances which may affect the ability of clients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management believes all receivables are collectible.

Property and Equipment

Property and equipment are stated at cost. Expenses for maintenance and repairs are charged to expense as incurred and expenses for major renovations are capitalized. Fixed assets in excess of \$500 with a useful life in excess of one year are capitalized. All donated properties are capitalized at the estimated fair market value at the time of receipt. Depreciation is charged over the estimated useful lives of the assets on a straight-line basis. The useful lives are as follows:

Equipment	5 – 10 years
Land Improvements	20 years
Buildings	40 years

The Organization does not temporarily restrict assets acquired with contributions or grants designated for long-lived assets. The Organization considers the restrictions fulfilled when the asset is acquired.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Investment Valuation

The Organization's investments are stated at fair value. Investments are valued at quoted market prices in an active market, which represent the net asset values of shares held by the Organization at year-end. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments consists of the change in unrealized appreciation or depreciation during the period, and the realized gain or loss on sales of investments during the period. Interest income is recorded on the accrual basis.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. A fair value hierarchy prioritizes the valuation inputs into three broad levels (see Note 8).

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets, including outside appraisals. Financial assets are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant judgment or estimation.

Changes in valuation techniques may result in transfers in or out of an investment's assigned level within the hierarchy. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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 an income tax liability may be determined on these activities. The Organization's policy is to report interest and penalties associated with income taxes as interest expense and other expense, respectively. Generally, the Organization is no longer subject to examinations by federal and state tax authorities for years before 2011.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Support and Revenue

Contributions - Contributions and unconditional promises to give are recorded in the period received in the appropriate class of net assets based upon any donor imposed stipulations.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. 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. All temporarily restricted support received and released from restrictions within the same fiscal year are treated as unrestricted support.

Promises to Give - Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contracts and Grants - The Organization receives a significant portion of its revenue from federal, state and local grants. Contracts and grants are recognized to the extent of allowable costs incurred allocable to the respective contracts and grants. Expenses in excess of cash receipts are reflected as receivables in the financial statements.

Contributed Services, Materials and Utilities - Donated services are included in the Organization's Statements 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.

Donated materials, supplies and utilities are valued at fair value on the date contributed.

Project Income and Other Revenue - Project income is recognized at the time the resources are provided by the Organization. Other revenue is recognized when received.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the Schedules of Functional Expenses included as additional information. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Management Review

The Organization evaluated subsequent events through November 25, 2015, the date these financial statements were available to be issued. No material events were identified that required adjustment or additional disclosure in these financial statements, except as already adjusted or disclosed.

Reclassifications

Certain amounts in the prior periods presented have been reclassified to conform to the current financial statement presentation. These reclassifications have no effect on previously reported net assets.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Organization maintains its cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. All cash held in banks was fully insured as of June 30, 2015 and 2014.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 3 - INVESTMENTS

Investments consist of mutual funds and equities and are summarized as follows:

	<u>2015</u>	<u>2014</u>
Balances, beginning July 1	\$ 1,826,457	1,690,560
Investment income	46,005	266,175
Additions (withdrawals), net	<u>(2,288)</u>	<u>(130,278)</u>
Balances, ending June 30	<u>\$ 1,870,174</u>	<u>1,826,457</u>

Investment income included in the Statements of Activities consists of the following for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Dividends and interest	\$ 41,385	37,707
Realized gains	106,280	79,202
Net appreciation (depreciation) in fair value	(90,046)	160,650
Investment expenses	<u>(11,614)</u>	<u>(11,384)</u>
Investment income	<u>\$ 46,005</u>	<u>266,175</u>

The Organization's investments are not insured by the FDIC or by any other federal government agency. However, they are protected by the Securities Investor Protection Corporation (SIPC) up to a maximum of \$250,000 for cash claims and \$500,000 in total.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, consists of the following:

	<u>2015</u>	<u>2014</u>
Non-depreciable assets:		
Land	\$ 227,677	227,677
Depreciable assets:		
Vehicles	\$ 351,789	256,200
Land improvements	107,417	88,967
Buildings	2,698,018	2,690,248
Equipment	239,641	235,370
Total depreciable assets	3,396,865	3,270,785
Less allowance for depreciation	(1,902,381)	(1,790,014)
Total depreciable assets, net	\$ 1,494,484	1,480,771

NOTE 5 - ENDOWMENT FUND

The financial data of Senior Citizens of Kodiak, Inc. and Senior Citizens of Kodiak Endowment, Inc. have been consolidated in these financial statements. Senior Citizens of Kodiak, Inc. has both an economic interest in the Endowment Fund and control through a majority voting interest on the Board. All material intra-entity transactions have been eliminated.

The Endowment Fund is managed under an investment policy, which states the purpose, objectives and guidelines of the Endowment Fund. The investment policy is intended to govern the overall management of the Endowment Fund in order to insure that: the Endowment Board and the investment manager have a clear and mutual understanding of the investment objectives and policies of the Endowment Fund, the investment manager is given guidance and limitations for investing the Endowment Fund, and the Endowment Board has a meaningful basis for the evaluation of the investment manager's performance.

The investment objectives of the Endowment Fund are: consistency of investment returns with primary emphasis on preservation of capital, portfolio diversity to provide earnings growth while reducing risk and reinvestment of all earnings until the Endowment Fund reaches a balance of one million dollars.

The income earned by and all or any part of the corpus of the Endowment Fund may be used for any purpose consistent with its Amended and Restated Articles of Incorporation upon a finding, supported by a vote of a majority of the members of the Board of Trustees, that the expenditure is necessary or appropriate for the good of the Senior Citizens of Kodiak, Inc.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 5 - ENDOWMENT FUND, Continued

Changes in the Endowment Fund as of June 30 are as follows:

	<u>2015</u>	<u>2014</u>
Unrestricted Designated:		
Endowment net assets, Beginning of year	\$ 1,849,366	1,733,204
Investment income	57,620	277,559
Contributions	10,000	-
Disbursements to Senior Citizens of Kodiak, Inc.	-	(150,000)
Investment and administrative expenses	(15,416)	(11,397)
Endowment net assets, End of year	<u>\$ 1,901,570</u>	<u>1,849,366</u>

NOTE 6 - RISKS AND UNCERTAINTIES

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

NOTE 7 - DESIGNATED NET ASSETS

Designated net assets represent amounts designated by the Board of Trustees of the Endowment Fund for investing purposes and by the Board of Directors of Senior Citizens of Kodiak, Inc. for property and equipment. At June 30, 2015 and 2014, \$3,623,731 and \$3,557,814, respectively were designated for these purposes.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 8 - FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30:

	<u>2015</u>	<u>2014</u>
<u>Level 1</u>		
Equities:		
Financial	\$ 43,897	40,792
Healthcare	41,449	33,371
Energy	28,247	45,994
Utilities	10,045	13,326
Convertible	63,317	61,089
Materials	6,395	7,513
Industrials	33,452	34,926
Technology	56,535	53,305
Mutual funds:		
Fixed income	645,406	625,325
Large cap	275,471	380,138
Mid cap	112,930	115,054
Small cap	182,977	137,680
International	291,952	202,127
Real estate	44,805	43,665
Other	33,296	32,152
	<u>\$ 1,870,174</u>	<u>1,826,457</u>

NOTE 9 - CONCENTRATIONS AND CONTINGENCIES

For the years ended June 30, 2015 and 2014, the Organization received grants and support of \$947,510 and \$801,099, respectively, from agencies of the State of Alaska and the federal government. This represents 56% and 54% of total support and revenue for the years ended June 30, 2015 and 2014, respectively.

Amounts received or receivable from agencies of the State of Alaska and the federal government are subject to audit and adjustment. Any disallowed claims, including amounts already collected, would become a liability of the Organization.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to the Consolidated Financial Statements, Continued

NOTE 10 - IN-KIND CONTRIBUTIONS OF SERVICES AND FACILITY RENT

Individuals volunteer their time and perform a variety of tasks that assist the Organization. Those services that meet the criteria for recognition as contributed services are recorded in the financial statements at their estimated fair value. The Organization receives more than 1,000 volunteer hours per year. No contributed services met the criteria for recognition in the financial statements. The value of specific volunteer services tracked for grant purposes for the years ending June 30, 2015 and 2014, was estimated to be \$3,293 and \$2,841, respectively.

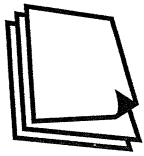
The Organization received in kind donations of utilities and other costs that meet the criteria for recognition as contributed revenue. These have been recorded in the statements of activities.

Senior Citizens of Kodiak, Inc. charges rent to several programs pursuant to the terms of the grant agreements. For the years ending June 30, 2015 and 2014, the value of rent in-kind was determined to be \$180,787 and \$180,787, respectively.

In accordance with accounting principles generally accepted in the United States of America, most volunteer time and all internally created transactions are excluded from the financial statements; however, these charges have been reported as in-kind contributions to granting agencies in accordance with grant agreements.

NOTE 11 - PENSION PLAN

Senior Citizens of Kodiak, Inc. has a simplified employee pension-IRA plan covering all qualified employees. Contributions are discretionary. The Organization contributed \$8,817 and \$8,291 for the years ended June 30, 2015 and June 30, 2014, respectively.



THOMAS, HEAD & GREISEN, PC

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Independent Auditor's Report

Board of Directors
Senior Citizens of Kodiak, Inc. and Endowment Fund
Kodiak, Alaska

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Senior Citizens of Kodiak, Inc. and Endowment Fund, which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the 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 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 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 Senior Citizens of Kodiak, Inc. and Endowment Fund as of June 30, 2015 and 2014, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of consolidated functional expenses for the years ended June 30, 2015 and 2014, and schedules of support, revenues and expenses - budget and actual for the year ended June 30, 2015, as required by management and the State of Alaska, are presented for purpose of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015 on our consideration of Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over financial reporting and compliance.

