


TOURISM PROMOTION PROGRAM • APPLICATION FOR FUNDING

Project Title: Cultural Programs
 Project Dates: Beginning: 8/1/21 Ending: 12/20/21
 Name of Organization BIMA Web Site www.biartmuseum.org
 Mailing Address: 249 Winslow Way E, #300, BT, WA 98110
 Contact Person: Peter Raffa E-Mail: petrebiartmuseum.org Phone: 206-641-1747
 Amount Requested: \$ 10,000.00 Total Project Cost: \$ 149,700
 Portion of Total Project Cost Requested: 7 (%)
 Signature of Authorized Representative 

 Tourism Infrastructure:

Support tourism-related facilities, which is defined as real or tangible personal property with a usable life of three or more years or constructed with volunteer labor and used to support tourism, performing arts, or to accommodate tourist activities.

 Tourism Marketing Activities:

Activities and expenditures designed to increase tourism, including but not limited to advertising, publicizing or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of special events and festivals designed to attract tourists (*not a current funding priority*).

APPLICANTS MUST SUBMIT THE FOLLOWING:

1. A one-page budget including all income and expenses for the entire project (including matching funds and in-kind contributions) and clearly showing expenses for which County lodging tax dollars will be used.
2. Documentation of non-profit status.
3. Your organization's **most recent tax return** or most recent annual financial statement created by an independent source should a tax return not be available. Other documentation showing financial viability may be considered if agency is newly created and the documentation is prepared by an independent source.
4. A two-page document including a description of the proposed project with an explanation of how it will assist in building tourism and/or promoting events or activities that will bring tourists to Kitsap County. Include marketing plans and examples of performance indicators and well as plans for future sustainability. For more information see the included template.
5. No additional materials will be accepted.
6. If these basic criteria are not met, the application will not be reviewed
7. Certificate of Insurance evidencing that any required insurance coverages are, or will be, in effect through the 2021 calendar year.

Send Completed Application and Required Documentation to:

Please submit by mail to: OR

MAILING ADDRESS

Vicki Martin, Buyer
 Kitsap County Purchasing Office
 614 Division Street, MS-7
 Port Orchard, WA 98366

Hand deliver to:

PHYSICAL ADDRESS

Vicki Martin, Buyer
 Kitsap County Administration Building
 Purchasing Office – Fourth Floor
 619 Division Street
 Port Orchard, WA 98366

All documentation must be received by deadline and contain ALL submission requirements to be considered for funding. **Please provide (7) copies of submission package without staples.**
 Questions? Call Vicki Martin at 360.337.4788 or e-mail vmartin@co.kitsap.wa.us

**Bainbridge Island Museum of Art:
2021 LTAC Budget Cultural Programs and Festivals**

Program Costs

Personnel Costs

Staffing \$50,000

Non-personnel Costs

Marketing materials* \$20,000
Advertising, social media* \$20,000
Workshop Supplies \$ 1,200
Mojo Festival* \$ 4,000
Music on the Plaza \$ 1,000
Dia de los Muertos Festival* \$ 2,000
Within Earshot/Jazz Festival* \$10,000
Day of Remembrance \$ 500
Silent Film Festival* \$10,000
Indigenous Artists Exhibition \$25,000
International Holiday Marketplace* \$ 6,000

Total Costs \$149,700

Program Revenue

Grants Received \$40,000
COBI LTAC Grant request \$10,000
Kitsap LTAC Grant request* \$10,000
Sponsorships requests \$28,000
BIMA operating funds for staff \$62,000

Total Revenue \$150,000

***Kitsap LTAC grant-will used to support marketing materials, advertising, social media ads, support festivals, outreach to Seattle tourism bureau and concierge groups to encourage tourism to Kitsap county and overnight stays.**



Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077550279
Feb. 15, 2012 LTR 4168C 0
27-0183255 000000 00

00032222

BODC: TE

BAINBRIDGE ISLAND MUSEUM OF ART
PO BOX 11413
BAINBRIDGE IS WA 98110-5413



007873

Employer Identification Number: 27-0183255
Person to Contact: Sophia Brown
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Jan. 06, 2012, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in November 2009.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

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

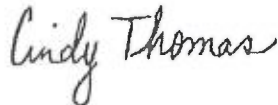
Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third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

4077550279
Feb. 15, 2012 LTR 4168C 0
27-0183255 000000 00
00032223

BAINBRIDGE ISLAND MUSEUM OF ART
PO BOX 11413
BAINBRIDGE IS WA 98110-5413

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

Sincerely yours,



Cindy Thomas
Manager, EO Determinations

BAINBRIDGE ISLAND MUSEUM OF ART

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

December 31, 2018

BAINBRIDGE ISLAND MUSEUM OF ART

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Hearthstone CPA Group

Certified Public Accountants

4312 Kitsap Way, Suite 102
Bremerton, WA, 98312
T 360-479-4611

Principals
Larry A. Hurley, CPA
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Christopher J. Cook, CPA, CFP®
David H. Ball, CPA (retired)
Dennis R. Tregor, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Bainbridge Island Museum of Art

