

City and Borough of Sitka
ANNUAL GRANTS FROM GENERAL FUND
SUMMARY SHEET

Name of Organization: Alaska Arts Southeast, Inc. DBA Sitka Fine Arts Camp

Alaska State Business License Number (if applicable): 953581

Name of Contact Person: Roger Schmidt

Phone: 907.747.3085 Email: rschmidt@fineartscamp.org

Mailing address: PO Box 3086. Sitka, Alaska 99835

Grant Category (check either annual or special emergency grant, and check type of services for annual grant):

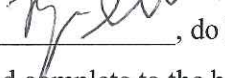
- Annual Grant:
 - Human Services or
 - Cultural and Educational Services
 - Community Development
- Special Emergency Grant

Dollars Requested: \$10,000

Match Dollars Committed: \$490,000 Percentage: 2 percent

Sources of Matched Dollars: Grants and contributions

Brief Description of the Purpose of the Grant: The purpose of this grant is to support the physical revitalization of the former Sheldon Jackson Campus.

I, Roger Schmidt , do hereby certify that all information provided for this grant application is accurate and complete to the best of my knowledge.

Name: Roger Schmidt

Title: Executive Director Date: August 14, 2014

Detailed project description: Community Development

We will use the City Grant as a municipal match to the community's efforts to revitalize the Sheldon Jackson Campus. Since January 2011, over 700 Sitkans have volunteered on the campus contributing between 30,000 and 40,000 work hours. In addition, over two million dollars has been contributed from individuals and businesses believing in the vision of a revitalized campus. This support has leveraged an additional million dollars of outside grant funding to our community to support our efforts.

City financial support demonstrates strong municipal support that is critical to show when applying for funds from outside of our community. Specifically, these grant funds will go toward capital improvements to continue the process of making the campus useable as a valuable community resource. The campus is an ongoing construction site. Funds will be used immediately toward employing contractors or providing materials to volunteers on whichever repair project we are currently engaged in. This summer, various contractors and volunteers are replacing a roof on the historic power plant, painting buildings and completing the restoration of Allen Memorial Hall.

As use for the campus increases we work hard raising funds to keep making the necessary repairs on the campus. Some of the challenges ahead include installing heating systems, upgrading dysfunctional plumbing and electrical systems, replacing roofs that are at the end of their lives, and working to restore the outer appearance of the buildings and grounds.

This summer the campus has hosted over 1000 people including 700 students of the Fine Arts Camp, and teams from the state baseball tournament, Seafood Fest, Alaska Native Demonstrators, conferences, residencies and visiting college programs. 60 public performances or presentations have also been offered. This winter the campus will provide housing for both high school and university visiting school groups. It will host after-school arts programs. And, it will provide space for visiting conferences. The Campus is home for two preschools, and several non-profits and the Hames Fitness Center which has 700 regular members and additional walk-in users.

The work and use of the campus is ongoing and continual.

Expected Outcomes.

The project is enormous. Reopening the SJ Campus as a community resource is valuable to our community's future. We will measure the success of the municipal funding by the spending of the funds toward completion of a needed capital improvements on the campus. We will also anticipate that this match will help us in attracting outside funders to the project.

The measurement of the success of the revitalization of the Sheldon Jackson Campus will be measured by a variety of indicators including 1) increased number of people and

groups using the campus, 2) by economic opportunities that are brought to Sitka or sustained in Sitka because of the campus, and 3) by educational opportunities provided.

The campus was reopened on February 1, 2011 with the grand re-opening of the Hames Center. Since then, thousands of Sitkans have begun using the campus in many different ways. The campus has also had an essential part of developing the visitors industry. This summer hundreds of parents of campers visited Sitka to attend performances as well as to enjoy the many offerings of Sitka as a destination site. In addition, our campus programs have attracted hundreds of visitors in the form of students, teachers, speakers, scientists, volunteers and other participants of programs. We have seen an increase of walk in visitors coming to our summer programs and many of the visitors express interest in returning to Sitka because of the rich artist offerings available on the campus during the summer.