Thomas, Head & Greisen PC

November 25, 2015

ADDITIONAL INFORMATION

Senior Citizens of Kodiak, Inc. and Endowment Fund

Schedules of Consolidated Functional Expenses
Years Ended June 30,

	2015								
	Program Services					Support Services			
	Kodiak Area Transit System	Caregiver Support	Senior Services	Adult Day Care	Total Program Services	Management and General	Fundraising Endowment	Total Support Services	Total Program and Support Services
Personnel	\$ 38,791	36,185	272,729	309,388	657,093	133,912	-	133,912	791,005
Travel	-	17,332	-	8,462	25,794	1,358	-	1,358	27,152
Facility	-	15,688	40,764	18,249	74,701	-	-	-	74,701
Supplies	20,818	4,337	189,739	31,332	246,226	1,295	-	1,295	247,521
Equipment	10,053	3,263	6,327	8,525	28,168	2,234	-	2,234	30,402
Contractual	260,861	53,069	39,980	33,355	387,265	7,500	3,769	11,269	398,534
Other	3,733	13,297	9,323	2,202	28,555	38,588	34	38,622	67,177
Depreciation	28,540	4,199	33,581	33,581	99,901	12,593	-	12,593	112,494
Total expenses	<u>\$ 362,796</u>	<u>147,370</u>	<u>592,443</u>	<u>445,094</u>	<u>1,547,703</u>	<u>197,480</u>	<u>3,803</u>	<u>201,283</u>	<u>1,748,986</u>
	2014								
	Program Services					Support Services			
	Kodiak Area Transit System	Caregiver Support	Senior Services	Adult Day Care	Total Program Services	Management and General	Fundraising Endowment	Total Support Services	Total Program and Support Services
Personnel	\$ 15,388	38,037	258,233	306,354	618,012	99,035	-	99,035	717,047
Travel	-	15,915	-	3,350	19,265	4,485	-	4,485	23,750
Facility	-	12,297	40,951	24,122	77,370	132	-	132	77,502
Supplies	23,518	2,381	176,305	29,092	231,296	8,557	-	8,557	239,853
Equipment	-	3,266	6,017	6,156	15,439	174	-	174	15,613
Contractual	253,484	43,709	52,376	41,391	390,960	2,250	-	2,250	393,210
Other	-	27,314	8,001	9,717	45,032	45,935	13	45,948	90,980
Depreciation	18,981	4,137	33,092	33,092	89,302	12,410	-	12,410	101,712
Total expenses	<u>\$ 311,371</u>	<u>147,056</u>	<u>574,975</u>	<u>453,274</u>	<u>1,486,676</u>	<u>172,978</u>	<u>13</u>	<u>172,991</u>	<u>1,659,667</u>

Senior Citizens of Kodiak, Inc. and Endowment Fund

SOA DHSS Nutrition, Transportation and Support Services
 Schedule of Support, Revenues and Expenses - Budget and Actual
 Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues and other support:			
State of Alaska	\$ 79,900	79,900	-
Federal sources:			
Title III	156,818	156,818	-
NSIP	11,000	13,737	2,737
In-kind	84,583	84,583	-
Local sources:			
Project income	199,518	171,190	(28,328)
City of Kodiak	15,000	15,000	-
Kodiak Island Borough	45,000	45,000	-
Other	3,000	10,541	7,541
Total revenues and other support	<u>594,819</u>	<u>576,769</u>	<u>(18,050)</u>
Expenses:			
Personnel	228,974	225,385	3,589
Facility	117,583	115,233	2,350
Supplies	186,153	187,978	(1,825)
Equipment	4,800	6,124	(1,324)
Other	57,309	42,049	15,260
Total expenses	<u>594,819</u>	<u>576,769</u>	<u>18,050</u>
Excess of revenues and other support over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>

Senior Citizens of Kodiak, Inc. and Endowment Fund

SOA DHSS Senior In-Home Services Grant

Schedule of Support, Revenues and Expenses - Budget and Actual

Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues and other support:			
State of Alaska	\$ 55,765	55,765	-
In-kind	15,207	15,207	-
Local sources	500	1,519	1,019
Total revenues and other support	<u>71,472</u>	<u>72,491</u>	<u>1,019</u>
Expenses:			
Personnel	47,955	47,344	611
Facility	13,608	13,637	(29)
Supplies	1,409	1,761	(352)
Equipment	2,000	2,495	(495)
Other	6,500	7,254	(754)
Total expenses	<u>71,472</u>	<u>72,491</u>	<u>(1,019)</u>
Excess of revenues and other support over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>

Senior Citizens of Kodiak, Inc. and Endowment Fund

SOA DHSS Adult Day Care Program

Schedule of Support, Revenues and Expenses - Budget and Actual

Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues and other support:			
State of Alaska	\$ 143,875	143,875	-
In-kind	94,962	94,962	-
Local sources:			
Project choice	239,836	223,770	(16,066)
Fees for services and seminars	75,000	39,664	(35,336)
Total revenues and other support	<u>553,673</u>	<u>502,271</u>	<u>(51,402)</u>
Expenses:			
Personnel	305,186	312,681	(7,495)
Travel	4,240	8,462	(4,222)
Facility	132,173	102,519	29,654
Supplies	45,000	31,332	13,668
Equipment	10,575	11,720	(1,145)
Other	56,499	35,557	20,942
Total expenses	<u>553,673</u>	<u>502,271</u>	<u>51,402</u>
Excess of revenues and other support over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>

Senior Citizens of Kodiak, Inc. and Endowment Fund

SOA DHSS National Family Caregiver Support Program
 Schedule of Support, Revenues and Expenses - Budget and Actual
 Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues and other support:			
State of Alaska	\$ 31,519	31,519	-
Federal sources	75,682	75,682	-
In-kind	36,453	36,453	-
Local sources	9,005	8,880	(125)
Total revenues and other support	<u>152,659</u>	<u>152,534</u>	<u>(125)</u>
Expenses:			
Personnel	38,037	36,185	1,852
Travel	18,402	17,332	1,070
Facility	21,763	25,051	(3,288)
Supplies	4,000	4,337	(337)
Equipment	3,266	3,263	3
Other	67,191	66,366	825
Total expenses	<u>152,659</u>	<u>152,534</u>	<u>125</u>
Excess of revenues and other support over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>

FEDERAL SINGLE AUDIT

Senior Citizens of Kodiak, Inc. and Endowment Fund

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation:			
Passed through the State of Alaska Department of Transportation and Public Facilities:			
Transit Services Programs Cluster:			
Section 5310: Human Services	20.513	AK-16-X037	\$ 27,721
Section 5310: Human Services	20.513	AK-65-X005	83,980
Section 5316: Job Access and Reverse Commute Program (JARC)	20.516	AK-37-X005	1,770
Section 5316: Job Access and Reverse Commute Program (JARC)	20.516	AK-37-X011	<u>58,520</u>
Total Transit Services Programs Cluster			171,991
Section 5311: Formula Grants for Other than Urbanized Areas - Capital	20.509	AK-18-X079	80,585
Section 5311: Formula Grants for Other than Urbanized Areas - Operating	20.509	AK-18-X081	12,652
Section 5311: Formula Grants for Other than Urbanized Areas - Project Administration	20.509	AK-18-X081	50,698
Section 5311 - Rural Transit Assistance Program (RTAP)	20.509		<u>3,662</u>
Total U.S. Department of Transportation			<u>319,588</u>
U.S. Department of Health and Human Services:			
Passed through the State of Alaska Department of Health and Social Services:			
Aging Cluster:			
Nutrition, Transportation and Support Services	93.045	607-309-1527	156,818
Nutrition Services Incentive Program	93.053		<u>13,737</u>
Total Aging Cluster			170,555
National Family Caregiver Support	93.052	607-307-1508	<u>75,682</u>
Total U.S. Department of Health and Human Services			<u>246,237</u>
Total Expenditures of Federal Awards			<u>\$ 565,825</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

Senior Citizens of Kodiak, Inc. and Endowment Fund

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

NOTE A - BASIS OF PRESENTATION

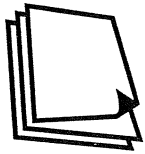
The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Senior Citizens of Kodiak, Inc. and Endowment Fund under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Senior Citizens of Kodiak, Inc. and Endowment Fund, it is not intended to and does not present the financial position, changes in net assets or cash flows of Senior Citizens of Kodiak, Inc. and Endowment Fund.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - MATCHING COSTS

Matching costs, i.e., the Organization's share of certain program costs, are not included in the reported expenditures.



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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Senior Citizens of Kodiak, Inc. and Endowment Fund
Kodiak, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Senior Citizens of Kodiak, Inc. and Endowment Fund, which comprise the consolidated statements of financial position as of June 30, 2015 and 2014 and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 25, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*

Page 2 of 2

Compliance and Other Matters

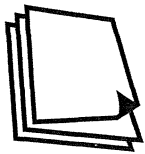
As part of obtaining reasonable assurance about whether Senior Citizens of Kodiak, Inc. and Endowment Fund's consolidated financial statements are free from material misstatement; we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas, Head & Greisen PC

November 25, 2015



THOMAS, HEAD & GREISEN, PC

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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

To the Board of Directors
Senior Citizens of Kodiak, Inc. and Endowment Fund
Kodiak, Alaska

Report on Compliance for Each Major Federal Program

We have audited Senior Citizens of Kodiak, Inc. and Endowment Fund's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Senior Citizens of Kodiak, Inc. and Endowment Fund's major federal programs for the year ended June 30, 2015. Senior Citizens of Kodiak, Inc. and Endowment Fund's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Senior Citizens of Kodiak, Inc. and Endowment Fund's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Senior Citizens of Kodiak, Inc. and Endowment Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Senior Citizens of Kodiak, Inc. and Endowment Fund's compliance.

