

III

GRANT FUNDING REQUEST FOR COMMUNITY SERVICE ORGANIZATIONS

2020 FUNDING REQUEST/CERTIFICATION FORM

ORGANIZATION NAME: VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC. PHONE: 907-835-2764
 ADDRESS: PO Box 8, Valdez, AK ZIP: 99686
 CONTACT PERSON: Patricia Relay PHONE: 907-835-2764
 CONTACT PERSON E-MAIL: prelay@valdezmuseum.org
 PROGRAM TITLE: Valdez Museum & Historical Archive
 FUNDING REQUEST FOR 2020: \$ 475,000.00

1. Non-Profit Corporation? Yes ☒ No ☐
 Date of incorporation: 1996 Federal Tax ID #: 92-0159463
2. Organization's estimated TOTAL 2020 operating budget: \$ 747,218.00
3. Historical Funding and Membership Information

	Total CSO Budget	City Funding	City % of Total	# of Members
2017	657,175.00	455,000.00	69%	120
2018	653,122.62	475,000.00	72%	135
2019	673,747.00	475,000.00	71%	109
2020	747,218.00	475,000.00	64%	125

4. What was previous grant funding used for? Be specific.

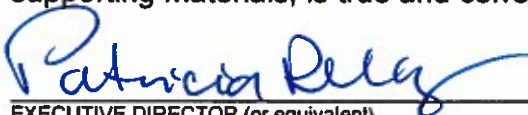
Previous grant funding was used for the management and operations of the Valdez Museum & Historical Archive's two locations: 217 Egan Drive and 436 Hazelet Street, Valdez, Alaska. Specifically, the funds were used for payroll expenses (wages/salaries, taxes, health insurance and benefits) and a portion of utilities (electric, heating oil, water & sewer)

ATTACHMENTS: (label as indicated)

- Copy of your organization's most recent fiscal year end financial statements including balance sheet and profit and loss, and sources and uses of revenues. These statements must also show all accumulated fund balances for all of the organization's assets. (label page 2)
- Copy of balance sheets from three prior fiscal years. (label page 3)
- Copy of your organization's estimated current operating budget, including revenues and expenditures. (label page 4)
- Copy of proposed 2020 budget, including revenues and expenditures. (label page 5)
- Copy of your organization's balance sheet and profit and loss as of 6/30/2019

CERTIFICATION: (must be signed by both individuals)

I certify that the information contained in this application, including all attachments and supporting materials, is true and correct to the best of my knowledge.



EXECUTIVE DIRECTOR (or equivalent)

DATE

6/09/2019



PRESIDENT, BOARD OF DIRECTORS (or equivalent)

DATE

5/09/2019



**MOST RECENT FISCAL YEAR END FINANCIAL
STATEMENT**

INCLUDING:

STATEMENT OF FINANCIAL POSITION

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION**

STATEMENT OF CASH FLOWS

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
Valdez, Alaska

Statements of Financial Position

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets:		
Cash and cash equivalents:		
Unrestricted	\$ 153,656	178,312
Temporarily restricted	24,114	24,114
Accounts receivable	650	250
Merchandise inventory	19,870	23,736
<i>Total Current Assets</i>	<u>198,290</u>	<u>226,412</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	137,191	108,827
<i>Total noncurrent assets</i>	<u>137,191</u>	<u>108,827</u>
Total Assets	<u>\$ 335,481</u>	<u>335,239</u>
 Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 4,609	15,124
Accrued leave	21,354	20,110
Payroll liabilities	11,332	10,794
Unearned revenue	24,114	24,114
<i>Total Current Liabilities</i>	<u>61,409</u>	<u>70,142</u>
Net Position:		
Net investment in capital assets	137,191	108,827
Restricted for projects and displays	12,028	33,375
Unrestricted	124,853	122,895
<i>Total Net position</i>	<u>274,072</u>	<u>265,097</u>
Total Liabilities and Net Assets	<u>\$ 335,481</u>	<u>335,239</u>

See accompanying notes to the financial statements

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
Valdez, Alaska

Statements of Revenues, Expenses and Changes in Net Position

Years Ended December 31, 2018 and 2017

	2018	2017
Operating revenues:		
City funds	\$ 475,000	455,000
Admissions	63,233	60,385
Donations	50,472	51,226
Merchandise sales	36,489	33,633
Fundraising	30,947	28,497
Grants	12,100	22,650
Memberships and fees	15,848	18,613
Miscellaneous	6,040	5,051
Total operating revenues	<u>690,129</u>	<u>675,055</u>
Operating expenses:		
Payroll and related expenses	408,787	393,527
Utilities	52,318	54,978
Fundraising expenses	45,369	35,821
Professional fees	39,543	37,122
Insurance	22,378	21,771
Merchandise for resale	19,977	16,228
Janitorial expenses	12,000	12,000
Depreciation	11,136	7,821
Retirement plan contributions	10,911	12,980
Supplies	8,392	4,472
Telephone and fax	8,089	7,677
Dues, subscriptions and memberships	7,235	7,211
Store discounts and fees	7,154	5,269
Education and public programs	5,667	4,010
Collections and exhibits	5,358	5,425
Postage and freight	4,969	4,071
Printing and reproduction	4,799	5,040
Advertising	4,079	4,692
Minor equipment	2,469	410
Vehicle expenses	1,142	499
Rent	10	1,200
Travel	-	686
Professional development	-	250
Board expenses	-	141
Miscellaneous expenses	96	446
Total operating expenses	<u>681,878</u>	<u>643,747</u>
Operating loss	8,251	31,308
Nonoperating revenues -		
Interest income	<u>724</u>	<u>798</u>
Change in net position	<u>8,975</u>	<u>32,106</u>
Net Position at the beginning of the year	<u>265,097</u>	<u>232,991</u>
Net Position at the end of the year	<u>\$ 274,072</u>	<u>265,097</u>

See accompanying notes to the financial statements

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
Valdez, Alaska

Exhibit C-1

Statements of Cash Flows

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash received from customers and patrons	\$ 202,629	197,305
Cash received from City and grantors	487,100	477,650
Cash paid to employees	(407,005)	(391,273)
Cash paid to suppliers and vendors	(268,604)	(241,842)
<i>Net cash flows from operating activities</i>	<u>14,120</u>	<u>41,840</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(39,500)	-
<i>Total cash flows from capital and related financing activities</i>	<u>(39,500)</u>	<u>-</u>
Cash flows from investing activities:		
Interest income received	724	798
<i>Net cash flows from investing activities</i>	<u>724</u>	<u>798</u>
Net change in cash	(24,656)	42,638
Cash at beginning of year	<u>202,426</u>	<u>159,788</u>
Cash at end of year	<u>\$ 177,770</u>	<u>202,426</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income	\$ 8,251	31,308
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	11,136	7,821
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	(400)	(100)
Inventory	3,866	(1,338)
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	(10,515)	1,895
Accrued payroll and taxes	538	(590)
Accrued leave	1,244	2,844
Net cash flows from operating activities	<u>\$ 14,120</u>	<u>41,840</u>

See accompanying notes to the financial statements.



**BALANCE SHEETS FROM THREE PRIOR
FISCAL YEARS (2018, 2017, 2016)**

11:00 AM

Valdez Museum & Historical Archive

07/18/19

Balance Sheet

Accrual Basis

As of December 31, 2018

Dec 31, 18

ASSETS**Current Assets****Checking/Savings**

1026 · 1st National Gaming	547.03
1025 · 1st National Operating	91,505.09
1021 · CD 61215021 -Phyllis Irish	66,943.12
1022 · 10950 Cash in Drawer	499.92
1003 · WF Merchant Services Account	17,338.18

Total Checking/Savings 176,833.34

Accounts Receivable

1501 · Accounts Receivable	650.00
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Total Accounts Receivable 650.00

Other Current Assets

1502 · Museum Endowment Fund	923,512.00
Cash on Hand	609.31

2002 · 1120 Inventory Asset	19,131.78
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1017 · Undeposited Funds	322.01
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Total Other Current Assets 943,575.10

Total Current Assets 1,121,058.44

Fixed Assets

4000 · Construction in Progress	74,227.00
4001 · Fixed Assets	42,420.61

Total Fixed Assets 116,647.61

Other Assets

Merchandise Inventory	738.49
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Total Other Assets 738.49

TOTAL ASSETS 1,238,444.54

LIABILITIES & EQUITY**Liabilities****Current Liabilities****Accounts Payable**

5501 · 2000 Accounts Payable	7,575.20
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Total Accounts Payable 7,575.20

Credit Cards

5505 · Bank of America Business Card	-448.11
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Total Credit Cards -448.11

Other Current Liabilities

25100 · Employee Tips Payable	13.50
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5504 · 24700 Customer Deposits	34.00
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6601 · Deferred Revenue	24,114.00
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6002 · Leave Payable	17,265.61
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6003 · 2100 Payroll Liabilities	10,699.79
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Total Other Current Liabilities 52,126.90

Total Current Liabilities 59,253.99

Total Liabilities 59,253.99

Equity

7503 · Museum Endowment Fund Equity	923,512.00
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8079 · Contributed Capital	91,636.18
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3000 · Opening Bal Equity	33.93
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7502 · 3900 Retained Earnings	185,974.34
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Net Income	-21,965.90
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11:00 AM
07/18/19
Accrual Basis

Valdez Museum & Historical Archive
Balance Sheet
As of December 31, 2018

	Dec 31, 18
Total Equity	1,179,190.55
TOTAL LIABILITIES & EQUITY	<u>1,238,444.54</u>

Valdez Museum & Historical Archive
Balance Sheet
As of December 31, 2017

Dec 31, 17

ASSETS

Current Assets

Checking/Savings

1026 · 1st National Gaming	475.00
1025 · 1st National Operating	12,473.19
1023 · CD - 61243443 Reserve Acct	59,753.22
1021 · CD 61215021 -Phyllis Irish	66,531.75
1022 · 10950 Cash in Drawer	1,813.07
1001 · Cash In Bank-Operating-WFargo	28,684.08
1003 · WF Merchant Services Account	33,127.88

Total Checking/Savings 202,858.19

Accounts Receivable

1501 · Accounts Receivable	250.00
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Total Accounts Receivable 250.00

Other Current Assets

1502 · Museum Endowment Fund	961,734.00
Cash on Hand	609.31
2002 · 1120 Inventory Asset	23,097.36
1017 · Undeposited Funds	16.00

Total Other Current Assets 985,456.67

Total Current Assets 1,188,564.86

Fixed Assets

4000 · Construction in Progress	74,227.00
4001 · Fixed Assets	42,420.61

Total Fixed Assets 116,647.61

Other Assets

Merchandise Inventory	773.11
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Total Other Assets 773.11

TOTAL ASSETS 1,305,985.58

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

5501 · 2000 Accounts Payable	9,890.53
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Total Accounts Payable 9,890.53

Credit Cards

5505 · Bank of America Business Card	4,438.24
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Total Credit Cards 4,438.24

Other Current Liabilities

25100 · Employee Tips Payable	13.50
5504 · 24700 Customer Deposits	34.00
6601 · Deferred Revenue	24,114.00
6002 · Leave Payable	17,265.61
6003 · 2100 Payroll Liabilities	10,851.25