Revitalizing the campus has an important role in making Sitka a world-class destination. With partnerships with the Sitka Summer Music Festival, the Sitka Sound Science Center, Island Institute, Paths Across Pacific, Sheldon Jackson Museum, Seafood Fest, Sheldon Jackson Museum's Native Demonstrators Program and the Sitka Visitor's Bureau, we are on our way using the arts, sciences, and humanities as a way to attract summer visitors to Sitka.

In addition, as the campus facilities improve we also are seeing more year-round activities being centered on the campus. (The majority of the buildings on the campus have been unheated. As we add heat systems this becomes more of a reality).

We continue to measure tangible growth in all three indicators of success including number of people and groups served, economic opportunities to Sitka as result of the campus being reopened, and increased educational opportunities. We will compare track and compare this year at this time to next year at this time.

Statement of Need.

Growing up in Sitka since 1970, I have seen our town transition in many ways. Our community has invested in a variety of industries. We have seen the need for a diverse economy and sustainable industries.

Choosing to raise my children in Sitka, has led me to examine deeply what I would like our community to be in order to have a strong future and to provide a strong future to my children and their children if they choose.

Since returning to Sitka in 2000, I have found a way to combine two deep passions of mine-- education and the arts while building a piece of what I believe will become an important part of Sitka's future, building a destination based visitors industry.

In 2000, the first year I worked at the Sitka Fine Arts Camp, 60 students attended primarily from Sitka. This summer we served 726 students from 38 Alaskan

communities, 28 states, and 4 countries. We brought in almost one hundred visiting artists. Our program attracted hundreds more in the form of visiting parents, funders, and walk-in tourists.

The camp is a single example of how the arts and education can serve to make a community a destination. However there are many other ways to do this and as Sitka organizations combine forces and work together toward the goal of making Sitka a world-class destination we have tremendous potential and the opportunity to grow an industry that is sustainable and equally attractive to community members and visitors.

The campus serves as an important tool in the future of Sitka. It provides space and housing for the development of educational, artistic, scientific programs, conferences, and events in Sitka.

Funding from this request helps us repair the infrastructure to make the site more usable and attractive to programs.

Organizational Capacity

The Sitka Fine Arts Camp also known as Alaska Arts Southeast has a track record of city, state, and national recognition for its work. In the last fourteen years it has successfully transformed itself from a virtually bankrupt camp serving 60 kids to an organization with a two million budget that manages and oversees a variety of programs including the Sitka Fine Arts Camp (this summer we offered 11 camps), Artist in the Schools Program, the management of the Sitka Performing Arts Center, the Hames Center, and a performing artist series. In addition, our organization has developed strong partnerships and working relationships with many other organization in our community. It has also spearhead what is probably the single largest grassroots volunteer effort in Alaska--the revitalization of the SJ Campus.

Community Support: Since January 2011: 700 individual volunteers, 30-40,000 volunteer hours, over two million dollars raised in individual and business donations. Our organization is fortunate to have community support that has attracted national coverage amongst funders like ArtPlace America and the National Endowment for the Arts.

2014 Board of Directors

Alaska Arts Southeast, Inc. has a highly engaged board:

Lauren Allen, President
Sam Skaggs, Vice President
Susan Litman, Treasurer
Mary Goddard, Secretary
Wendy Alderson
Colleen Dahlquist
Kristine Fulton

Hannah Guggenheim
Karen Jones
Mollie Kabler
Martha Pearson
James Poulson
Heather Powell

Board Emeritus (retired from board but still active in organization): Peter Apathy, Thor Christianson, Karen Grussendorf, Mary Hames, Kathryn Snelling

Itemized list of major grantors this year. (not all money has been received yet)