Opinion on Each Major Federal Program

In our opinion, Senior Citizens of Kodiak, Inc. and Endowment Fund complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Senior Citizens of Kodiak, Inc. and Endowment Fund is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Senior Citizens of Kodiak, Inc. and Endowment Fund's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Thomas, Head & Grieson PC

November 25, 2015

Senior Citizens of Kodiak, Inc. and Endowment Fund

Schedule of Findings and Questioned Costs and Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Consolidated Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- | | | |
|--|------------------------------|---|
| Are any material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are any significant deficiency(ies) identified not considered to be material weaknesses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |
| Is any noncompliance material to financial statements noted? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Federal Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major program compliance:

- | | | |
|---|------------------------------|---|
| Are any material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are any significant deficiency(ies) identified not considered to be material weaknesses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |
| Are any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133, <i>Audit of State, Local Governments, and Non-Profit Organizations</i> , Section .501(a)? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

The programs tested as major programs included:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
--------------------------------	--------------------

Transit Services Programs Cluster:	
Section 5310: Human Services	20.513
Section 5316: JARC Program	20.516
Section 5311: Formula Grants & RTAP	20.509

Threshold for distinguishing between Types A and B programs: **\$300,000**

Low-risk auditee Yes No

SECTION II - FINANCIAL STATEMENT FINDINGS

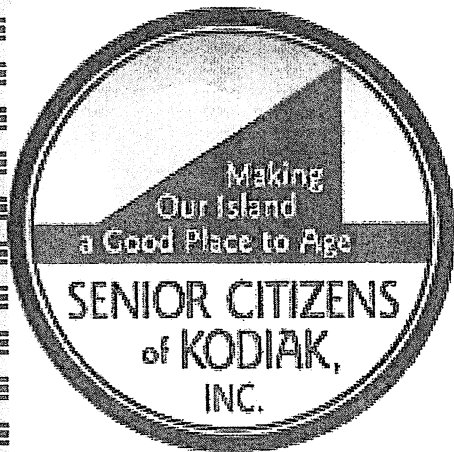
There are no reportable matters.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no reportable matters.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no prior year findings and questioned costs.

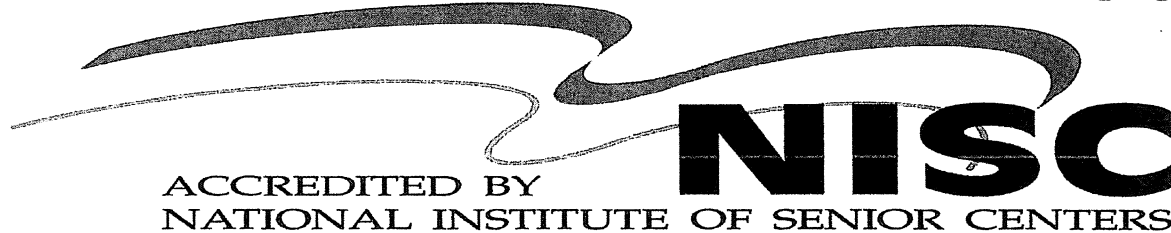


Senior Citizens of Kodiak, Inc.

Fiscal Year 2015

Alaska's First Nationally Accredited Senior Center

A Unit of The National Council on the Aging



2003 2008 2013



Senior Citizens of Kodiak, Inc.
Mission Statement
To enhance the lives
of older adults

Senior Citizens of Kodiak, Inc

Board of Directors



From left to right

David Blacketer

Florence Pestrikoff

Laurence Anderson

Roberta Austring

Susan Brockman

Pat Heitman

Mona Johnson

Gretchen Saupe

Joyce Gregory

Senior Citizens of Kodiak, Inc.

Providing a variety of support to those 60 years & older

- * **Activities & Special Events:** Cards, games, computer classes, entertainment, picnics, social hour, exercise classes and special events.
- * **CHOICE Care Coordination:** Kodiak Senior Center is a certified Care Coordination agency providing services for those seniors over 65 who meet Medicaid and medical criteria and who choose to stay at home rather than live in a nursing care facility.
- * **Health Equipment Loan Program:** Wheelchairs, hospital beds, crutches, walkers, canes and other accessories to assist people in being more mobile. Available to the entire community.
- * **Information & Referral:** Assistance with housing, insurance, Medicare, Medicaid, and other benefits. Referrals to other social services.
- * **Meals:** Congregate meals are served at the senior center from 12 p.m. to 1 p.m. Monday through Friday. Salad and soup bar are included. Home Delivered Meals are served seven days a week in a reusable containers that can go from freezer to the microwave. Nutrition screening is required for home delivered meals. The suggested donation per meal is \$7.
- * **Monthly Newsletter:** Filled with information about what's happening at the senior center each month: menus, birthdays lists, special events and health tips.
- * **Outreach:** Daily telephone assurance, shopping for seniors, assistance with paying bills.
- * **Preventative Health:** Weekly blood pressure clinics and exercise class. Facts & tips on nutrition and other health issues.
- * **Transportation:** Provided by Kodiak Area Transit System (KATS): medical and dental appointments, rides, escort and passenger assists, shopping and visiting friends. Senior Citizens of Kodiak is the lead agency for this program for 15 local non-profits.
- * **Family Caregiver Support Program:** The Family Caregiver Support Program (FCSP) provides support to those individuals over 18 caring for their loved ones over 60, wherever they may live.
 - * **Information & Referral:** Provides information and assistance for Kodiak, Alaska and beyond.
 - * **Training:** As a caregiver, there is much information to learn in order to help an aging loved one.
 - * **Respite:** The Respite Program is designed to offer caregivers a break from their daily caregiving duties.
 - * **Lifeline**
- * **Senior In-Home Services:** The Senior In-Home Service Program provides Care Coordination and Chore Services to seniors who are not on the Medicaid waiver program.
 - * **Care Coordination:** Care Coordination assists persons to gain access to needed medical, social and informational services.
 - * **Chore Services:** Chore Services provide seniors with housekeeping and assistance to maintain their home in a clean, sanitary and safe environment.

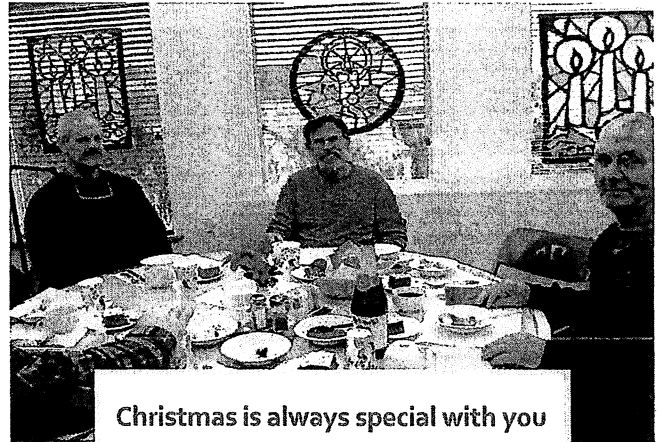
* **Island Cove Adult Day Program:** Island Cove Adult Day Program offers a safe, caring and active environment for seniors with special needs while enhancing their lives and maintaining the highest quality of life.

* Located on the lower level of the Kodiak Senior Center, Island Cove serves individuals who:

- * Are isolated or lonely and need socialization
- * Have memory impairments
- * Have Alzheimer's disease and other related dementia or have Parkinson's disease
- * Are seeking an alternative to nursing home care
- * Are recovering from a stroke
- * Might need more monitoring during the day
- * Need medication management



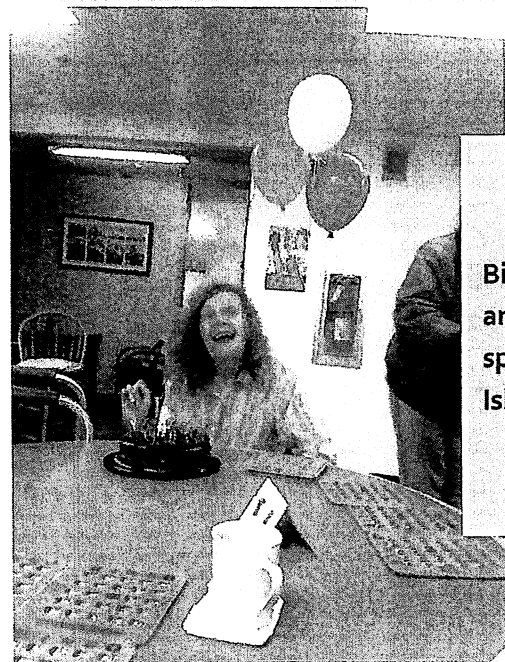
With a hardy hello and great meal, we're ready to face the day.



Christmas is always special with you have great food and great friends



Happy Valentine's Day



Birthdays are always special at Island Cove

Senior Citizens of Kodiak, Inc.
Statement of Activities — Consolidated Activities
Year Ended June 30, 2015

Unrestricted net assets:

Operating activities:

Support:

Individuals	\$ 25,500
Government	
State of Alaska	381,685
Federal	565,825
Local sources	136,558
In-kind	<u>47,125</u>
Subtotal Support	\$ 1,156,693

Revenue:

Project income	477,424
Other	<u>50,562</u>
Subtotal Revenue	527,986
Total support and revenue	<u>\$ 1,684,679</u>

Expenses:

Program Services	
Kodiak Area Transit System	362,796
Caregiver Support	147,370
Senior Services	592,443
Adult Day Care	<u>445,094</u>
Total program services expenses	\$ 1,547,703

Seniors serving Seniors is always fun for both high school seniors and senior citizens

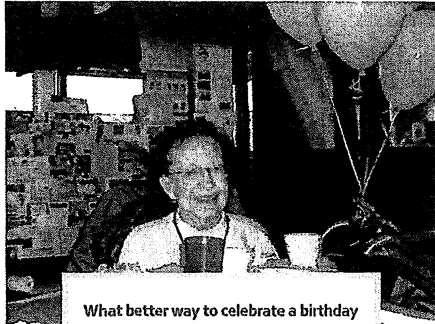


Who doesn't love a summer picnic



Volunteer Dinner was such fun. Poodle skirts rule.