Total Other Current Liabilities 52,278.36

Total Current Liabilities 66,607.13

Total Liabilities 66,607.13

Equity

7503 · Museum Endowment Fund Equity	961,734.00
8079 · Contributed Capital	91,636.18
3000 · Opening Bal Equity	33.93

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Accrual Basis

Valdez Museum & Historical Archive

Balance Sheet
As of December 31, 2017

	Dec 31, 17
7502 - 3900 Retained Earnings	142,044.48
Net Income	43,929.86
Total Equity	1,239,378.45
TOTAL LIABILITIES & EQUITY	<u>1,305,985.58</u>

11:01 AM

Valdez Museum & Historical Archive

07/18/19

Balance Sheet

Accrual Basis

As of December 31, 2016

Dec 31, 16

ASSETS**Current Assets****Checking/Savings**

1023 · CD - 61243443 Reserve Acct	59,385.03
1020 · CD 61248942 Gen Ops	16,774.23
1021 · CD 61215021 -Phyllis Irish	66,121.79
1022 · 10950 Cash in Drawer	2,246.40
1001 · Cash In Bank-Operating-WFargo	7,331.13
1003 · WF Merchant Services Account	7,798.09

Total Checking/Savings	159,656.67
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Accounts Receivable

1501 · Accounts Receivable	-994.00
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Total Accounts Receivable	-994.00
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Other Current Assets

1502 · Museum Endowment Fund	842,888.00
Cash on Hand	609.31
2002 · 1120 Inventory Asset	22,348.39
1017 · Undeposited Funds	400.00

Total Other Current Assets	866,245.70
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Total Current Assets	1,024,908.37
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Fixed Assets

4000 · Construction in Progress	74,227.00
4001 · Fixed Assets	42,420.61

Total Fixed Assets	116,647.61
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Other Assets

Merchandise Inventory	671.17
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Total Other Assets	671.17
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TOTAL ASSETS	1,142,227.15
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LIABILITIES & EQUITY**Liabilities****Current Liabilities****Accounts Payable**

5501 · 2000 Accounts Payable	10,973.10
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Total Accounts Payable	10,973.10
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Credit Cards

5505 · Bank of America Business Card	2,165.71
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Total Credit Cards	2,165.71
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Other Current Liabilities

5504 · 24700 Customer Deposits	34.00
6601 · Deferred Revenue	24,114.00
6002 · Leave Payable	17,265.61
6003 · 2100 Payroll Liabilities	11,072.14

Total Other Current Liabilities	52,485.75
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Total Current Liabilities	65,624.56
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Total Liabilities	65,624.56
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Equity

7503 · Museum Endowment Fund Equity	842,888.00
8079 · Contributed Capital	91,636.18
3000 · Opening Bal Equity	33.93
7502 · 3900 Retained Earnings	161,774.71

11:01 AM

Valdez Museum & Historical Archive

07/18/19

Balance Sheet

Accrual Basis

As of December 31, 2016

	Dec 31, 16
Net Income	-19,730.23
Total Equity	1,076,602.59
TOTAL LIABILITIES & EQUITY	<u>1,142,227.15</u>



**CURRENT OPERATING BUDGET 2019
REVENUES OVER EXPENSES**

11:08 AM

07/18/19

Accrual Basis

Valdez Museum & Historical Archive

Profit & Loss Budget Overview

January through December 2019

	Jan - Dec 19
Ordinary Income/Expense	
Income	
8003 · Fund Development	
8004 · Corporate Sponsorship	12,200.00
8060 · Roadhouse Dinner	
8060 · Roadhouse Dinner - Other	24,000.00
Total 8060 · Roadhouse Dinner	24,000.00
8021 · Annual Appeal	3,000.00
8022 · Raffle	1,000.00
8061 · Membership	
8061 · Membership - Other	11,000.00
Total 8061 · Membership	11,000.00
4030 · Donations Income	
8062 · 6145 In-Kind Income	24,000.00
8001 · Restricted	5,000.00
8002 · Unrestricted	6,500.00
Total 4030 · Donations Income	35,500.00
8152 · Fundraising	
8023 · Designated	250.00
Total 8152 · Fundraising	250.00
Total 8003 · Fund Development	86,950.00
8024 · Earned Revenue	
8025 · Program Fees	2,000.00
4120 · Museum Fees	
8026 · Admissions	57,500.00
8009 · Admission Fees	6,000.00
8010 · Archival Fees	3,500.00
8159 · Space Rental	750.00
Total 4120 · Museum Fees	67,750.00
8027 · Store Sales	34,940.00
48600 · Service Sales	
486001 · Shipping	75.00
Total 48600 · Service Sales	75.00
Total 8024 · Earned Revenue	104,765.00
4200 · Grants	
8032 · 4110 City of Valdez	475,000.00
8006 · State of Alaska	4,000.00
8033 · Foundation	15,000.00
Total 4200 · Grants	494,000.00
8501 · 7015 Interest Income	
Reserve Acct. CD	370.00
Phyllis Irish Memorial Fund CD	412.00
Total 8501 · 7015 Interest Income	782.00
8011 · Reimbursed Expenses	4,000.00
Total Income	690,497.00
Cost of Goods Sold	
8102 · Gallery Commission	750.00
8101 · Cost of Goods Sold	16,000.00
Total COGS	16,750.00

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Accrual Basis

Valdez Museum & Historical Archive

Profit & Loss Budget Overview

January through December 2019

	Jan - Dec 19
Gross Profit	673,747.00
Expense	
8059 · Contingency	5,518.00
8036.2 · Volunteer Expense	350.00
8036 · Fundraising Expenses	11,000.00
8036.1 · Membership	2,750.00
8037 · IT Services	19,632.00
8039 · Education	2,000.00
8040 · Collections	
8043.1 · Intern	4,000.00
8042 · Collections Supplies	1,500.00
8043 · Acquisitions	315.45
Total 8040 · Collections	5,815.45
9002 · Freight and Shipping Costs	2,100.00
8103 · Personnel Expenses	
8104 · Salaries & Wages	272,870.00
8105 · ESC Payroll Tax	3,001.57
8106 · FICA Payroll Tax	25,786.22
8107 · 403(b) - Employer	12,513.76
8108 · Health Insurance	124,800.00
Total 8103 · Personnel Expenses	438,971.55
8044 · Contract Labor	5,500.00
8110 · Professional Fees	
8045 · Accounting	16,000.00
8046 · Consulting	400.00
Total 8110 · Professional Fees	16,400.00
8113 · Vehicle Expense	500.00
8047 · Janitorial Services	12,000.00
8048 · Utilities	
8115 · Electric	36,500.00
8116 · Heating Oil	18,000.00
8117 · Water	280.00
Total 8048 · Utilities	54,780.00
8118 · Telephone	
8124 · Conference Line	120.00
8120 · Internet	3,400.00
8121 · Local Service	4,800.00
8122 · Long Distance	150.00
Total 8118 · Telephone	8,470.00
8123 · Postage and Delivery	3,000.00
8049 · Supplies	
8125 · Technology	1,500.00
8126 · Office Supplies	3,000.00
8127 · Operating	5,000.00
Total 8049 · Supplies	9,500.00
Exhibits	
8051 · Permanent Exhibits	1,250.00
8052 · Temporary Exhibits	4,000.00
Total Exhibits	5,250.00
8130 · Dues and Subscriptions	4,500.00
8131 · Printing and Reproduction	5,275.00
8053 · Advertising/Marketing	4,500.00
8134 · Rent	
8055 · Building Lease	10.00

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Accrual Basis

Valdez Museum & Historical Archive
Profit & Loss Budget Overview
January through December 2019

	Jan - Dec 19
Total 8134 · Rent	10.00
6185 · Insurance	
8137 · Liability Insurance	23,250.00
Total 6185 · Insurance	23,250.00
8138 · Credit Card Fees	5,000.00
8139 · Bank Service Charges	100.00
8145 · Licenses and Permits	575.00
8148 · Contributions	
8057 · In-Kind Expenses	24,000.00
Total 8148 · Contributions	24,000.00
8058 · Public Programs	3,000.00
Total Expense	673,747.00
Net Ordinary Income	0.00
Net Income	0.00



**PROPOSED 2020 BUDGET INCLUDING
REVENUES OVER EXPENSES**

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Accrual Basis

Valdez Museum & Historical Archive

Profit & Loss Budget Overview

January through December 2020

	Jan - Dec 20
Ordinary Income/Expense	
Income	
8003 · Fund Development	
8004 · Corporate Sponsorship	11,200.00
8060 · Roadhouse Dinner	24,000.00
8021 · Annual Appeal	3,300.00
8022 · Raffle	1,000.00
8061 · Membership	11,000.00
4030 · Donations Income	
8062 · 6145 In-Kind Income	30,000.00
8001 · Restricted	25,000.00
8002 · Unrestricted	5,000.00
Total 4030 · Donations Income	60,000.00
Total 8003 · Fund Development	110,500.00
8024 · Earned Revenue	
8025 · Program Fees	7,000.00
4120 · Museum Fees	
80011 · Presenter & Guide Income	6,000.00
8026 · Admissions	58,075.00
8009 · Admission Fees	31,875.00
8010 · Archival Fees	3,500.00
8159 · Space Rental	2,750.00
Total 4120 · Museum Fees	102,200.00
8027 · Store Sales	50,000.00
48600 · Service Sales	
486001 · Shipping	75.00
Total 48600 · Service Sales	75.00
Total 8024 · Earned Revenue	159,275.00
4200 · Grants	
8032 · 4110 City of Valdez	475,000.00
8006 · State of Alaska	4,000.00
8033 · Foundation	11,000.00
Total 4200 · Grants	490,000.00
8501 · 7015 Interest Income	
Phyllis Irish Memorial Fund CD	418.00
8501 · 7015 Interest Income - Other	25.00
Total 8501 · 7015 Interest Income	443.00
8011 · Reimbursed Expenses	5,500.00
Total Income	765,718.00
Cost of Goods Sold	18,500.00
Gross Profit	747,218.00
Expense	
8059 · Contingency	4,622.00
8036 2 · Volunteer Expense	350.00
8036 · Fundraising Expenses	11,000.00
8036 1 · Membership	2,750.00
8037 · IT Services	21,000.00
8039 · Education	2,000.00
8040 · Collections	
8043 1 · Intern	4,000.00
8042 · Collections Supplies	1,500.00

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Accrual Basis

Valdez Museum & Historical Archive
Profit & Loss Budget Overview
 January through December 2020