Carol Odess: \$1,000,000
Rasmuson Foundation: \$425,000
National Endowment for the Arts, Our Town Grant \$100,000
National Endowment for the Arts, Summer Schools in the Arts: \$40,000
Alaska State Council on the Arts: \$30,000
The Skaggs Foundation: \$15,000
Sitka Charitable Trust: \$7,000
Sitka City: \$10,000

ALASKA ARTS SOUTHEAST, INC
STATEMENT OF FINANCIAL POSITION
June 30, 2014

ASSETS				
CURRENT ASSETS				
	Cash and cash equivalents		\$	1,201,318
	Accounts receivable			<u>20,048</u>
	Total current assets			1,221,366
	PROPERTY, PLANT AND EQUIPMENT, net			<u>15,484,424</u>
	Total Assets		\$	<u>16,705,790</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
	Accounts payable		\$	25,895
	Payroll and other liabilities			32,703
	Rental deposits payable			8,360
	Current portion of long-term debt			<u>22,000</u>
	Total current liabilities			88,958
LONG-TERM LIABILITIES				
	Long-term debt			<u>229,728</u>
	Total liabilities			<u>318,686</u>
NET ASSETS				
	Unrestricted net assets:			
	Invested in Property, plant, and equipment, net of related debt			15,232,696
	Undesignated			498,891
	Unrestricted, designated for:			
	Operating reserve - HAMES			405,517
	Operating reserve - AASE			<u>250,000</u>
	Total net assets			<u>16,387,104</u>
	Total liabilities and net assets		\$	<u>16,705,790</u>

ALASKA ARTS SOUTHEAST, INC						
STATEMENT OF ACTIVITIES						Budget
For the Nine Months Ended June 30, 2014						FY14-15 (\$)
Changes in unrestricted net assets from operating activities						
SUPPORT						
	Contributions and Fundraising			\$	399,317	340,000
	Grants				<u>124,270</u>	<u>150,000</u>
	Total support				523,587	490,000
REVENUES						
	Tuition				563,478	570,000
	Homes membership fees				307,301	305,000
	Rental income				263,219	240,000
	Sitka School District revenue				59,431	59,000
	Ticket and concession sales				<u>40,113</u>	<u>40,000</u>
	Total support and revenues				<u>1,757,129</u>	<u>1,704,000</u>
EXPENSES						
	Facilities				694,234	975,000
	Arts and culture				356,887	425,000
	Recreation				<u>297,604</u>	<u>310,000</u>
	Total expenses				<u>1,348,725</u>	<u>1,710,000</u>
	Changes in unrestricted net assets from operating activities				408,403	(6,000)
Changes in unrestricted net assets from non-operating activities						
	Long-term rental income				71,956	72,000
	Long-term rental expense				(12,745)	(25,000)
	Investment earnings, net				<u>174</u>	<u>0</u>
	Changes in unrestricted net assets				467,788	41,000
	NET ASSETS, beginning of year				<u>15,919,316</u>	
	NET ASSETS, end of nine months				<u>\$ 16,387,104</u>	

Internal Revenue Service

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date: October 17, 2001

Person to Contact:

Jackie Johnson 31-07453
Customer Service Specialist

Toll Free Telephone Number:

8:00 a.m. to 9:30 p.m. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

23-7240278

Alaska Arts Southeast, Inc.
P. O. Box 3086
Sitka, AK 99835-3086

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in August 1975 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

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

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

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

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

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

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

Alaska Arts Southeast, Inc.
23-7240278

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

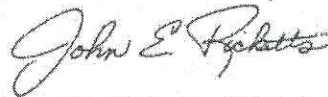
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

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

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

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services

Alaska Business License #

953581

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

ALASKA ARTS SOUTHEAST, INC.

PO BOX 3086 SITKA AK 99835

owned by

ALASKA ARTS SOUTHEAST, INC.

is licensed by the department to conduct business for the period

November 21, 2012 through December 31, 2014

for the following line of business:

53 - Real Estate, Rental and Leasing

This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Susan K. Bell
Commissioner