Christmas at the Center is always special



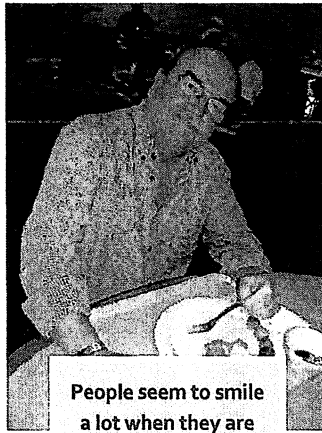
What better way to celebrate a birthday than with your friends at the Center



You just never know who you'll meet



Or what kind of fun activity you might do.



People seem to smile a lot when they are here



One thing is for sure, you'll never know what kind of fun you'll have



The staff will keep you hopping and prancing

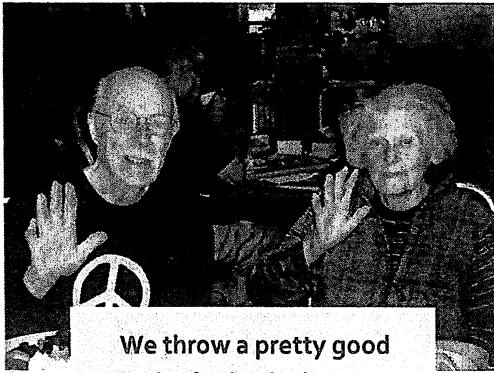


And will keep you singing a tune

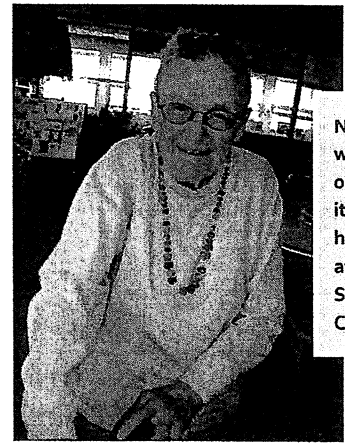
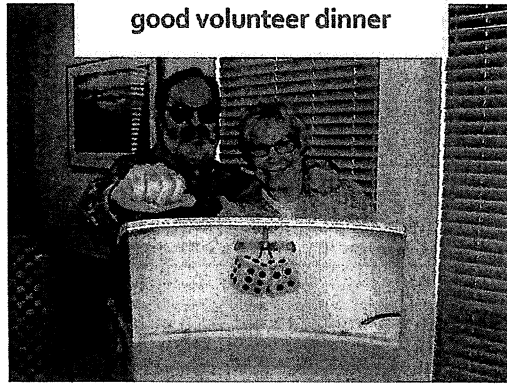


Guaranteed, it will be thumbs up

And we throw a pretty good volunteer dinner



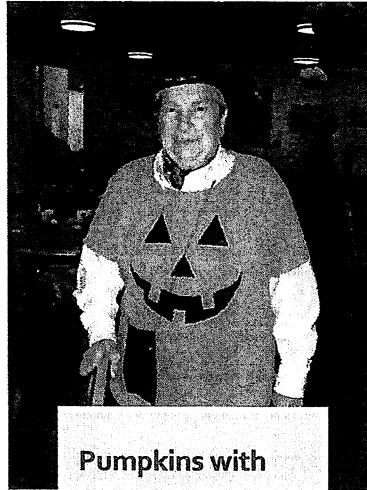
We throw a pretty good 4th of July picnic, too



No matter what the occasion it's happening at your Senior Center



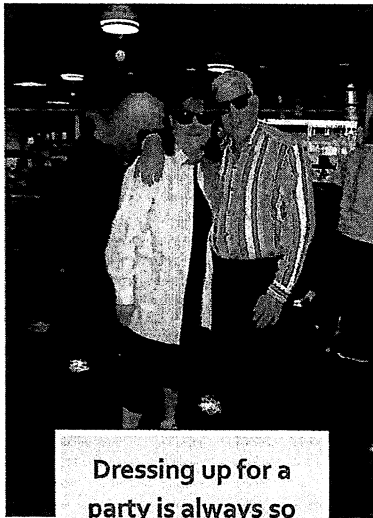
Oh, the stories we can tell.



Pumpkins with Cowboys, oh my



Good friends come to meet and enjoy a great lunch



Dressing up for a party is always so much fun



A hardy meal and hardy hello



Special times, special people



A Christmas celebration with great food and great friends



Doc Meyers is King of the love song

I bet you domino what I am for Halloween



Annual Plan
To enhance the lives of older adults
New Mission Statement

1) Find one Baby Boomer board member

- ◇ President appoint nominating committee
- ◇ Nominating committee to review members and younger seniors to serve on board
- ◇ Board candidates will be interviewed and selected
- ◇ Annual meeting board elections

2) Hold special events to target Baby Boomers

- ◇ Hold wine tasting event to target Baby Boomers
- ◇ Invite younger seniors through email newsletter
- ◇ Give information and tours to younger seniors
- ◇ Have surveys for people to complete

3) Meet with and cultivate new U.S. Senator

- ◇ Invite federal delegation to center when they are in town
- ◇ Meet with delegation when traveling to DC for other agenda
- ◇ Board members to attend Kodiak Island Borough & City funding meetings and discussion
- ◇ Board members continue to report quarterly to KIB & City on funding and services

Senior Citizens of Kodiak, Inc.

Strategic Directions

Who we are: We help older adults live full independent lives

Where are we going: By 2025 our center will be providing services to Baby Boomers and the elder Gen X

1) Focus on Board Development

- ◇ Queue for board seats
- ◇ Two Baby Boomers to serve on board
- ◇ Orientation for new members
- ◇ Secure right president (s)

2) Adapt services for future generations, especially Baby Boomers

- ◇ Communication strategy for Baby Boomers

3) Engage in public policy

- ◇ Local — secure funding
- ◇ State — local representatives and AK Council on Aging
- ◇ Federal — Monitor Older American Act Reauthorization

Planned Services Fiscal Year 2015

<i>Services</i>	<i>Projected to Serve</i>	<i>Served</i>
Nutrition		
Client Congregate Meals	500	488
Client Home Delivered Meals	125	167
Congregate Meals	9000	9443
Home Delivered Meals	9000	13452
Total Meals	18000	22895
Transportation		
Unassisted Rides	3550	4609
Unassisted Ride Clients	105	91
Assisted Rides	2500	2627
Assisted Ride Clients	35	28
Outreach		
Outreach Units	65	128
Outreach Clients	65	106
Information & Assistance	200	1255
I&A Clients	125	218
Adult Day Program		
ADC Clients	30	22
ADC Hours	23688	20358
Family Caregiver		
Access Assistance Clients	75	25
Access Assistance Units	200	205
Caregiver Support	25	38
Caregiver Support Units	12	477
Respite	8	6
Respite Units of Service	1926	967
Supplemental Services	12	15
Supplemental Units	144	155
Access I&A	100	144
Access Units	100	283
Senior In Home Services		
Care Coordination	35	77
Care Coordination Units	500	417
Chore Clients	25	64
Chore Units of Service	435	428

2015 Senior Survey Outcomes

- ⇒ 80% of surveys collected stated that the senior center was especially important to them
- ⇒ 98% of surveys collected stated that the services at the center were excellent
- ⇒ Of surveys collected this is order in which the services are used
 - ⇒ 57% congregate meals
 - ⇒ 52% information and assistance
 - ⇒ 36% help with forms
 - ⇒ 36% exercise
 - ⇒ 18% social security information
 - ⇒ 16% home-delivered meals
 - ⇒ 1% transportation
 - ⇒ 1% Lunch & Learn
- ⇒ 100% of surveys collected would recommend the services provided by the Senior Center
 - ⇒ Recommend for getting out and getting together
 - ⇒ It is a positive and helpful atmosphere, has great programs, easy parking, excellent group meals and is a delightful place to socialize
- ⇒ 90% of surveys collected state that the programs and activities at the center has assisted in helping them to live independently.
- ⇒ How can the senior center assist you to live more independently?
 - ⇒ Continue with good programs
 - ⇒ Knowing that services are available if needed gives me peace of mind. I know I can get help if I need it
- ⇒ 88% of surveys collected stated that the programs, exercise, special events and other activities have improved my mood, health and quality of life.
- ⇒ 85% of surveys collected stated the senior center helped increase their quality of life.
- ⇒ 85% of surveys collected stated that the programs at center provided them with a sense of well-being.
- ⇒ 67% of surveys collected stated that coming to senior center made the feel much better.
- ⇒ 99% of surveys collected stated that in the last year their health and activity levels have improved.
- ⇒ 30% of surveys collected stated that the senior center helped them become involved socially.
- ⇒ 84% of surveys collected stated that services referred to them were helpful.
- ⇒ 85% of surveys collected stated that the facilities at the senior center are excellent.
- ⇒ 72% of surveys collected state that the meals they receive are excellent.
- ⇒ 72% of surveys collected stated that the senior center staff is excellent.
- ⇒ 65% of surveys collected stated the come to the center at least 2-3 times per week.

Island Cove Adult Day Program (ICAD) Survey Outcomes

- ⇒ 100% of caregivers surveyed stated that adult day services help their seniors to maintain their strengths and mental alertness.
- ⇒ 100% of caregivers surveyed stated that they are satisfied with the services and feel less stressed and have more time for themselves.
- ⇒ 100% of caregivers said that they believe adult day services help their senior to stay out of the ER and that appropriate referrals are made.
- ⇒ 100% of clients stated that adult day services help them stay alert and strong, they also are more socially active and feel better when attending Island Cove.
- ⇒ 100% of clients sleep better when attending adult day services.
- ⇒ 100% of clients stated that they would have to consider a nursing home if they could not attend Island Cove during the day.