	Jan - Dec 20
8043 · Acquisitions	300.00
Total 8040 · Collections	5,800.00
9002 · Freight and Shipping Costs	2,100.00
8103 · Personnel Expenses	
8104 · Salaries & Wages	292,870.00
8105 · ESC Payroll Tax	3,250.00
8106 · FICA Payroll Tax	27,500.00
8107 · 403(b) - Employer	14,641.00
8108 · Health Insurance	112,000.00
Total 8103 · Personnel Expenses	450,261.00
8044 · Contract Labor	5,000.00
8110 · Professional Fees	
8045 · Accounting	17,800.00
8046 · Consulting	400.00
Total 8110 · Professional Fees	18,200.00
8113 · Vehicle Expense	1,500.00
8047 · Janitorial Services	12,000.00
8048 · Utilities	
8115 · Electric	36,500.00
8116 · Heating Oil	18,000.00
8117 · Water	280.00
Total 8048 · Utilities	54,780.00
8118 · Telephone	
8124 · Conference Line	120.00
Cell Phone	1,000.00
8120 · Internet	3,400.00
8121 · Local Service	4,800.00
8122 · Long Distance	150.00
Total 8118 · Telephone	9,470.00
8123 · Postage and Delivery	3,000.00
8049 · Supplies	
8125 · Technology	3,000.00
8126 · Office Supplies	3,000.00
8127 · Operating	6,000.00
Total 8049 · Supplies	12,000.00
Exhibits	
8050 · Special Projects	25,000.00
8051 · Permanent Exhibits	1,500.00
8052 · Temporary Exhibits	5,000.00
Total Exhibits	31,500.00
8130 · Dues and Subscriptions	4,500.00
8131 · Printing and Reproduction	7,500.00
8053 · Advertising/Marketing	10,000.00
8134 · Rent	
8056.1 · Storage Rent	1,200.00
8055 · Building Lease	10.00
Total 8134 · Rent	1,210.00
6185 · Insurance	
8137 · Liability Insurance	24,750.00
Total 6185 · Insurance	24,750.00
8138 · Credit Card Fees	5,000.00
8139 · Bank Service Charges	100.00
8056 · Travel	

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07/18/19

Accrual Basis

Valdez Museum & Historical Archive
Profit & Loss Budget Overview
January through December 2020

	Jan - Dec 20
8142 · Meals	750.00
8143 · Travel	7,500.00
Total 8056 · Travel	8,250.00
8144 · Training & Education	3,000.00
8145 · Licenses and Permits	575.00
8148 · Contributions	
8057 · In-Kind Expenses	30,000.00
Total 8148 · Contributions	30,000.00
8058 · Public Programs	5,000.00
Total Expense	747,218.00
Net Ordinary Income	0.00
Net Income	0.00

PROGRAM INFORMATION

ORGANIZATION NAME: VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.

Program Title: VALDEZ MUSEUM & HISTORICAL ARCHIVE

Complete section below. Limit comments to this page.

1. Summarize the program you are proposing. (You will provide the details in the scope of services form.)

The mission of the VMHA is to safeguard our community's valuable heritage materials; foster broad public understanding and appreciation of our unique heritage; celebrate our community's past and provide context for its future; and enhance the quality of life by fostering and supporting cultural artistic programs for the purpose of heritage preservation, education and economic development.

2. Briefly, but specifically, describe why the program to be funded under this proposal is needed and how it will benefit the Valdez community. Is this a new or existing program? How have you determined the need for your program?

The VMHA is not a new program. The VMHA serves a vital role in the economic development of the City of Valdez, acting as a conduit for the information of local knowledge, historic knowledge and common interests with the local community and visitors. The VMHA is an institution that is relied upon to present the heritage and culture of the community to the general public. The need is determined by consistent visitation and community feedback.

3. Is this program year-round, seasonal, or a one-time event? year-around
Schedule: Beginning date: January 1, 2020 Ending date: December 31, 2020

4. Estimated number of people to be served by this program? 25,078
Provide formula for estimate:

Admissions, including public programs and school groups as of August 7, 2019; 17,571+ remaining year 5,675 + education & public programs 1,832 = 25,078

5. Target population served: (ie: youth, adult, Senior Citizens, disadvantaged, etc.)

Made up of both locals and tourists, we are multi-generational. No one population served.

6. Is membership in your organization required for participation: Yes _____ No X

7. Fee to participant: Member \$ FREE Non-Member \$ VARIABLE

8. Number of paid program staff: Full-time 4 Part-time 3 Temporary 6

ORGANIZATION NAME: VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.

Program Information (continued)

9. Volunteer Services Information:

Number of volunteers:	Actual 2017	120
	Actual 2018	135
	Anticipated 2019	109
	Estimated 2020	125

Source of volunteers (parents, members, professionals, others):

We have a wide range of people who volunteer at the VMHA: parents, teens, teachers, business owner, Coast Guard missionaries, fireman, and retired individuals.

Types of services provided by volunteers:

Volunteers provide assistance as education aides, event coordination, planning and set up; collections management, mailings, winter readiness, and Board Service.

10. Where will you operate this program? What facilities?

In addition to the VMHA's two primary locations, 217 Egan Drive and 436 S. Hazelet, the Museum conducts programs at Valdez City Schools, the Valdez Civic Center, Old Town Valdez, PWSC, and the Visitor Center to name a few.

11. What is the specific impact on your program if City funding is available at the following percentages of your request?

75%	Elimination of 1FTE Admin/Marketing Coord, .5FTE Curatorial Asst, .5FTE Year around Attendant, 2.5FTE Summer Staff with reduction in operations at the Annex to 5 days a week. Volunteers needed for counter
50%	Elimination of Curator of ED & PP, 1FTE Admin/Mrkt Coord, .5FTE Curatorial Asst, .5FTE Year around Attendant, 2.5FTE Summer Staff with reduction in operations at the Annex to 5 days a week. Volunteers needed for counter
25%	All professional staff would be eliminated. Paid positions would include the Museum Services Manager at 1FTE, supported by 2.5FTE Summer Staff and programmatic volunteers. Reduced operations
0%	The Museum would need to be staffed by all volunteers. All earned revenue would need to support general operations (i.e. utilities, phone, supplies). Year around operations would not be possible.

12. The City is prohibited from contracting with businesses or persons that violate the Americans with Disabilities Act (ADA). What methods does your organization employ to comply with the requirements of ADA?

Museum staff responsible for exhibit installation are versed in ADA requirement and make accessibility a priority when setting up exhibitions. Exhibits are designed to be compliant with ADA needs, including wheelchair accessibility and general public egress. Museum attendants are available to assist visitors with special needs, including reading labels for the visually impaired, turning on the closed caption for the hearing impaired, and pushing wheelchairs and describing exhibits.

ORGANIZATION NAME: VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
Program Information (continued)

13. Any other comments you would like to make about your program?

Over the last year the Museum Board of Directors and Staff continue to work hard to not only expand our reach to summer visitors, but deepen our relationship with the local community. 2019 has not only been a year that the Valdez Museum continued to sustain and grow our mission driven program of work, but also Board and Staff in collaboration with the City of Valdez, have been planning for a new museum facility.

Hitting the ground running, the year started off with exhibit changeovers, workshops, presentation, preparing for non-City grant, and coordination of upcoming programs & exhibits. Here are a few highlights of what we have been up to at the Valdez Museum:

***Revenue Generation - With the return of cruise ships we are delighted to report we have had a 3% increase in General Admissions, 506% increase in Bulk Admissions revenue, 39% increase in Store Sales, and new this year, additional revenues for presenters and tour guides. These additional revenues support the additional human resources needed for hosting this segment of visitors

***Archives - The Archives of the VMHA is an active place. VMHA staff receive requests for information from around the world for personal, educational, and commercial reasons.

***Collections & Exhibitions - Increasing accessibility, the museum continues to digitize the collection by continuing to upload new collection records to PastPerfect Online <https://valdezmuseum.pastperfectonline.com/> Everything the museum does flows from our collections. Minor upgrades have been completed in permanent exhibits, Temporary exhibits featured both local and regional artists.

***Education & Public Programs - In 2019 the VMHA brought local and regional heritage and culture to life for students of all ages through classroom teaching and museum field trips coupled with public programs, guided tours and workshops.

***Advocacy, Communication & Fundraising - In 2019 the VMHA continued its commitment to promoting the Museum's program of work through a variety of vehicles including action based strategies that transmit ideas, information to increase public participation and engagement. Communicating on behalf of the Museum took on a whole new level as the uncertainty of government support and mounting a community awareness campaign to build a new museum came to the forefront.

***New Museum Planning - With the Memo of Understanding in hand, Board and Staff have worked closely to enter into a site selection process. To insure that the community is involved, Board and staff have launch a public awareness campaign. A report to Council will be submitted in mid August.

This is just a small sample of what we have been up to at the Valdez Museum in the past year. The Board of Directors and Staff look forward to sharing more at our Annual Meeting the City Council on Tuesday, October 15, 2019 at 7:00 p.m.

ORGANIZATION NAME: VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.

OPERATING EXPENSES OF PROPOSED PROGRAM

(Budget Form #1)

<u>Program Expenses:</u>	<u>Budget</u>	<u>Breakdown</u>
PERSONAL SERVICES:	\$ 450,261.00	
Salaries/wages		\$ 292,870.00
Employee benefits		\$ 142,750.00
Other: <u>403(B) Retirement Plan</u>		\$ 14,641.00
CONTRACTUAL SERVICES:	\$ 78,155.00	
Reproduction/copying		\$ 7,500.00
Equipment rental		\$
Data processing		\$
Dues/subscriptions		\$ 5,075.00
Contractual services		\$ 42,000.00
Professional fees & services		\$ 18,200.00
Other: <u>Cred. Crd, Bank Fees, H2O</u>		\$ 5,380.00
OTHER SERVICES:	\$ 101,420.00	
Volunteer services		\$ 350.00
Communications/postage		\$ 14,570.00
Printing		\$
Advertising/promotion		\$ 10,000.00
Electricity		\$ 36,500.00
Heating		\$ 18,000.00
Travel/transportation		\$ 8,250.00
Other: <u>Fundraising / Membership Expenses</u>		\$ 13,750.00
COMMODITIES:	\$ 50,800.00	
Clothing		\$
Office supplies		\$ 3,000.00
Building maintenance		\$
Operating supplies		\$ 46,300.00
Parts & supplies - equipment		\$ 1,500.00
OTHER CHARGES/EXPENSES:	\$ 66,582.00	
Insurance		\$ 24,750.00
Contingencies		\$ 4,622.00
Training		\$ 3,000.00
Rent		\$ 1,210.00
Capital equipment		\$ 3,000.00
Office equipment		\$
Other expenses: <u>In-Kind Contributions</u>		\$ 30,000.00
TOTAL COST FOR OPERATION OF THIS PROGRAM:	\$ 747,218.00	

ORGANIZATION NAME: VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.