Family Caregiver Support Program (FCSP) Survey Outcomes

- ⇒ 25% of surveys collected stated that the Family Caregiver program allows loved ones to stay in their home instead of being placed in long term care.
- ⇒ 37% of surveys collected stated that FCSP referred them to the appropriate professional services when needed.
- ⇒ 28% of surveys collected stated that attending Caregiver Support meetings help them cope with being a caregiver.
- ⇒ 44% of surveys collected stated that FCSP helps extend the time that care can continue to be provided in the home.
- ⇒ 57% of surveys collected stated that FCSP services have decreased their stress level while caring for their loved one.
- ⇒ 77% of surveys collected stated that they are satisfied with the services FCSP provides.
- ⇒ 42% of surveys collected stated that they are able to maintain optimal health for themselves due to the FCSP program.
- ⇒ 45% of surveys collected stated that the services were easy to access.

Senior In-Home Services Program (SIH) Outcomes

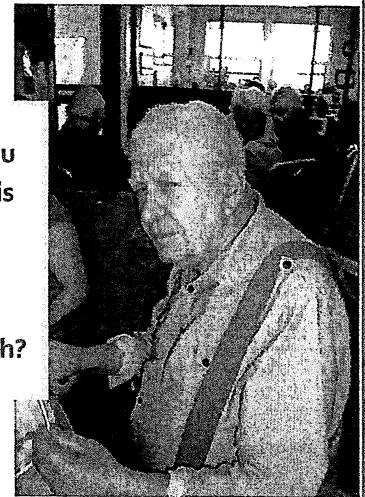
- ⇒ 61% of surveys collected stated that the services have allowed them to safely stay in their homes longer.
- ⇒ 81% of surveys collected stated that Senior In-home services have allowed my home to be safe, orderly and comfortable.
- ⇒ 75% of surveys collected stated that their at home injuries have decreased due to the SIH program.
- ⇒ 100% of surveys collected stated that SIH services have made it easier for them to be independent and productive.
- ⇒ 81% of surveys collected stated that their privacy and dignity is respected by the Chore worker and Care Coordinator.
- ⇒ 55% of surveys collected stated that they are receiving enough chore hours.
- ⇒ 63% of surveys collected stated that they are aware of all appropriate services available to them.
- ⇒ 72% of surveys collected are satisfied with their chore workers skill level and knowledge.



Another Christmas memory



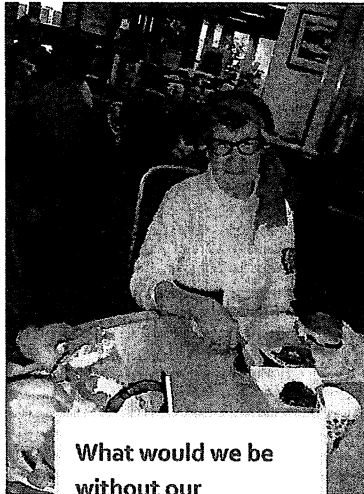
Card making at its finest



Did you say this was made with spinach?



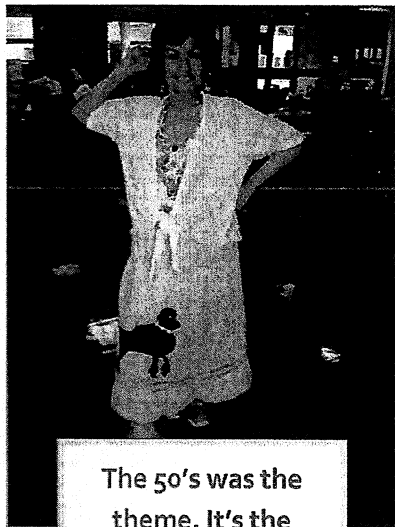
Merry Christmas from father Christmas



What would we be without our wonderful volunteers



Guys lunch out



The 50's was the theme. It's the fashion of the day



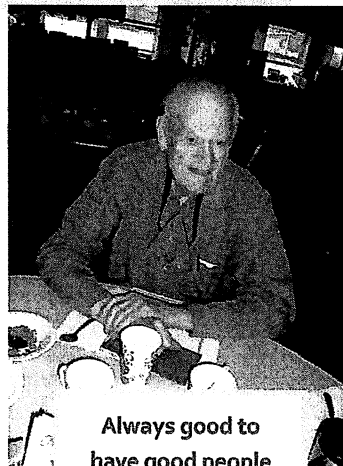
Friends are where it's at



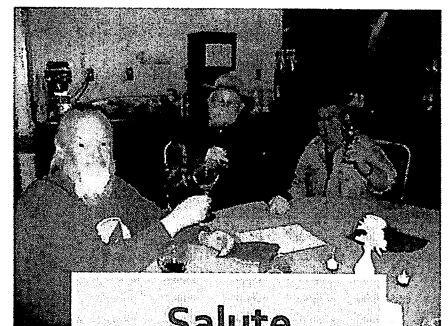
Wine tasting was our newest event



Thank you Endowment Fund Donors: Marcy & Harold Jones



Always good to have good people enter our doors



Salute

Senior Citizens of Kodiak, Inc

Staff Fiscal Year 2015

Patricia Branson
Executive Director

Marita Kaplan
Adult Day Director

Laurie Murdock
Executive Assistant

Beverly Cole
Activities/Volunteer Coordinator

Toungporn (Tu) Larpkietseri
Cook

Judith Rivera
Assistant Cook

Heather Bacus
Kitchen Assistant

Mark Wardell
Kitchen Assistant/Relief Cook

Andrea Bates
Family Caregiver Support Program & Senior
In-Home Services Coordinator

Mae Garchitorena
Adult Day
Certified Nursing Assistant

Sylvia Fernandez
Adult Day
Certified Nursing Assistant

Barbara Shepard
Adult Day
Program Coordinator

Jonathan Strong
Care Coordinator/Project Specialist

Tatianna (Joy) Parker
Choreworker

Lowella Santiago
Choreworker

Senior center website:

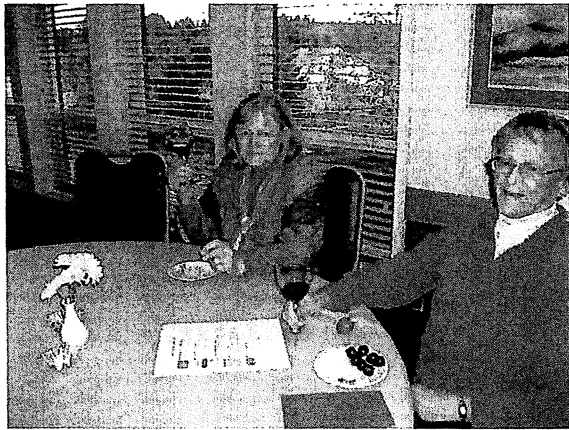
www.Kodiakseniorcenter.org

Senior Citizens of Kodiak, Inc

Staff

Fiscal Year 2015





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Senior Citizens of Kodiak, Inc.

302 Erskine Avenue

Kodiak, Alaska 99615

1-907-486-6181

1-800-486-6181

www.kodiakseniorcenter.org

And Like us on Facebook

Senior Citizens of Kodiak, Inc.,

community



Mr. Daniel J. Canavan
Community Director
Special Olympics Alaska, Kodiak
610 Egan Way
Kodiak, AK 99615
Kodiak@specialolympicsalaska.org

June 3, 2016

City of Kodiak
City Manager's Office
710 Mill Bay Road
Kodiak, AK 99615



Dear Sir;

Enclosed is our application for grant funding for 2016-2017. I sincerely appreciate your consideration of providing grant funding to Special Olympics Alaska, Kodiak Community again this year. Special Olympics Alaska is on centralized bookkeeping and as such if financial details are needed, they can be requested through our Anchorage Special Olympics Alaska office.

We continue to provide year-round sports training and competition to individuals with intellectual disabilities for approximately 60 athletes in Kodiak. We have four seasons running throughout the year, offering both unified and traditional sports venues. We not only provide local practice and competition, but select qualified athletes to compete at the State level alongside other communities all over Alaska. Past year grants assisted us in providing this meaningful training and competition in all four seasons. Our ongoing partnership with Hope Community Resources, as well as other providers, includes this program into their clients' Plan of Care as part of physical fitness and has had a significant impact on the clients' increased fitness, level of care, and quality of life.

Your continued generous support enables us to maintain or, in some cases, increase our Unified Sports program. This continues to be a State and National focus. Unified Sports are team sports made up of equal numbers of athletes and volunteers practicing and competing side-by-side. Our Unified program has definitely had a unifying impact on our Kodiak community with an increased level of mutual respect, understanding, inclusion, and community involvement. Connecting our Unified Sports programs with the Partners Club efforts within KHS has provided incredible opportunities to expand sports activities to a broad range of our youth throughout Kodiak.

Because of your direct financial support one of our athletes competed very successfully, representing Kodiak, Alaska, and the United States during the Special Olympics World Summer Games held in Los Angeles.

Your Grant Funding will go a long way in helping us maintain this important program for our athletes and volunteers and a sorely underserved part of our Kodiak population.

Sincerely,

Daniel J. Canavan

CITY OF KODIAK
FY17 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 17, 2016.

ORGANIZATIONAL OVERVIEW

Organization Name Special Olympics Alaska, Kodiak Community Program


Mailing Address 610 Egan Way

Telephone No. (907) 942-2964 Fax No. 487-5093

Email kodiak@specialolympicsalaska.org

Federal Employer Tax ID Number 92-0057197

Contact Person Daniel J. Canavan Community Director

Contact Person	<u>Daniel J. Canavan</u> Printed Name	<u>Community Director</u> Title
	<u></u> Signature	<u>3 June 2016</u> Date

List of Board Members and Officers:

Mike Dolph

Rose Dolph

Lindsay Knight

Debra Canavan

Suzanne Bobo

Does agency have 501(c)3 status from the IRS? Yes No

If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.

If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

Special Olympics Alaska, Kodiak Community provides year-round sports training and competition to all intellectually disabled persons in the Kodiak area. This includes 8 different sports during 4 seasons, summer, fall, bowling, and winter. This represents a minimum of 10 hours of practice and competition in local games for each sport. We also offer unified sports that include volunteers practicing and competing alongside our athletes. We continue to emphasize the importance of a healthy lifestyle, proper nutrition, additional cross training, and the importance of getting involved to larger degree in our local activities, and other organizations in addition to the involvement within Special Olympics.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?

Yes No

If yes, how do you plan to use the City's funding?

How many City residents will be served by this grant? Approximately 100 throughout the year

Please attach a copy of the organization's Mission Statement.

City of Kodiak Nonprofit Grant Application/Report

FY2017

Page 1 of 5

How does your agency collaborate with other local nonprofit organizations?

We have formed a partnership with Hope Community Resources to ensure their clients, our athletes are provided with sports training, exercise, and lessons in healthy lifestyle while ensuring they have proper support. Additionally, we work with the KHS Partner's Club to include students in our programs as much as possible with funding available. We also maintain contact with other providers in Kodiak and provide presentations to other non-profit organizations in order to continue a community-wide support base to help with reaching more athletes, recruiting volunteers and coaches, and assisting with a wide variety of venue sites.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Youth Recreation Program Amount \$2500

Explanation:

The minimum age to participate in Special Olympics is 8, so we have athletes ranging in age from youth to elderly. We provide all sports opportunities year-round for our youth members. We continue to work with KHS Partners Club members and other organizations around Kodiak to not only reach our younger athletes, but also youth volunteers (14 years or older) to help emphasize inclusion on a community-wide level.

Category Adult Recreation Programs Amount \$5000

Explanation:

We provide year-round sports training and fitness programs to all intellectually disabled members of Kodiak that we can reach. Working closely with area providers we work to ensure our athletes stay involved in our sports programs, helping them to maintain a healthier life style that includes a focus on fitness. This also provides opportunities for our athletes to excel within their sports interest, even providing opportunities to advance to higher levels of competition on a State, National, and World level. We are an All Volunteer program.

Category _____ Amount _____

Explanation:

Total funding request to the City of Kodiak \$7500

What percentage of funds will be used for administrative costs? _____

What percentage of funds will be used for direct services? 100%

How will the funds be used?

The funding will be used for rental of venue sites, necessary sports gear and safety equipment. It will also be used to help with the costs of travel to State-level competition for all qualifying athletes, coaches, and support staff. Our program is no cost to our qualified athletes.

Is your agency audited? Yes No

NOTE: SOAK is audited internally and externally as part of the 501(c)3 requirements. This information is available upon request.

If yes, please attach latest audit or financial report.

If your agency is applying for special one-time only funding for a non-operational project, please describe the project, the need for it, what the project will accomplish, specific outcomes expected, describe who will benefit, and provide a timeline and target dates, including the expected date of completion. Please provide a thorough description of the project and adequate information as requested to be considered for funding. Use another sheet if necessary and clearly mark it as an addendum to the application to the application for one-time funding.

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal _____	State _____
City of Kodiak _____	Kodiak Is. Borough \$10,000 _____
Parent Organization _____	Corporate Grants _____
Foundations _____	Client Fees _____
Donations \$15,000 _____	Memberships _____
Interest _____	Gaming Permit Activities (pull tabs, raffles etc.) _____

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives?

What effects will there be and what alternative plans does your agency have if City funding is not received?

Loss of this important funding will require us to implement further quotas for teams to limit and reduce additional travel to higher competition at the State level. Additionally, we could potentially reduce the number of sports available throughout the year.

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2015 – June 30, 2016). Yes No

All applicants please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY16 financial reports or latest audits with this application.

Scoring Criteria

- Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs) 25 points**
- Grant reports submitted to City as required 25 points**
- Number of City residents served 25 points**
- Other sources of applicant funding identified 25 points**

CITY OF KODIAK GRANT REPORT


Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	Special Olympics Alaska, Kodiak Community
Program:	Sports training and fitness
2015-2016 Grant Amount:	\$7500
Amount Expended Year-to-Date:	\$7500
Balance:	\$0

Describe accomplishments with grant funds.

We were able to maintain our year-round sports programs and advance our athlete and volunteer unified partners to State competition. Additionally, we were able to replace some of our aging sports and safety equipment, secure venue sites around Kodiak, and successfully put on our required local games for all 4 seasons. This enabled us to advance teams. As a result of advancing to State level competition, one of our athletes was selected to compete as part of Team USA representing us at the Summer World Games in LA.

If you have not expended all funds, please describe how and when you intend to spend the balance.



Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

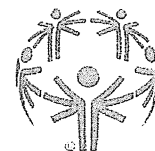


Special Olympics

Did You Know?...

- That Special Olympics has extensive programming in the areas of health, education and community building in addition to its well-established sports programs
- That more than 75% of Special Olympics athletes are outside of the United States!
- To be eligible to participate in Special Olympics, an athlete must be at least eight years of age and identified by an agency or professional as having one of the following conditions: intellectual disability, cognitive delays as measured by formal assessment, or significant learning or vocational problems due to cognitive delay that have required specially designed instruction.
- Special Olympics athletes are divided to compete in categories based on gender, age, and ability level by a process called "divisioning".
- All Special Olympics activities reflect the values, standards, traditions, ceremonies, and events embodied in the modern Olympic movement. These Olympic-type activities have been broadened and enriched to celebrate the moral and spiritual qualities of persons with intellectual disabilities so as to enhance their dignity and self-esteem.
- Eunice Kennedy Shriver founded Special Olympics in 1968, with the first international Special Olympics Games at Soldier Field in Chicago. Her son, Timothy P. Shriver is currently the CEO and Chairman of Special Olympics Board of Directors. J. Brady Lum is President and Chief Operating Officer, and the Special Olympics International Board of Directors is comprised of a range of leaders in sports, entertainment and government
- Individuals who compete in Special Olympics develop improved physical fitness and motor skills and greater self-confidence. They exhibit courage and enthusiasm and build lasting friendships. These life skills enhance their ability to live normal productive lives. More than ever, Special Olympics athletes hold jobs, own homes, go to school and successfully confront life challenges on a daily basis.
- Special Olympics receives funding in support of the movement from individuals, corporations, foundations, government and restricted grants. The vast majority of funding received is from individuals through the Special Olympics direct mail program.
- Having celebrated its 30th Anniversary in 2011, the Law Enforcement Torch Run® (LETR) for Special Olympics is the movement's largest grass-roots fundraiser, having raised more than US\$370 million since its inception, encompassing a variety of events including Torch Runs, Polar Plunge events and the World's Largest Truck Convoy fundraisers. More than 85,000 international law enforcement officers have carried the Flame of Hope.

-more-



- The 'A Very Special Christmas' holiday album series has generated more than \$100 million to benefit Special Olympics worldwide since it began and will celebrate its 25th anniversary in 2012.

- That Special Olympics operates worldwide in accordance with the following principles:

- That the goal of Special Olympics is to help bring all persons with intellectual disabilities into the larger society under conditions whereby they are accepted, respected and given a chance to become productive citizens.
- That all Special Olympics activities at the local, state/provincial, national and international levels reflect the values, standards, traditions, ceremonies and events embodied in the modern Olympic movement. These Olympic-type activities have been broadened and enriched to celebrate the moral and spiritual qualities of persons with intellectual disabilities in order to enhance their dignity and self-esteem.
- That comprehensive, year-round sports training is available to every Special Olympics athlete, conducted by well-qualified coaches in accordance with the standardized Sports Rules formulated and adopted by Special Olympics, and that each athlete who participates in Special Olympics will be trained in their sport.
- That Special Olympics provides full participation for every athlete regardless of economic circumstance and conducts training and competition under the most favorable conditions possible, including facilities, administration, training, coaching, officiating and events.
- That at every Awards Ceremony, in addition to the traditional medals for first, second and third places, athletes finishing from fourth to last place are presented a suitable place ribbon with appropriate ceremony.
- That, to the greatest extent possible, Special Olympics activities will be run by and involve local volunteers, from school and college-age individuals to senior citizens, in order to foster greater understanding of intellectual disabilities.
- That, although Special Olympics is primarily a program of sports training and competition, efforts are made to offer athletes a full range of artistic, social and cultural experiences through activities such as dances, art exhibits, concerts, visits to historic sites, clinics, theatrical performances and similar events.
- That the "Spirit of Special Olympics" skill, courage, sharing and joy incorporates universal values that transcend all boundaries of geography, nationality, political philosophy, gender, age, race or religion.