FUNDING SOURCES FOR PROPOSED PROGRAM
(Budget Form #2)

This program budget covers the period of January 1, 2020 to December 31, 2020

<u>SOURCES OF PROGRAM FUNDING</u>	<u>GOAL AMOUNT</u>	<u>%</u>	<u>COMMITTED (Y/N)</u>
Parent Organization	<u>\$ 0.00</u>	<u>0%</u>	<u>N/A</u>
Gifts and Contributions	<u>\$ 71,200.00</u>	<u>10%</u>	<u>N</u>
Membership Dues	<u>\$ 11,000.00</u>	<u>1%</u>	<u>N</u>
Fees & charges to participants	<u>\$ 109,200.00</u>	<u>15%</u>	<u>N</u>
Private sector grants (specify source and date of award)			
<u>AK State Council on the Arts</u>	<u>\$ 4,000.00</u>	<u>1%</u>	<u>N</u>
<u>Museum AK Collections Mngt Fund</u>	<u>\$ 5,000.00</u>	<u>1%</u>	<u>N</u>
<u>Valdez United Way; CVEACF</u>	<u>\$ 6,000.00</u>	<u>1%</u>	<u>N</u>
Fundraisers (specify major fundraising events/programs)			
<u>Roadhouse Dinner & Fundraiser</u>	<u>\$ 24,000.00</u>	<u>3%</u>	<u>N</u>
<u>Appeals, Fundraising & Raffles</u>	<u>\$ 4,300.00</u>	<u>1%</u>	<u>N</u>
<u>Store Sales & Misc Income</u>	<u>\$ 37,518.00</u>	<u>5%</u>	<u>N</u>
Subtotal of Financial Support for this program:	<u>\$ 272,218.00</u>	<u>36%</u>	
Supplemental Funding Requested from City of Valdez:	<u>\$ 475,000.00</u>	<u>64%</u>	
<u>TOTAL FUNDING FOR OPERATION OF THIS PROGRAM:</u>	<u>\$ 747,218.00</u>	100%	

NOTE: Projected program financial support should meet or exceed projected program expenditures. If not, you must provide an explanation. If the financial support is projected to exceed the expenditures by a substantial amount, please provide an explanation as to why grant funds are being requested for this program.

ORGANIZATION NAME: VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.

SCOPE OF SERVICES

Timeline OUTCOMES for 2020 (What do you plan to accomplish in 2020 - be specific)

Through a vibrant collections stewardship, exhibitions, and multi-generational education programs, the Valdez Museum & Historical Archive (VMHA) preserves, presents, and interprets the City of Valdez's historical and art collections. The community-owned collections consist of approximately 75,000+ items ranging from large artifacts, photographs, contemporary works of art, multi-media, maps, small artifacts and paper archives covering the entire time line of Valdez from Pre-Russian contact to present day all of which are cared for by the Valdez Museum & Historical Archive Association, Inc. staff and volunteers.

The mission of the VMHA is to safeguard our community's valuable heritage materials; foster broad public understanding and appreciation of our unique heritage; celebrate our community's past and provide context for its future; encourage a sense of community pride; and enhance the quality of life by fostering and supporting cultural and artistic programs for the purposes of heritage preservation, education and economic development.

The VMHA Board and Staff work year round in the following areas on behalf of the City of Valdez:

- Preservation, conservation and development of Collections
- Installation of Permanent and Temporary Exhibits
- Collect oral histories and conduct Research for public
- Development of history programming for the general public and supplemental history curriculum for public, private, and home school children
- Provide Multi-generational Public Programming
- Publish manuscripts from archives for public use.

The museum serves a vital role in the economic development of the City of Valdez. Acting as a conduit for information of local knowledge, historic knowledge and common interests with the local community and visitors, the museum is an institution that is relied upon to present the heritage and culture of the community to the general public.

The Valdez Museum & Historical Archive strives to reach national standards for museums and has an overall desire to increase its educational programming, collections and exhibits. The VMHA continues to strive to fulfill its mission and in addition to the day-to-day operations of managing a year-round facility serving roughly 20,000 visitors a year.

Aligned with the Valdez Museum's Strategic Plan, the museum Board and Staff will concentrate on the following scope of work in 2020 (See attached additional pages.) Strategic Plan included.

Attach additional pages if necessary

Definition: Outcome - End product or result accomplished.

ORGANIZATION NAME: **Valdez Museum & Historical Archive Association, Inc.**

SCOPE OF SERVICES

Timeline: Outcomes for 2020 (What do you plan to accomplish in 2020– be specific).

GOALS FOR 2020

1. **Fundraising Plan** - To accomplish the proposed Scope of Work for 2020 and generate the proposed 36% of non-City funds, the VMHA Board and Staff will work closely to develop a dynamic Fundraising Plan. The Plan will include diverse and strategic methods that will address the changing demographic trends in how individuals, corporations and private sector granting agencies give. In addition to our annual Roadhouse Dinner: we will employ an annual appeal letter; we will conduct an annual Raffle; we will find creative fundraising activities such as a Garage Sale; we will strengthen relationships with major donors by hosting an intimate cultivation event in the Pinzon Bar, as well as obtain project centered grants for education programs, collections, exhibits, and capital improvements. A detailed plan will be submitted with our Annual Report and presented to the City Council on Tuesday, October 15, 2019.
2. **Collections & Archives** - “Museums exist to preserve, document and research the material evidence of our world, and make accessible to the public through programs of interpretation, education and exhibition. Everything that museums do flow from their collections.” The Manual of Museum Planning Gail Dexter Lord and Barry Lord. At the VMHA, Board and Staff will continue to place a high priority on collections management.
 - **Cataloging Project** – With the continued help of volunteers and interns, the VMHA Curator of Collections & Exhibits will continue work on organizing the 75,000+ collection for accuracy both on the physical shelves and in the collections database. In 2020, the Valdez Museum will continue to target some of the larger bulk collections within the archive backlog. In continuing the museum’s ongoing project of cataloguing and inventory for items on display, inventories are planned for the Gold Rush and Pinzon Bar exhibit areas.

The Valdez Museum intends to apply for grant funding to employ a summer intern who will contribute to cataloguing efforts for 2020. While the internship grant is no longer offered through the Alaska State Museums, the Rasmuson Foundation's Collection Management Fund is now being administered through Museums Alaska and has been restructured for multi-year projects.

- **Digitization of Collections** - Since early 2017, the museum has been making a concerted effort towards the digitization of its collections. This project will continue through 2020 and beyond, particularly with regard to increasing accessibility to the photograph collections and select newspaper titles. VMHA will also increase accessibility by continuing to upload new collection records to PastPerfect Online, along with finding aids for the more popular and significant collections.
- **Outstanding Loans and Found in Collection Objects** – With data entry completed for all loan records, 2020 focus will be on maintaining records for the museum’s outstanding loans, both outgoing and incoming.

As per State of Alaska statutes, Abandoned Loans and objects Found in Collection are subject to a legal procedure in order for the museum to acquire title. Found in Collection items are defined as objects in the collection for which no ownership verification has been found. State Law requires that a public notice, followed by a public appeal period, be completed before the museum can acquire title. At the conclusion of appeal period, objects that the museum wishes to keep for the collection will be accessioned, and the remaining objects will be disposed as determined appropriate and dictated in the museum's collection policies. The statutes state that public notice must be placed in a local newspaper, of which Valdez has none since publication of the Valdez Star has ceased. The public notice for Abandoned Loans and items Found in Collection from 2016 through 2019 may thus be postponed to 2021, depending on the outcome of research into legal alternatives.

- **Research & the Archives** - The Archives of the VMHA is an active place. VMHA staff receive requests for information from around the world for personal, educational, and commercial reasons. The Curator of Collections & Exhibits will continue to field inquiries from researchers. As an aid to publicizing the collection and assistance to researchers, the museum's goal is to continue updating its online collections database two to four times per year. VMHA curatorial staff have observed an increase in interest in the museum's collection of moving images, reproduction of which is expected to be a contributor to archive-generated revenue in 2020. By 2020, the VMHA hopes to have developed a small catalog of photographs more commonly requested for personal orders, to facilitate photo requests and generate additional revenue.
- **Acquisitions and Donations** – Due to space considerations, expansion of the collection is anticipated to continue slowly and with careful consideration of available remaining storage space. As interpretive planning moves forward, VMHA staff will identify needed areas for expansion as defined through the interpretive goals within a forthcoming Exhibits Plan dovetailing with the Master Interpretive Plan.

3. Exhibits – As interpretive planning continues, the VMHA has decided to suspend any further large-scale exhibit upgrades.

- **Permanent Exhibits** – Minor upgrades have been planned for the museum's permanent historical exhibits. The museum will continue to maintain and monitor the condition and functionality of all exhibitions.
- **Remembering Old Valdez Exhibit** – No major upgrades or changes to ROVE. Interpretive activity will focus on continuing to tie the displays in with the development of Old Town buildings walking tours and the Old Town waterfront site. With the development of the Annex building in flux, no changes to Remembering Old Valdez Exhibit interior or exterior displays will occur until Annex renovations are completed.
- **Temporary Exhibit Programs** - With supplemental funding from the Alaska State Council on the Arts, Alyeska Pipeline Service Co., and Copper Valley Electric Community Foundation, we have planned four temporary art exhibits for the 2019-20 exhibit cycle.

- *"Deland Anderson: Wild Rivers"*: Sept. 20, 2019 - Jan. 5, 2020. Opening reception Sept. 20. This exhibit shows the artist's connection with the rivers of Alaska and the abstracted representation of the aerial landscape of the region's unique environment. This exhibit will impress upon the visitor the artist's interpretation and show them his non-representational alternative approach to conveying the landscape through his art. Visitors will also be exposed to the artist's creative process and his use of the combined media of egg tempera and carved wood.
- *Sharlene Cline, "Spirited: Birds and Flowers of the Copper River Delta"*: Jan. 17 - March 8, 2020. Opening reception Jan. 17 (tentative). Cline's exhibit will demonstrate to the visitor the flora and fauna specific to the Copper River Delta. Following in the footsteps of naturalists such as John James Audubon and Georg Wilhelm Steller, Cline's exhibit will educate visitors about the biological diversity of the Copper River Delta, and the symbiotic relationship between the land and the biosphere.
- *"Spring into Art 2020"* annual student show: March 20 - April 30, 2020. Opening reception April 30. In a community lacking a strong visual arts program, this show fills an important niche in encouraging students to explore the visual arts and express themselves creatively. As a collaborative effort with the Valdez schools and Valdez Consortium Library, this exhibit is as much about process as it is about presentation. Students learn of the enriching experience that is the artistic journey and see that their artwork has value by viewing it in a museum setting.
- *"Kevin Crowley, Raptora Borealis: Alaska's Birds of Prey"*: May 8 - September 6, 2020. Opening reception May 8. A combination natural history/art exhibit showcasing the varied woodcuts for Crowley's book of the same name by Shorefast Editions in Juneau. The book explores the folklore, traditions, historical and scientific lore of each of our birds of prey, from Saw-whet Owls to the Golden Eagle. This exhibit will draw together the history of naturalists in the north (with excerpts from Nelson, Swainson, Muir Richardson and many others who came to Alaska as students of the wild) with the work of elders, anthropologists, historians, and collectors of folklore together with many examples of the traditional art form of the woodblock print both in European style black and white and Japanese multi-color, multi-block prints on a larger format.

4. Education—In 2020, the VMHA's education department will play a vital role in teaching about the region's unique culture and heritage to Valdez community members, museum visitors and students of all ages.

The VMHA will offer classroom teaching and museum field trips to students and their mentors at little or no charge. The VMHA educator will teach using primary sources at the museum proper and transport collections when needed to local classrooms and the VHS library where many students from a variety of classes can congregate and learn.