###



Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248322289
Aug. 11, 2008 LTR 4168C E0
92-0057197 000000 00 000
00027927
BODC: TE



40420

SPECIAL OLYMPICS ALASKA INC
3200 MOUNTAIN VIEW DR
ANCHORAGE AK 99501-3109003

Employer Identification Number: 92-0057197
Person to Contact: Ms. Jackson
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of July 31, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in August 1981, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I

Special Olympics Alaska
Expanded General Ledger
245 - Kodiak

From 1/1/2015 Through 12/31/2015

GL Co...	GL Title	Date	Doc Number	Description	Vendor/Customer	Debit	Credit
4000	Corporate Sponsors...				Opening Balance	0.00	
4000	Corporate Sponsors...	12/18/2015	002	ASRC			500.00
					Transaction Total	0.00	500.00
Balan...	Corporate Sponsors...						500.00
4002	Gaming				Opening Balance	0.00	
4002	Gaming	10/22/2015	002	Kodiak Raffle			7,100.00
4002	Gaming	10/26/2015	003	Kodiak raffle			14,100.00
4002	Gaming	11/5/2015	001	Kodiak raffle			7,100.00
4002	Gaming	11/9/2015	002	kodiak raffle			1,700.00
					Transaction Total	0.00	30,000.00
Balan...	Gaming						30,000.00
4003	Fundraising Events				Opening Balance	0.00	
4003	Fundraising Events	5/18/2015	012	Torch Run Deposit			3,521.00
4003	Fundraising Events	5/31/2015	001	Firstgiving TR			1,300.00
					Transaction Total	0.00	4,821.00
Balan...	Fundraising Events						4,821.00
4004	General Donations				Opening Balance	0.00	
4004	General Donations	1/5/2015	3177-4	Debra Hall			3,000.00
4004	General Donations	1/5/2015	4097-2	Futura Fisheries, Inc			4,000.00
4004	General Donations	1/28/2015	10270-7	National Down Syndrome C...			100.00
4004	General Donations	4/8/2015	005	Sutcliff Hardware			100.00
4004	General Donations	6/9/2015	10325-1	Jeanette Osmon			25.00
4004	General Donations	6/9/2015	10326-1	Becky Antonelli			100.00
4004	General Donations	6/9/2015	7523-4	Wells Fargo Community Fo...			10.00
4004	General Donations	9/8/2015	001	Kodiak Island Borough			6,000.00
4004	General Donations	9/22/2015	002	City of Kodiak			7,500.00
4004	General Donations	11/24/2015	002	Kodiak			180.00
					Transaction Total	0.00	21,015.00
Balan...	General Donations						21,015.00
4092	Interest & Dividend i...				Opening Balance	0.00	
4092	Interest & Dividend i...	11/30/2015	001	kodiak interest			0.55
					Transaction Total	0.00	0.55

Special Olympics Alaska
Expanded General Ledger
245 - Kodiak

From 1/1/2015 Through 12/31/2015

GL Co...	GL Title	Date	Doc Number	Description	Vendor/Customer	Debit	Credit
Balan...	Interest & Dividend i...						0.55
5010	Contract Services	8/17/2015	3900	punchcard for golf	Opening Balance USCG-MWR	0.00 617.00	
5010	Contract Services				Transaction Total	617.00	0.00
Balan...	Contract Services					617.00	
5102	Ceremonies	1/17/2015	3227	kodiak fundraiser dinner	Opening Balance Kodiak High School	0.00 3,000.00	
5102	Ceremonies				Transaction Total	3,000.00	0.00
Balan...	Ceremonies					3,000.00	
5105	Athletic Equipment ...	1/31/2015	001	floor hockey equipment	Opening Balance	0.00	
5105	Athletic Equipment ...				Transaction Total	149.96	0.00
Balan...	Athletic Equipment ...					149.96	
5106	Registration Fees E...	6/29/2015	002	summer registration fees	Opening Balance	0.00	
5106	Registration Fees E...	9/10/2015	001	fall registration fees		280.00	
5106	Registration Fees E...	11/30/2015	001	Bowling		420.00	
5106	Registration Fees E...				Transaction Total	805.00	
Balan...	Registration Fees E...					1,505.00	0.00
5110	Training Expense	9/12/2015	001	fall games community invoi...	Opening Balance	0.00	
5110	Training Expense	11/18/2015	Drawing 175	Kodiak Raffle	Araceli Cruz	420.00	
5110	Training Expense				Transaction Total	100.00	
Balan...	Training Expense					520.00	0.00
5111	Cost of Auction Items	11/18/2015	Drawing 100	Kodiak Raffle	Opening Balance	0.00	
5111	Cost of Auction Items	11/18/2015	Drawing 125	Kodiak Raffle	Robert Berg	250.00	
5111	Cost of Auction Items	11/18/2015	Drawing 150	Kodiak Raffle	Jeff Kiefer	100.00	
5111	Cost of Auction Items	11/18/2015	Drawing 200	Kodiak Raffle	Alan Floyd	100.00	
5111	Cost of Auction Items				Virginia Malutin	250.00	

Special Olympics Alaska

Expanded General Ledger

245 - Kodiak

From 1/1/2015 Through 12/31/2015

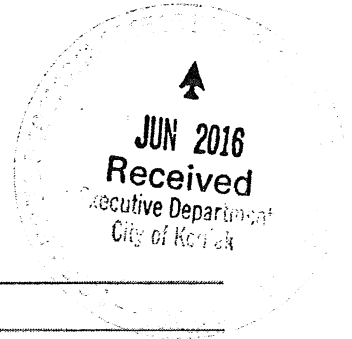
GL Co...	GL Title	Date	Doc Number	Description	Vendor/Customer	Debit	Credit
5111	Cost of Auction Items	11/18/2015	Drawing 225	Kodiak Raffle	Demi Barcelon or ...	100.00	
5111	Cost of Auction Items	11/18/2015	Drawing 25	Kodiak Raffle	Louise and Polly ...	100.00	
5111	Cost of Auction Items	11/18/2015	Drawing 250	Kodiak Raffle	Michelle Griffin	100.00	
5111	Cost of Auction Items	11/18/2015	Drawing 275	Kodiak Raffle	Nicolle Egan	100.00	
5111	Cost of Auction Items	11/18/2015	Drawing 299	Kodiak Raffle	Jill Boskofsky	1,000.00	
5111	Cost of Auction Items	11/18/2015	Drawing 300	Kodiak Raffle	St Mary School	10,000.00	
5111	Cost of Auction Items	11/18/2015	Drawing 50	Kodiak Raffle	Rich Harrision	100.00	
5111	Cost of Auction Items	11/18/2015	Drawing 75	Kodiak Raffle	Kasthie Morin	100.00	
				Transaction Total		12,300.00	0.00
Balan ...	Cost of Auction Items					12,300.00	
5112	Public Awareness & ...			Opening Balance		0.00	
5112	Public Awareness & ...	3/31/2015	300204682	Spring getting involved	Kodiak Daily Mirror	294.25	
5112	Public Awareness & ...	5/31/2015	001	Torch Run T Shirts		375.00	
				Transaction Total		669.25	0.00
Balan ...	Public Awareness & ...					669.25	
5209	Rent - Office			Opening Balance		0.00	
5209	Rent - Office	1/2/2015	2015-000000...	January 2015 rent	Kodiak Island Bor...	356.40	
5209	Rent - Office	2/2/2015	2015-000000...	rent February 2015	Kodiak Island Bor...	356.40	
5209	Rent - Office	3/2/2015	2015-000000...	March rent	Kodiak Island Bor...	356.40	
5209	Rent - Office	4/3/2015	2015-000000...	April rental	Kodiak Island Bor...	356.40	
5209	Rent - Office	5/1/2015	2015-000000...	rent May 2015	Kodiak Island Bor...	356.40	
5209	Rent - Office	6/1/2015	2015-000000...	june rent	Kodiak Island Bor...	356.40	
5209	Rent - Office	7/1/2015	2016-0000002	July 2015 rent	Kodiak Island Bor...	356.40	
5209	Rent - Office	8/3/2015	2016-000000...	August rent	Kodiak Island Bor...	356.40	
5209	Rent - Office	9/1/2015	2016-000000...	September rent	Kodiak Island Bor...	356.40	
5209	Rent - Office	11/2/2015	2016-000000...	Nov rent	Kodiak Island Bor...	356.40	
5209	Rent - Office	12/1/2015	2016-000000...	December rent	Kodiak Island Bor...	356.40	
				Transaction Total		3,920.40	0.00
Balan...	Rent - Office					3,920.40	
5301	Dues			Opening Balance		0.00	
5301	Dues	1/1/2015	1837	Chamber of Commerce Dues	Kodiak Chamber ...	125.00	
				Transaction Total		125.00	0.00
Balan...	Dues					125.00	

Special Olympics Alaska
Expanded General Ledger
245 - Kodiak

From 1/1/2015 Through 12/31/2015

GL Co...	GL Title	Date	Doc Number	Description	Vendor/Customer	Debit	Credit
5401	Travel & Lodging				Opening Balance	0.00	
5401	Travel & Lodging	6/1/2015	001	Kodiak air travel summer ga...		1,212.50	
5401	Travel & Lodging	7/1/2015	001	Travel summer games		4,408.00	
5401	Travel & Lodging	9/30/2015	001	fall games air		1,000.00	
5401	Travel & Lodging	10/1/2015	001	Bowling flights		3,850.00	
5401	Travel & Lodging	12/26/2015	001	Air for Kodiak bowling		8,531.20	
				Transaction Total		19,001.70	0.00
Balan...	Travel & Lodging					19,001.70	

**CITY OF KODIAK
 FY17 NONPROFIT FUNDING APPLICATION
 Return to City Manager's Office by June 17, 2016.**



ORGANIZATIONAL OVERVIEW

Organization Name St. Paul Lutheran Preschool
 Mailing Address P.O. Box 102 Kodiak, AK 99615
 Telephone No. (907) 486-5317 Fax No. _____
 Email stpaul99615@gmail.com

Federal Employer Tax ID Number 92-0070953

Contact Person Ashley Burns Assistant Director

Contact Person	<u>Ashley R. Burns</u>	Printed Name	<u>06/17/2016</u>
		Signature	Date

List of Board Members and Officers:

<u>Elden Simonson</u>	_____
<u>Mary Beth Symonoski</u>	_____
_____	_____
_____	_____

Does agency have 501(c)3 status from the IRS? Yes No
 If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.
 If no, has your agency applied for 501(c)3 status? Yes No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

The teachers of St. Paul Lutheran Preschool subscribe to a child-initiated and teacher-guided philosophy. They offer a wide range of experiences affording children many opportunities for inquiry and exploration. Our teachers allow children to make their own choices and develop through experience. Teachers present ideas in a bias-free way fostering critical thinking. We recognize that children develop within a range, and we rejoice along with the children as they grow in pride over each new milestone.