Students will be given the rare opportunity to examine and learn from original documents, exceptional photographs and unusual artifacts housed in the VMHA's collection that signal and

convey the important stories of the region. The VMHA educator provides access to museum originals and encourages meaningful exchanges and a better understanding of local history for those who experience these authentic items.

Throughout 2020 the VMHA will offer a range of lessons on a variety of subjects that dovetail and support public school and homeschool curriculum. The VMHA will continue its robust collaboration with 3rd and 4th grade teachers and students who are learning about local and regional history building upon existing lessons and fostering the creation of new ones.

Middle school 7th graders will kayak to Old Town and spend a morning learning about gold rush history and the establishment of the original town site from VMHA educators. High school history and science classes will benefit from museum partnerships and the use of Chugachmiut heritage kit components to teach about Native culture and practice with classes convening at the Valdez High School Library. Museum staff will join teachers and students on field trips throughout the region offering historical support to the outings and enriching the experience.

Education staff will continue to measure visitor satisfaction and learning outcomes employing an array of formative, remedial and summative evaluation tools.

5. Public Programs – The museum offers year-round programs designed to engage a wide-array of learners and age groups.

2020 Program Samples:

Tuesday Nite History Talks have grown a regular following and will continue to flourish in 2020, taking place most months, save December, on the fourth Thursday. Talks feature topics that resonate with the Valdez community and introduce history makers and events of note in Alaska. Visiting experts will lecture on topics that impact Valdez and Alaska.

Guided walking tours of Old Town and New Valdez will be offered during the spring, summer and fall in conjunction with visits to the museum proper, and in an effort to allow visitors to “experience Old Town” and engage with a knowledgeable guide.

New guided tours designed with cruise ship passengers in mind will be explored in 2020. These include local history tours, visits to the Solomon Gulch Hatchery and Keystone Canyon and sojourns up country to Worthington Glacier.

Free Fridays, one per month, save June, July and August, will fall on selected Fridays throughout the year and allow for community members to visit the museum at no charge and gather with friends and family to learn about local history, see new exhibits on view and engage in activities slated for these special days.

Holiday Arts and Crafts, an art and craft making series, will be offered in December on five different days. Participants may visit the museum free of charge where they can gather, socialize and create with a flourish.

Artists’ talks and workshops will dovetail with the exhibit of their work in the Egan Commons of the Museum. On board for the fall and spring are Deland Anderson and Kevin Crowley. series of

Art classes in 2020 will give local students the opportunity to create work for entry in the annual student art exhibit in March.

6. Community Collaborations – Ongoing collegial collaborations between the museum and community stakeholders will occur in 2020 as in past years. These include:

- *Spring into Art: 2020 Annual Student Art Show* collaboration with Valdez Consortium Library
- Gold Rush Days, Historic Homes of Valdez and Old Town walking tours; free admission to the museum and free lemonade stand
- Annual Christmas Tree Lighting Ceremony with City Parks and Rec

7. Outreach - Education staff will travel to communities along Prince William Sound and in the Copper River Basin to meet with teachers, scholars, elders and students that can inform new museum programs and vital regional collaborations.

- The museum educator will travel and teach at Tatitlek for Peksulineq, heritage week, in May of 2020.

8. Communication, Advocacy & Marketing - The Valdez Museum Board and Staff are committed to promoting the Museum's program of work in a variety of ways, including action-based strategies that extend beyond conventional methods to reach a wider audience. In 2014 the Museum laid the foundation for this effort. First, a new full-time paid Communications and Marketing position was created. Secondly, the Board of Directors created an Advocacy Committee to support staff efforts. The goal of the following area is to convey to stakeholders the true nature of the Valdez Museum, the issues we deal with and our accomplishments to the community. In 2020 we will continue to communicate effectively with our stakeholders, community and elected officials about the important role the Valdez Museum plays in preserving our heritage and culture for future generations.

- **Communications:** Communication is the process of transmitting ideas and information. In 2020, Board and Staff will utilize the following methods to disseminate information to the community:
 - i. Word of mouth
 - ii. News stories in print and broadcast media
 - iii. Press releases
 - iv. Monthly E-Newletters
 - v. Posters, brochures and fliers
 - vi. Outreach and presentations to community groups and organizations
 - vii. Special events and free public offerings.
- **Advocacy:** Advocacy in the broad sense means making a case for museums and cultural centers. Advocacy is something we do every day. The US Internal Revenue Service explicitly preserves the right to advocate on behalf of your museum and its mission. In 2020 the Museum Board and Staff will continue to work collaboratively to educate government officials at every level about the good work the Valdez Museum is doing and to share what our needs are. The first step to accomplishing this goal is for the Board of Directors Advocacy Committee to develop a strategic Advocacy Plan. In 2014, the Executive Director created an Advocacy Inventory of the Museum. This document will serve to develop the Advocacy Plan. Secondly, the Executive Director will continue to serve on the statewide

Museums Advocacy Committee and attend Museum Advocacy Day in Washington, DC each February.

- **Marketing:** To increase public participation in the Museum's activities a series of motivational and strategically tactical distribution of promotional materials will be employed. Socio-cultural, socio-demographic and socio-economic factors will be applied to determine which strategies increase participation. By examining our two primary audiences--summer visitors and local residents--publicity will not only utilize traditional forms of media distribution but will also apply creative and cost-effective strategies.

- ✓ To reach the summer visitor segment, strategic partnerships with professional associations and the local convention and visitor's bureau will be strengthened. Cooperative advertising, internet-based vehicles such as E-news, blogs and social media will be used. This will be the most cost-effective method to reach the broadest market.
- ✓ The local resident segment, which encompasses a diverse mix of families (both transitory and long term), requires a more personal touch to deepen their relationship with the Museum. This audience has previously had interactions with the Museum. They may have visited as part of a school group or brought out-of-town guests with them to the Museum. Our goal is to keep this segment coming back. Local residents need constant relationship building. Publicity for this audience will include traditional forms of media such as print advertisements, posters, handbills, radio spots, E-news, social media and word of mouth. It will also include making connections through collaborations with other community organizations, public and private schools as well as celebrating significant anniversaries and community events together. Outreach to local Alaskan Natives requires a very thoughtful and diverse strategy. Convincing Native community members to take part in the Museum's programs and activities has been difficult in the past. The plan is reaching out to this segment through educational programming about Native life and traditions, plus making the Museum more accessible and relevant.

9. Museum Development Planning – *Background* In 2016 the Valdez Museum Board & Staff completed the pre-planning phase for a museum capital project. The result of this work is a Master Interpretive Plan. On August 4, 2016 the Museum presented a draft of the Master Interpretive Plan to the Valdez City Council. In January 2018, Museum Board & Staff, in conjunction with the City's Capital Facilities Director presented site selection options for a new museum facility.

The project moved forward on February 19, 2019 when the Valdez City Council voted to approve a draft Memorandum of Understanding (MOU) between the VMHA and City of Valdez to jointly plan for and construct a new museum facility. The Building Committee has met twice since then and narrowed down the field of possible building sites to three. The museum Board and Staff must work with the City Council and Administration to choose a final site for the new museum based on community feedback.

The following areas, Community Outreach, Design & Development and Fundraising will all be addressed in the coming year.

Community Outreach

To gain public support, in 2019 we launched a 2-stage community outreach effort to educate the public on the Museum's needs, plus determine what portion of the community supports a new museum facility and where they want it to be built.

Stage 1 Outreach Materials: Museum Staff and Board have developed a four-page outreach brochure. The key question of *Why Build a New Museum?* is the focus of its cover. The two inside pages contain these four questions:

- Why is the Museum important to the community?
- Why does the Museum need more space?
- Why does the Museum need one facility?
- What is the economic impact of a new museum?

Succinct answers that elaborate on the need for a new museum facility and its importance to the community appear below each question. The back cover displays a map on which the three final building sites are marked. It also gives a description of each site and its key features. Other supporting outreach and educational materials include four large educational "pop-up" banners for use at outreach events.

Stage 2 Implementation: Use of both passive and aggressive strategies:

Passive:

- Museum website, social media, radio and print media

Aggressive:

- Educational outreach booth at public events such as the Museum's presence at the 2019 City of Valdez Independence Day Celebration and the Open Air Market during 2019 Valdez Gold Rush Days.
- One-on-one contact with individuals in different settings; such as outside the Post Office, a table at Safeway, presentations at the Senior Center, Coast Guard community center, churches, Valdez Native Tribe plus local eating and drinking establishments.
- Conduct both interactive and online surveys.

Community outreach will be a long-term effort, but the initial phase will yield survey results that show the level of community support for building a new museum and preferences for where it should be built.

Design Development

To keep the project moving forward, the goal is to complete the design and development phase by the end of 2019. The following is a proposed list of benchmarks.

- Armed with information on a preferred site and community support we will schedule a City Council work session to finalize a site (early – mid August 2019.)

- Once a site has been selected, in collaboration with the City of Valdez Capital Facilities Department, issue a Request for Proposals to recruit an architect (architect identified by mid to late September 2019.)
- As soon as an architect has been identified, assemble the project team of City of Valdez Capital Facilities and Valdez Museum Board and Professional Staff to work together with the architectural firm to design a cost effective, energy efficient, museum facility that insures the museum's program of work has room to grow to maintain its commitment to provide efficiencies for future sustainability, decreasing the need for additional summer staff, reducing general operating costs and insuring the health of the collection (design approved by mid – late December 2019.)

Fundraising

Raising philanthropic gifts is a team effort that requires participation at every level of the organization. A campaign takes a tremendous amount of energy and effort in addition to the existing development work that need to be accomplished on an annual basis. The two stages of fundraising at this level are Campaign Preparation and Campaign Implementation.

Campaign Preparation (January – May 2020)

During the campaign preparation phase, developing a campaign plan that outlines the plan of finance and the campaign management team, as well as preparing a Case for Support, is essential.

- Plan of Finance – The Plan of Finance must be completed before approaching any potential funder to assess interest, especially corporate and foundation funders. The overall project cost will be determined by the site and design of the facility. Given that this project can leverage local government support at the level of 50% of overall project cost (including land and design and development costs), this project is well positioned to leverage the local support commitment.
 - 50% Local Government Support
 - 25% Foundation Support
 - 20% Federal Support
 - 4% Corporate Support
 - 1% Individual Support.

Once the overall project cost is determined, these percentages will evolve into real monetary goals.

- Campaign Management Team – In an effort to keep the existing Board and Staff from being overly distracted by the campaign and to remain realistic about everyone's time commitments, more people with specific responsibilities are involved in the fundraising team. The leadership team should include Board Members, Community Leaders, and Senior Staff. The team should include at least 3 – 5 great solicitors who are good ambassadors for the organization.
 - Senior Staff – Development Director and Executive Assistant.
 - Campaign Cabinet – a group of 4 dedicated members that include 1 Board Liaison.
- Case for Support – “Why should I contribute to the campaign?”
 - Tie the need for the project into the mission/vision. It is not about the building. It is about what happens inside the building. Focus on benefits, not features.

- The Case Statement is written from the donor's perspective; is straightforward and includes attractive schematic/visual material.

Campaign Implementation (Mid 2020 – 2023)

- A successful campaign roughly has a life span of three years. A campaign must focus on more than the solicitation strategy and instead should embrace the full relationship cycle including research to identify donors and appropriate messaging; relationship building that focus on the two-way communication and connection to mission; request or donor solicitation and recognition; and on-going donor stewardship. Ideally, the campaign is a donor-centered plan focusing on the relationships, not just the money. The phases of a Capital Campaign are as follows:
 - Silent Phase – up to 1 year
 - Public Launch – 1 month
 - Public Phase – up to 1 year
 - Community Phase – up to 1 year
 - 100% Campaign Goal



BALANCE SHEET AND PROFIT & LOSS
AS OF 06/30/2019

11:10 AM

Valdez Museum & Historical Archive

07/18/19

Balance Sheet

Accrual Basis

As of June 30, 2019

	Jun 30, 19
ASSETS	
Current Assets	
Checking/Savings	
1024 · 1st National Savings	30,011.48
1026 · 1st National Gaming	552.03
1025 · 1st National Operating	144,076.18
1021 · CD 61215021 -Phyllis Irish	67,358.17
1022 · 10950 Cash in Drawer	761.10
1003 · WF Merchant Services Account	39,885.59
Total Checking/Savings	282,644.55
Accounts Receivable	
1501 · Accounts Receivable	9,400.00
Total Accounts Receivable	9,400.00
Other Current Assets	
1502 · Museum Endowment Fund	989,422.00
Cash on Hand	544.91
2002 · 1120 Inventory Asset	24,018.87
1017 · Undeposited Funds	205.97
Total Other Current Assets	1,014,191.75
Total Current Assets	1,306,236.30
Fixed Assets	
4000 · Construction in Progress	74,227.00
4001 · Fixed Assets	42,420.61
Total Fixed Assets	116,647.61
Other Assets	
Merchandise Inventory	1,327.41
Total Other Assets	1,327.41
TOTAL ASSETS	1,424,211.32
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
5501 · 2000 Accounts Payable	8,263.54
Total Accounts Payable	8,263.54
Credit Cards	
5505 · Bank of America Business Card	5,288.70
Total Credit Cards	5,288.70
Other Current Liabilities	
25100 · Employee Tips Payable	13.50
5504 · 24700 Customer Deposits	34.00
6601 · Deferred Revenue	24,114.00
6002 · Leave Payable	17,265.61
6003 · 2100 Payroll Liabilities	6,434.53
Total Other Current Liabilities	47,861.64
Total Current Liabilities	61,413.88
Total Liabilities	61,413.88
Equity	
7503 · Museum Endowment Fund Equity	989,422.00
8079 · Contributed Capital	91,636.18
3000 · Opening Bal Equity	33.93
7502 · 3900 Retained Earnings	164,017.44

11:10 AM

Valdez Museum & Historical Archive

07/18/19

Balance Sheet

Accrual Basis

As of June 30, 2019

	Jun 30, 19
Net Income	117,687.89
Total Equity	1,362,797.44
TOTAL LIABILITIES & EQUITY	<u>1,424,211.32</u>

11:13 AM

Valdez Museum & Historical Archive

07/18/19

Profit & Loss

Accrual Basis

January through June 2019

	Jan - Jun 19
Ordinary Income/Expense	
Income	
8003 · Fund Development	
8004 · Corporate Sponsorship	1,200.00
8021 · Annual Appeal	3,320.01
8061 · Membership	5,665.60
4030 · Donations Income	
8062 · 6145 In-Kind Income	1,600.00
8002 · Unrestricted	4,547.33
Total 4030 · Donations Income	6,147.33
8152 · Fundraising	
8023 · Designated	0.00
Total 8152 · Fundraising	0.00
Total 8003 · Fund Development	16,332.94
8024 · Earned Revenue	
8025 · Program Fees	685.00
4120 · Museum Fees	
80011 · Presenter & Guide Income	3,700.00
8026 · Admissions	19,919.25
8009 · Admission Fees	16,261.00
8010 · Archival Fees	370.00
8159 · Space Rental	1,300.00
Total 4120 · Museum Fees	41,550.25
8027 · Store Sales	17,692.07
48600 · Service Sales	
486001 · Shipping	15.00
Total 48600 · Service Sales	15.00
Total 8024 · Earned Revenue	59,942.32
4200 · Grants	
8032 · 4110 City of Valdez	356,250.00
8033 · Foundation	10,000.00
Total 4200 · Grants	366,250.00
8501 · 7015 Interest Income	
Phyllis Irish Memorial Fund CD	415.05
8501 · 7015 Interest Income - Other	11.48
Total 8501 · 7015 Interest Income	426.53
8011 · Reimbursed Expenses	5,643.10
Total Income	448,594.89
Cost of Goods Sold	
8102 · Gallery Commission	719.16
8101 · Cost of Goods Sold	7,993.99
Total COGS	8,713.15
Gross Profit	439,881.74
Expense	
8059 · Contingency	1,300.00
8036.2 · Volunteer Expense	337.84
8036 · Fundraising Expenses	602.64
8036.1 · Membership	886.19
8037 · IT Services	11,903.28
8039 · Education	560.35

11:13 AM

Valdez Museum & Historical Archive

07/18/19

Profit & Loss

Accrual Basis

January through June 2019

	Jan - Jun 19
8040 · Collections	
8043 1 · Intern	1,000.00
8042 · Collections Supplies	5.49
8043 · Acquisitions	300.00
Total 8040 · Collections	1,305.49
9002 · Freight and Shipping Costs	1,043.68
8103 · Personnel Expenses	
8104 · Salaries & Wages	135,145.24
8105 · ESC Payroll Tax	1,289.04
8106 · FICA Payroll Tax	10,338.60
8107 · 403(b) - Employer	6,239.76
8108 · Health Insurance	54,252.96
Total 8103 · Personnel Expenses	207,265.60
8044 · Contract Labor	1,500.00
8110 · Professional Fees	
8045 · Accounting	13,820.00
8046 · Consulting	400.00
Total 8110 · Professional Fees	14,220.00
8113 · Vehicle Expense	243.23
8047 · Janitorial Services	5,000.00
8048 · Utilities	
8115 · Electric	15,594.57
8116 · Heating Oil	10,739.33
8117 · Water	138.72
Total 8048 · Utilities	26,472.62
8118 · Telephone	
8124 · Conference Line	80.78
8120 · Internet	1,430.10
8121 · Local Service	2,129.40
8118 · Telephone - Other	-30.00
Total 8118 · Telephone	3,610.28
8123 · Postage and Delivery	1,663.33
8049 · Supplies	
8125 · Technology	1,407.62
8126 · Office Supplies	1,490.20
8127 · Operating	1,052.23
Total 8049 · Supplies	3,950.05
Exhibits	
8051 · Permanent Exhibits	597.38
8052 · Temporary Exhibits	2,049.61
Total Exhibits	2,646.99
8130 · Dues and Subscriptions	2,173.00
8131 · Printing and Reproduction	2,047.95
8053 · Advertising/Marketing	4,999.00
8134 · Rent	
8055 · Building Lease	10.00
Total 8134 · Rent	10.00
6185 · Insurance	
8137 · Liability Insurance	22,520.00
Total 6185 · Insurance	22,520.00
8138 · Credit Card Fees	2,851.82
8139 · Bank Service Charges	44.00
8145 · Licenses and Permits	60.00

11:13 AM

Valdez Museum & Historical Archive

07/18/19

Profit & Loss

Accrual Basis

January through June 2019

	Jan - Jun 19
8148 · Contributions	
8057 · In-Kind Expenses	1,600.00
Total 8148 · Contributions	1,600.00
8058 · Public Programs	1,447.71
Total Expense	322,265.05
Net Ordinary Income	117,616.69
Other Income/Expense	71.20
Net Income	<u>117,687.89</u>

**VALDEZ MUSEUM & HISTORICAL
ARCHIVE ASSOCIATION, INC.**
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Financial Statements
Years Ended December 31, 2018 and 2017

(With Independent Auditor's Report Thereon)



NEWHOUSE & VOGLER
Certified Public Accountants

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

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Newhouse & Vogler

Certified Public Accountants

237 E. Fireweed Lane, Suite 200

Anchorage, Alaska 99503

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Independent Auditor's Report

Board of Directors

Valdez Museum & Historical Archive Association, Inc.

Valdez, Alaska

Ladies and Gentlemen:

Report on the Financial Statements

We have audited the accompanying financial statements of Valdez Museum & Historical Archive Association, Inc. (VMHA), a component unit of the City of Valdez, Alaska, as of and for the years ended December 31, 2018 and December 31, 2017, and the related notes to the financial statements, which collectively comprise VMHA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

VMHA's 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.

Board of Directors
Valdez Museum & Historical Archive Association, Inc.

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 Valdez Museum & Historical Archive Association, Inc. as of December 31, 2018 and December 31, 2017, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-5 be presented to supplement the basic financial statements. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Anchorage, Alaska
April 18, 2019

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Management Discussion and Analysis

The Valdez Museum & Historical Archive Association, Inc. (VMHA) is a 501(c) 3 non-profit organization. It was established in 1997 to manage the City of Valdez's museum and historical collection for the benefit of the public. The Museum's mission is to safeguard our community's valuable heritage; foster broad public understanding and appreciation of our unique heritage; celebrate our community's past and provide context for its future; encourage a sense of community pride; and enhance the quality of life by fostering and supporting cultural programs; for purposes of heritage preservation, education and economic development.

The Museum manages, preserves, presents, and interprets historical collections, develops exhibits and conducts educational programs for children and adults year round.

Following is a discussion and analysis of the VMHA's 2018 financial statements.

The total current assets of the VMHA totaled \$198,290 and \$226,412 at the end of 2018 and 2017 respectively. This breaks down into the following categories: cash, accounts receivable, prepaid insurance and museum store merchandise inventory. The most significant portion of the current assets was cash and cash equivalents at \$153,656 and \$178,312 at the end of 2018 and 2017 respectively. Accounts receivable and merchandise inventory accounted for \$20,520 and \$23,986 at the end of 2018 and 2017 respectively.

Total non-current assets include equipment, fixtures and capitalized facility planning fees with purchase prices over \$2,000 less accumulated depreciation on these items. The net book value of the equipment and fixtures was \$137,191 and \$108,827 at December 31, 2018 and December 31, 2017 respectively.