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?
 Yes No

If yes, how do you plan to use the City's funding?

We provide scholarships to low income families, and we plan to use the funds to expand our scholarship services to provide healthy snacks and lunches to low-income families.

How many City residents will be served by this grant? We serve children ages 2-8 years old

Please attach a copy of the organization's Mission Statement.

How does your agency collaborate with other local nonprofit organizations?

In 2016, we began working with the KANA supplemental youth internship program where we provide training, support, and guidance to native youth to help them gain the knowledge and skills necessary to join the career field of their choosing. We have partnered with the Woody Way activities center to coordinate the pick-up and drop-off of children, and we work closely with them to ensure the safety and best practice for those children. We have several families on child-care assistance, so we are in the process of working on a bag lunch program where local entities such as the Public Library, KANA, Women's Resource Center, Kodiak Wildlife Refuge Center, and Kodiak College can come in and provide information to parents about services that can help them provide the best care for their children.

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project is applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization's programs fall within the powers of the City of Kodiak for each category of funding requested:

Category Youth Recreation Programs Amount \$2,500

Explanation:

St. Paul Lutheran Preschool works with all families, regardless of religious affiliations or income levels, to provide the best quality of care for their children. We partner with the local elementary schools and first-school bus services for after-school aged children to be walked or driven to our facility at no cost to the parent. We reach out to other child-focused non-profit organizations such as the Kodiak Girl Scouts for babysitting during parent events, Boy Scouts for playground maintenance, and 4-H for child-led presentations.

Category _____ Amount _____

Explanation:

Category _____ Amount _____

Explanation:


CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2015 through June 30, 2016.

Organization:	
Program:	
2015-2016 Grant Amount:	
Amount Expended Year-to-Date:	
Balance:	

Describe accomplishments with grant funds.

If you have not expended all funds, please describe how and when you intend to spend the balance.


Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road, Room 114
Kodiak, AK 99615

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 10 2003

LUTHERAN CONGREGATIONS IN MISSION
FOR CHRIST C/O ANN
NOVACHECK LINDQUIST &
VENNUM PLLP 4200 IDS
CENTER MINNEAPOLIS, MN
55402

Employer Identification Number:

██████████1463

DLN:

503085037

Contact Person:

LYNN A BRINKLEY

ID# 31435

Contact Telephone Number:

(877) 829-5500

Addendum Applies:

No

Dear Applicant:

We have considered your application for a group exemption letter recognizing your subordinates as exempt from federal income tax under section 501(a) of the internal Revenue Code as organizations of the type described in section 501(c)(3).

Our records show that you were recognized as exempt from federal income tax under section 501(c)(3) of the Code. Your exemption letter remains in effect.

Based on information you supplied, we recognize your subordinates whose names appear on the list you submitted as exempt from federal income tax under section 501(c)(3) of the Code.

Additionally, we have classified the organizations that you operate, supervise, or control, and that are covered by your notification to us, as organizations that are not private foundations because they are organizations of the type described in sections 509(a)(1) and 170(b)(1)(A)(i) of the Code.

Donors may deduct contributions to your subordinates as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your subordinates or for their use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of section 2055, 2106, and 2522 of the Code.

Your subordinates are not required to file Form 990, Return of Organization Exempt From Income Tax, if they qualify as churches or integrated auxiliaries of churches or otherwise meet the exceptions in section 1.6033-2(g) of the Income Tax Regulations.

Your subordinates are required to make their annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You and your subordinates are also required to make available for public inspection your group exemption application, any supporting documents and this exemption letter. Copies of these documents are also required to be provided to any

Letter 2419 (DO/CG)

LUTHERAN CONGREGATIONS IN MISSION

individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

Your subordinates are not required to file federal income tax returns unless subject to the tax on unrelated business income under section 511 of the Code. Each organization subject to this tax must file Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your subordinates' present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

As of January 1, 1984, each of your subordinates is liable for social security (PICA) taxes for each employee to whom the subordinate paid \$100 or more during a calendar year. This does not apply, however, to any subordinate that makes or has made a timely election under section 3121(w) of the Code to be exempt from such tax. Your subordinates are not liable for tax imposed under the Federal Unemployment Tax Act (FUTA).

Each year, at least 90 days before the end of your annual accounting period, please send the items listed below to the Internal Revenue Service Center at the address shown below.

1. A statement describing any changes during the year in the purposes, character, or method of operation of your subordinates;
2. A list showing the names, mailing addresses (including Postal ZIP codes), actual addresses if different, and employer identification numbers of subordinates that, since your previous report:
 - a. Changed names or address;
 - b. Were deleted from your roster; or
 - c. Were added to your roster.
3. For subordinates to be added, attach:
 - a. A statement that the information on which your present group exemption letter is based applies to the new subordinates;
 - b. A statement that each has given you written authorization to add its name to the roster;
 - c. A list of those to which the Service previously issued exemption rulings or determination letters;
 - d. A statement that none of the subordinates is a private foundation as defined in section 509(a) of the Code if the group exemption letter covers organizations described in section 501(c) (3) ;
 - e. The street address of each subordinate whose mailing address is a P.O. Box; and
 - f. The information required by Revenue Procedure 75-50, 1975-2 C.B. 587, for each subordinate that is a school

Letter 2419 (DO/CG)

LUTHERAN CONGREGATIONS IN MISSION

claiming exemption under section 501(c)(3). Also include any other information necessary to establish that the school is complying with the requirements of Revenue Ruling 71-447, 1971-2 C.B. 230. This is the same information required by Schedule B, Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

4. If applicable, a statement that your group exemption roster did not change since your previous report.

Please mail the information requested in this letter to the following address:

Internal Revenue Service
Ogden UT 84201

Your Group Exemption Number is 3972. Your subordinates are required to include this number on each Form 990, Return of Organization Exempt From Income Tax, and Form 990-T, Exempt Organization Business Income Tax Return, that they file. Please advise your subordinates of this requirement and provide them with the Group Exemption Number.

If the heading of this letter indicates that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about the exempt status and foundation status of your subordinates, you should keep it for your records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Lois G. Iferner
Director, Exempt Organizations
Rulings and Agreements

Letter 2419 (DO/CG)

St. Paul Lutheran School

History

In the fall of 1987, Sue Houglum, Pastor Mark Houglum's wife, and Joan Holfert started a private preschool located in the module, now used for daycare, on the church's property. At that time there was a great need in the community for quality daycare and an early childhood education program. For five years, Sue's and Joan's hard work were the makings of what is now a successful, Christian-based preschool.

In 1992, after Sue and Joan moved on, it was acknowledged that the preschool should continue. There still was a need in the community for a preschool, as well as a need within the congregation to take on the preschool as an outreach ministry. St. Paul Lutheran Preschool opened its doors on September 15, 1992 with classes starting on October 1. Martha Sager, the director, oversaw administrative duties and taught the pre-kindergarten class. Betsey Myrick taught the 3-year old class, and Ann McWethy taught the morning and afternoon 4-year old classes. Class size was limited to 10 students, with a goal of 40 students enrolled in the school. Average enrollment was 36 students, of which 75% were from the community (non-church members). The preschool was self-supporting through monthly tuition and a fall fundraiser. The original preschool board of directors was chairman Matt Holmstrom, vice-chair Duane Freeman, secretary Sue Norton, treasurer Jeanne Wertanen, and member Barb Thompson. The original goals for the preschool were to provide a warm, loving and caring atmosphere for our children. In providing this service, we enable our children to share and socialize with their age group. As a Christian preschool, we also nurture our children in our Lord's teachings.

Mission and Ministry

The current philosophy of St. Paul Lutheran Preschool is to provide developmentally appropriate activities that stimulate physical, social, academic, emotional, and spiritual growth of children. Motor ability, problem solving, creative expression, and positive social interactions shall be enhanced in a loving Christian environment.

The preschool staff and board believe that children learn most effectively by doing, and true learning is self-motivated and its own reward. By providing a rich supportive environment, supplemented with guided experiences, observations, and discussions, this philosophy is carried out.

The preschool teachers will provide child-initiated, teacher-guided activities for the children to experience new ideas and to manipulate objects. Our teachers will allow children to make choices, present ideas in ways that children can comprehend, provide boys and girls with equal opportunities, and create a learning environment where skills can be developed at a level appropriate for each student.



January 30, 2015

CERTIFICATION OF FEDERAL INCOME TAX EXEMPTION
for

St. Paul Lutheran Preschool
PO Box 102
Kodiak, AK 99615
EIN: 92-0070953

RE: 501(c)(3) Group Umbrella

To Whom It May Concern:

This letter is to confirm that Lutheran Congregations in Mission for Christ (LCMC) has received a request for coverage under our 501(c)(3) Group Umbrella from **St. Paul Lutheran Preschool, affiliated with St. Paul Lutheran Church in Kodiak, AK.**

Be advised that as of this date, **St. Paul Lutheran Preschool**, being a member in good standing of LCMC, shall be considered a subordinate according to the IRS 501(c)(3) code. This inclusion establishes that this entity is not a private foundation as defined in Code Section 509(a). The four-digit Group Exemption Number 3972 is the same for the LCMC and its related entities. The nine-digit EIN is different for each congregation and for other employing entities.

The IRS issued the attached Group Exemption Letter to the LCMC on June 10, 2003. In accordance with the terms of this letter, entities affiliated with LCMC are exempt from Federal Income Tax under the LCMC's Group Exemption Ruling.

Sincerely,

A handwritten signature in black ink that reads "Sharon MacFadyen". The signature is written in a cursive style.

Sharon MacFadyen
LCMC Director of Operations

Cc: file