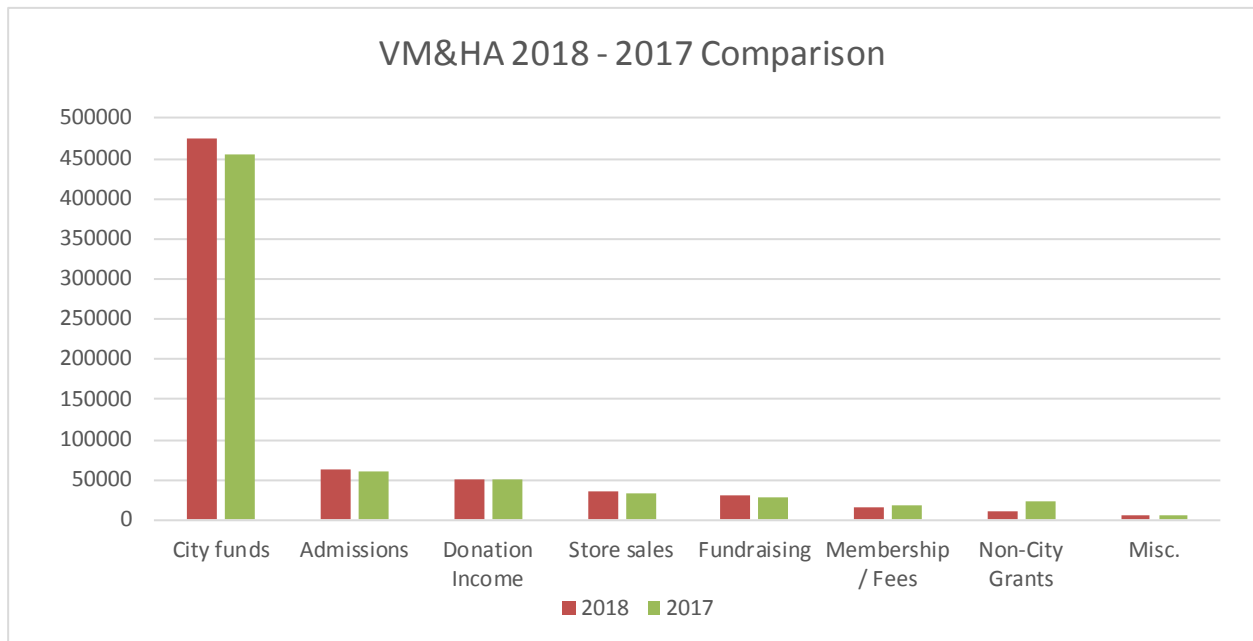
The VMHA's **liabilities** are all short-term or current. At the end of 2018, the balances were for accounts payable, annual leave payable to employees, accrued payroll and related taxes, and unearned revenue, which is funding for Annex Exterior improvements. The total for these accounts was \$61,409 and \$70,142 at December 31, 2018 and 2017, respectively.

The **net position** can be broken down into three areas: invested in capital equipment \$137,191 and \$108,827 at December 31, 2018 and 2017, respectively; restricted by donor for special projects \$12,028 and \$33,375 at December 31, 2018 and 2017, respectively; and unrestricted \$124,853 and \$122,895 at December 31, 2018 and 2017, respectively. Total net position balances were \$274,072 and \$265,097 at December 31, 2018 and 2017, respectively.

The 2018 and 2017 **total operating revenues** were \$690,129 and \$671,055 respectively. Overall, the 2018 Budget has performed exceptionally well. While the majority of the Museum's annual income is generated from the City of Valdez, we have had a number of other areas that have done rather well in Fund Development and Earned Revenue.

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Management Discussion and Analysis, continued



1. City funds increased: 2018 was \$475,000 compared with \$455,000 in 2017. To accommodate increases in general operating expenses, the City of Valdez awarded the Museum a 4% increase.
2. Admission income increased; 2018 was \$63,233 compared with \$60,385 in 2017. The increase is directly attributed to increased tour bus proceeds. In addition to our scheduled busses, we continue to have Princess/Tauk coming in on a regular basis, exceeding our expectations.
3. Donation Income decreased slightly: 2018 was \$50,472 compared with \$51,226 in 2017. While there was a 90% increase in In-Kind donations, Restricted and Unrestricted did not perform as well, whereby no new Restricted Gifts were generated and fewer Unrestricted Gifts were received.
4. Fundraising increased: 2018 was \$30,947 compared with \$28,497 in 2017. This is directly attributed to the highest grossing Roadhouse Dinner and Fundraiser and Annual Appeal to date, \$26,522 and \$3,425 respectively.
5. Non-City Grants, which include both State and Foundation awards, decreased; \$12,100 in 2018 compared to \$22,650 in 2017. Non-City grants support mission driven programs and projects. With the 47% reduction in Non-City Grants, Fundraising and Earned Revenue picked up the variance. While the State Grant was down by 9%, Foundation Grants were hit the hardest, whereby the United Way Grant was reduced by 25% and the Summer Intern Grant was not funded, a loss of \$5,000.
6. Membership and Fees decreased in 2018; \$15,848 compared with \$18,613 in 2017. While Membership and Space Rental increased in 2018 by 12% and 6% respectively, Archival Fees were down by 30% Though Archival Fees generated a respectable amount, in 2017 we had larger orders.
7. Store sales increased; \$36,489 compared with \$33,633 in 2017. Staff continue to work hard to find the right merchandise for visitors. Finding the right mix, Store Sales have performed well.

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Management Discussion and Analysis, continued

8. Miscellaneous income increased slightly to \$6,040 in 2018; compared with \$5,051 in 2017. Consisting of Reimbursed Expenses and Interest Income, the increase is attributed to a \$2,950 IRS credit.

The **total operating expenses** are \$681,878 and \$643,747 in 2018 and 2017 respectively. Operating expenses increased by 6% for 2018. Starting fiscal year 2018 with \$31,308 in the bank, the Museum was in good financial standing to operate. While continuing to budget conservatively within our means, the Museum was able to address increases such as an 8.14% in Health Insurance Premiums and 15% in IT Services as well as provide a more robust program of work in Public Programs, Education and Exhibitions.

The VMHA **net position** at beginning of the year was \$265,097 and \$232,991 in 2018 and 2017 respectively. The net position at end of year was \$274,072 and \$265,097 in 2018 and 2017 respectively.

The Museum made no contributions to the **Museums' Endowment Fund** in 2018. The Endowment Fund was transferred to the City of Valdez in 1999 and is accounted for separately as part of City's Permanent Fund. The balances of the Endowment Fund at December 31, 2018 and 2017 were \$923,512 and \$961,734 respectively.

Since its inception in 1997, the VMHA organization has continued to create a dynamic museum through programming, exhibit display and as a community center. A multi-year fund development program that has diversified the revenue streams has been put in place, thus creating a more sustainable non-profit organization with a broader base of support.

This Management Discussion and Analysis was prepared to provide readers with an overview of the Valdez Museum & Historical Archive Association, Inc.'s financial activities and status for 2018. Questions about this report may be addressed to Patricia Relay, Executive Director, Valdez Museum & Historical Archive Association, Inc., PO Box 8, Valdez, AK 99686, Tel. 907-835-2764, E-mail: director@valdezmuseum.org.

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.

Valdez, Alaska

*Statements of Financial Position**December 31, 2018 and 2017*

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets:		
Cash and cash equivalents:		
Unrestricted	\$ 153,656	178,312
Temporarily restricted	24,114	24,114
Accounts receivable	650	250
Merchandise inventory	<u>19,870</u>	<u>23,736</u>
<i>Total Current Assets</i>	<u>198,290</u>	<u>226,412</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	<u>137,191</u>	<u>108,827</u>
<i>Total noncurrent assets</i>	<u>137,191</u>	<u>108,827</u>
Total Assets	<u>\$ 335,481</u>	<u>335,239</u>
 Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 4,609	15,124
Accrued leave	21,354	20,110
Payroll liabilities	11,332	10,794
Unearned revenue	<u>24,114</u>	<u>24,114</u>
<i>Total Current Liabilities</i>	<u>61,409</u>	<u>70,142</u>
Net Position:		
Net investment in capital assets	137,191	108,827
Restricted for projects and displays	12,028	33,375
Unrestricted	<u>124,853</u>	<u>122,895</u>
<i>Total Net position</i>	<u>274,072</u>	<u>265,097</u>
Total Liabilities and Net Assets	<u>\$ 335,481</u>	<u>335,239</u>

See accompanying notes to the financial statements

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.

Valdez, Alaska

*Statements of Revenues, Expenses and Changes in Net Position**Years Ended December 31, 2018 and 2017*

	2018	2017
Operating revenues:		
City funds	\$ 475,000	455,000
Admissions	63,233	60,385
Donations	50,472	51,226
Merchandise sales	36,489	33,633
Fundraising	30,947	28,497
Grants	12,100	22,650
Memberships and fees	15,848	18,613
Miscellaneous	6,040	5,051
Total operating revenues	690,129	675,055
Operating expenses:		
Payroll and related expenses	408,787	393,527
Utilities	52,318	54,978
Fundraising expenses	45,369	35,821
Professional fees	39,543	37,122
Insurance	22,378	21,771
Merchandise for resale	19,977	16,228
Janitorial expenses	12,000	12,000
Depreciation	11,136	7,821
Retirement plan contributions	10,911	12,980
Supplies	8,392	4,472
Telephone and fax	8,089	7,677
Dues, subscriptions and memberships	7,235	7,211
Store discounts and fees	7,154	5,269
Education and public programs	5,667	4,010
Collections and exhibits	5,358	5,425
Postage and freight	4,969	4,071
Printing and reproduction	4,799	5,040
Advertising	4,079	4,692
Minor equipment	2,469	410
Vehicle expenses	1,142	499
Rent	10	1,200
Travel	-	686
Professional development	-	250
Board expenses	-	141
Miscellaneous expenses	96	446
Total operating expenses	681,878	643,747
Operating loss	8,251	31,308
Nonoperating revenues -		
Interest income	724	798
Change in net position	8,975	32,106
Net Position at the beginning of the year	265,097	232,991
Net Position at the end of the year	\$ 274,072	265,097

See accompanying notes to the financial statements

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.

Exhibit C-1

Valdez, Alaska

Statements of Cash Flows

Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers and patrons	\$ 202,629	197,305
Cash received from City and grantors	487,100	477,650
Cash paid to employees	(407,005)	(391,273)
Cash paid to suppliers and vendors	(268,604)	(241,842)
<i>Net cash flows from operating activities</i>	<u>14,120</u>	<u>41,840</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(39,500)	-
<i>Total cash flows from capital and related financing activities</i>	<u>(39,500)</u>	<u>-</u>
Cash flows from investing activities:		
Interest income received	724	798
<i>Net cash flows from investing activities</i>	<u>724</u>	<u>798</u>
Net change in cash	(24,656)	42,638
Cash at beginning of year	<u>202,426</u>	<u>159,788</u>
Cash at end of year	<u><u>\$ 177,770</u></u>	<u><u>202,426</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income	\$ 8,251	31,308
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	11,136	7,821
(Increase) decrease in assets and deferred outflows:		
Accounts receivable	(400)	(100)
Inventory	3,866	(1,338)
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	(10,515)	1,895
Accrued payroll and taxes	538	(590)
Accrued leave	1,244	2,844
Net cash flows from operating activities	<u><u>\$ 14,120</u></u>	<u><u>41,840</u></u>

See accompanying notes to the financial statements.

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Notes to the Basic Financial Statements

December 31, 2018 and 2017

NOTE 1 – NATURE AND MEMBERSHIP OF MUSEUM

The Valdez Museum & Historical Archive Association, Inc. (VMHA) was incorporated pursuant to the provisions of the Alaska Non-Profit Corporation Act on December 11, 1995. VMHA was organized exclusively for the collection, preservation, and interpretation of Valdez area history for charitable, literary, or educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

VMHA has members who appoint the Board of Directors and approve their actions at annual meetings. Membership in the VMHA Corporation is limited to those persons holding office on the City Council of the City of Valdez, Alaska. A Member shall retain membership until his/her successor takes office on the City Council. Other classes of non-voting membership may be established from time to time by a Board of Directors appointed by the Members. The Chairman of the Board of Directors and the City Manager will serve as non-voting *ex officio* Members.

The Board of Directors (Board) consists of eleven voting directors that meet once a month. The Board establishes policies and procedures, exercises, conducts and controls the powers, business and property of VMHA.

Because the Valdez City Council appoints the VMHA Board of Directors and approves the annual operating budget of VMHA, VMHA is a component unit of the City of Valdez, and is included in the City's basic financial statements. As a component unit of the City of Valdez, VMHA follows accounting principles that are applicable to local governments.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounts of VMHA are organized like an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, VMHA considers cash, restricted cash, and short-term investments that are readily convertible to known amounts of cash and that present an insignificant risk of change in value due to changes in interest rates or other factors to be cash equivalents.

Accounts Receivable

Accounts receivable consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Notes to the Financial Statements, continued

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES, continued

Merchandise Inventory

Inventories, consisting of merchandise for resale, are stated at the lower of cost (first-in, first-out basis) or market (net realizable value).

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying financial statements are reported using the “economic resources measurement focus,” and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Collections

VMHA has adopted a policy of not capitalizing artwork and other items maintained in its collections. No assets have been recognized from the acquisition of collection items. The collections are also the property of the City of Valdez.

Capital Assets

VMHA property and equipment, exclusive of the land and building, were transferred from the City of Valdez at the end of 1998. The VMHA land and building are owned by the City, and are included in the City’s capital assets. VMHA’s capitalization threshold was set by the council at \$2,000 per item.

Depreciation

Depreciation of equipment and fixtures is computed using the straight-line method over the economic lives of the assets. The economic lives for most assets range from three to five years.

Income Tax Status

The Internal Revenue Service has determined that VMHA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Reclassification

Certain amounts included in the prior year financial statements have been reclassified to conform to current year classification.

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Notes to the Financial Statements, continued

NOTE 3 – CASH AND CASH EQUIVALENTS

Components of cash and cash equivalents at December 31, 2018 and 2017 follow:

	2018		2017	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Cash on hand	\$ 1,431	-	2,310	-
Checking accounts	92,058	97,548	40,751	40,727
Savings accounts	17,338	16,352	33,080	30,812
Certificates of deposit	66,943	66,943	126,285	126,285
	<u>\$ 177,770</u>	<u>180,843</u>	<u>202,426</u>	<u>197,824</u>

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, VMHA's deposits may not be returned to it. VMHA does not have a deposit policy for custodial credit risk. At December 31, 2018 and 2017, all of VMHA's deposits were insured.

NOTE 4 – CAPITAL ASSETS

Capital assets consisted of the following at December 31, 2018 and 2017:

	January 1, 2018	Increases	Decreases	December 31, 2018
Capital assets not being depreciated:				
Construction in progress	<u>\$ 74,227</u>	<u>-</u>	<u>-</u>	<u>74,227</u>
Capital assets, being depreciated:				
Office equipment	127,840	-	-	127,840
Lifeboat shelter	22,685	-	-	22,685
Vehicles and other assets	<u>31,634</u>	<u>39,500</u>	<u>-</u>	<u>71,134</u>
Total capital assets, being depreciated	<u>182,159</u>	<u>39,500</u>	<u>-</u>	<u>221,659</u>
Less accumulated depreciation for:				
Office equipment	(102,239)	(6,278)	-	(108,517)
Lifeboat shelter	(13,686)	(908)	-	(14,594)
Vehicles and other assets	<u>(31,634)</u>	<u>(3,950)</u>	<u>-</u>	<u>(35,584)</u>
Total accumulated depreciation	<u>(147,559)</u>	<u>(11,136)</u>	<u>-</u>	<u>(158,695)</u>
Total capital assets, net	<u><u>\$ 108,827</u></u>	<u><u>28,364</u></u>	<u><u>-</u></u>	<u><u>137,191</u></u>

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Notes to the Financial Statements, continued

NOTE 4 – CAPITAL ASSETS, continued

	January 1, 2017	Increases	Decreases	December 31, 2017
Capital assets not being depreciated:				
Construction in progress	\$ 74,227	-	-	74,227
Capital assets, being depreciated:				
Office equipment	127,840	-	-	127,840
Lifeboat shelter	22,685	-	-	22,685
Vehicles and other assets	31,634	-	-	31,634
Total capital assets, being depreciated	182,159	-	-	182,159
Less accumulated depreciation for:				
Office equipment	(95,325)	(6,914)	-	(102,239)
Lifeboat shelter	(12,779)	(907)	-	(13,686)
Vehicles and other assets	(31,634)	-	-	(31,634)
Total accumulated depreciation	(139,738)	(7,821)	-	(147,559)
Total capital assets, net	\$ 116,648	(7,821)	-	108,827

NOTE 5 – ACCURED LEAVE

Accrued leave activity for the years ended December 31, 2018 and 2017 follows:

	January 1,	Accrued	Used	December 31,
2018	\$ 20,110	12,037	(10,793)	21,354
2017	17,266	17,599	(14,755)	20,110

NOTE 6 – UNEARNED REVENUE

Unearned revenue consists of amounts received from grantor agencies which are restricted as to use and have not been expended for the intended use. The unearned revenue at December 31, 2018 and 2017 was \$24,114 and \$24,114, respectively.

NOTE 7 – ENDOWMENT FUND

Periodically, VMHA makes contributions to an Endowment Fund. To maximize investment income, the Endowment Fund was transferred to the City of Valdez in 1999, where it is accounted for separately as part of the City's Permanent Fund. The balances of the Endowment Fund at December 31, 2018 and 2017 were \$923,512,512 and \$961,734,734, respectively. VMHA did not contribute to the Endowment Fund in 2018 and 2017.

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Notes to the Financial Statements, continued

NOTE 8 – NET POSITION RESTRICTIONS AND DESIGNATIONS

Net positions at December 31, 2018 and 2017 have been restricted by donors for the following projects and displays:

	<u>2018</u>	<u>2017</u>
Annex exterior construction improvements	\$ 7,064	7,064
State of Alaska – Arts council	2,724	3,250
Copper Valley Electric Foundation - Temporary Exhibits	1,000	1,000
Forget Me Nots Denzel Mauldin	401	401
Exhibit materials	375	375
Pinzon Bar neon sign	304	304
Katie Dewing Cataloging Project	100	100
Gold Rush exhibits	60	60
Felland Fund	-	10,000
Robert Felland Revocable Trust	-	5,821
Museums of Alaska CMF – 2018 Intern	-	5,000
<i>Total restricted for projects and displays</i>	<u>\$ 12,028</u>	<u>33,375</u>

Unrestricted net position consists of designated and undesignated amounts as follows:

	<u>2018</u>	<u>2017</u>
Designated for:		
Jim Lethcoe fund	\$ 68	68
Phyllis Irish Fund – special projects	66,943	66,532
Undesignated	<u>57,842</u>	<u>56,295</u>
<i>Total unrestricted net position</i>	<u>\$ 124,853</u>	<u>122,895</u>

NOTE 9 – LEASES

VMHA has an agreement with the City of Valdez (the City) to lease the buildings and property for ten dollars a year expiring on December 31, 2021. The City considers a fair market value lease to be 10% of the buildings assessed value, annually. The buildings being leased to VMHA are assessed at a combined \$2,202,100, thus the fair market value for the lease on these buildings is \$220,210, annually. Pursuant to Governmental Auditing Standards Board Statement 29, VMHA does not follow FAS 116, related to in-kind income related to the below fair market value lease. VMHA has elected to disclose the value of the lease in the footnotes to the financial statements. Lease amounts are not shown in the financial statements.

NOTE 10 – ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising expense totaled \$4,079,079 for 2018, and \$4,692,692 for 2017.

VALDEZ MUSEUM & HISTORICAL ARCHIVE ASSOCIATION, INC.
(A Component Unit of the City of Valdez, Alaska)
Valdez, Alaska

Notes to the Financial Statements, continued

NOTE 11 – RETIREMENT PLAN

VMHA participates in a 403(b) tax deferred annuity plan that is available to most employees working at least 20 hours per week. Employees may contribute to the plan on a payroll deduction basis. VMHA will match the employee contributions up to a maximum of 6.75% of eligible compensation. Eligible employees may participate any day on or following their date of hire and their contributions are fully vested. Eligible employees participate in employer matching contributions after completing six months of service. Total contributions to the plan by VMHA were \$10,91111 and \$12,980 for 2018 and 2017, respectively.

NOTE 12 – RELATED PARTY TRANSACTIONS

VMHA received a payment from the City of Valdez for \$475,000 and \$455,000 for 2018 and 2017, respectively.

NOTE 13 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes none of the new accounting pronouncements will have a material impact on VMHA's financial statements.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent event procedures have been performed as of April 18, 2019. This is also the date the financial statements were available to be issued.

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/19/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Insurance Services NW 3800 Centerpoint Dr., Suite 540 Anchorage, AK 99503 855 874-1300	CONTACT NAME: Tara Koloski, CIC, CISR PHONE (A/C, No, Ext): 855 874-1300 E-MAIL ADDRESS: tara.koloski@usi.com		FAX (A/C, No): 855 216-9730
	INSURER(S) AFFORDING COVERAGE INSURER A : GuideOne Mutual Insurance Company		NAIC # 15032
INSURED Valdez Museum & Historical Archive Asso PO Box 8, 217 Egan Drive Valdez, AK 99686-0008	INSURER B : United States Liability Insurance Co.		25895
	INSURER C :		
	INSURER D :		
	INSURER E :		
		INSURER F :	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			1442667	01/01/2019	01/01/2020	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			1786825	01/01/2019	01/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$2,500			1442668	01/01/2019	01/01/2020	EACH OCCURRENCE \$3,000,000 AGGREGATE \$3,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	010001559	01/01/2019	01/01/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
B	Directors & Office Employment Pract Fiduciary Liab			NDO1571880B	01/01/2019	01/01/2020	\$1,000,000 Each Claim \$1,000,000 Each Claim \$1,000,000 Each Claim

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER

CANCELLATION

City Of Valdez
 212 Chenega Street
 Valdez, AK 99686

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Chapman S. Burdick



IRS Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248159680
Feb. 23, 2009 LTR 4168C E0
92-0159463 000000 00 000
00013338
BODC: TE

VALDEZ MUSEUM AND HISTORICAL
ARCHIVE ASSOCIATION INCORPORATED
% KATHRYN HUNTLEY
PO BOX 8
VALDEZ AK 99686-0008



018379

Employer Identification Number: 92-0159463
Person to Contact: Jessica Schadler
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Feb. 11, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in December 1996, 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

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I