We have audited the accompanying financial statements of Bainbridge Island Museum of Art (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bainbridge Island Museum of Art as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Bainbridge Island Museum of Art's December 31, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 2, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hearthstone CPA Group

Bremerton, WA
November , 2019

**BAINBRIDGE ISLAND MUSEUM OF ART
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
With comparative totals as of December 31, 2017**

ASSETS	2018	2017
Current assets		
Cash and cash equivalents -unrestricted	\$ 609,944	\$ 298,907
Cash and cash equivalents-restricted	59,243	8,672
Investments at fair market value - cash reserve	320,639	998,301
Pledges receivable	66,075	161,721
Inventory	26,093	20,666
Prepaid asset	2,445	27,340
Total current assets	1,084,439	1,515,607
Property and equipment, net	11,649,421	11,997,761
Other assets - long term		
Cash - restricted for deferred maintenance	53,000	
Cash - restricted for operating endowment	12,500	5,000
Security deposit - office lease	5,185	13,206
Pledges receivable	90,000	122,300
Website design and signage, net	42,352	5,365
Investments at fair market value - cash reserve	1,156,496	810,914
Investments at fair market value - deferred maintenance	196,160	100,584
Curator - endowment	2,678,731	2,500,000
Operating endowment	1,035,391	1,000,957
Total other assets	5,269,815	4,558,326
Total assets	\$ 18,003,675	\$ 18,071,694
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 105,799	\$ 91,149
Other current liabilities	9,800	11,198
Deferred revenue	52,350	7,550
Payroll liabilities	49,501	36,781
Sales tax payable	10,810	7,455
403(b) Retirement plan payable	19,920	15,983
Vacation payable	24,986	20,536
Total current liabilities	273,166	190,652
Net assets		
Without donor restrictions		
Unrestricted	13,797,375	13,754,286
Board designated funds		427,000
Board designated for deferred maintenance	196,160	153,584
Total	13,993,535	14,334,870
With donor restrictions		
Purpose restricted funds	33,243	33,672
Endowment - operating	1,025,000	1,012,500
Endowment - Curator	2,678,730	2,500,000
Total	3,736,973	3,546,172
Total net assets	17,730,509	17,881,042
Total liabilities and net assets	\$ 18,003,675	\$ 18,071,694

The accompanying notes are an integral
part of these financial statements

BAINBRIDGE ISLAND MUSEUM OF ART
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
 With comparative totals for the year ended December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2018 Total</u>	<u>2017 Total</u>
Support and revenues				
Support:				
Contributions	\$ 1,116,516	\$ 533,243	\$ 1,649,759	\$ 4,121,798
Grants	148,135		148,135	70,938
Membership fees	132,912		132,912	118,080
Special events - BIMA Bash	\$ 790,934		\$ 730,176	
Less: costs of direct benefits to donors	<u>(108,195)</u>		<u>(79,820)</u>	
Donated noncash contributions	525		525	650,356
Donated in-kind services	3,140		3,140	26,667
Total public support	<u>2,083,967</u>	<u>533,243</u>	<u>2,617,210</u>	<u>4,987,839</u>
Revenues:				
Bistro revenue, net of sales discounts	\$ 247,624		\$ 264,877	
Less: direct costs	<u>(261,424)</u>		<u>(307,832)</u>	
Less: allocated indirect costs	(50,149)		(63,949)	(42,955)
Store revenue, net of sales discounts	\$ 319,749		\$ 334,342	
Less: direct costs	<u>(315,845)</u>		<u>(313,080)</u>	
Less: allocated indirect costs	(26,414)		(22,510)	21,262
Rentals	\$ 79,123		\$ 103,260	
Less: direct costs	<u>(86,503)</u>		<u>(108,334)</u>	
Less: allocated indirect costs	(41,681)		(49,061)	(5,074)
Program income	64,219		64,219	62,464
Community partnerships				22,307
Interest - savings	161		161	887
Cash reserves - return (loss) on investments, net	(79,080)		(79,080)	58,899
Deferred maintenance - return (loss) on investments, net	(10,425)		(10,425)	736
Operating endowment - return (loss) on investments, net	(65,566)		(65,566)	83,464
Chief curator endowment - loss on investments, net		(184,287)	(184,287)	
(Loss) on sale of donated stocks	(5,424)		(5,424)	
Miscellaneous income	11		11	76
Total revenues	<u>(231,624)</u>	<u>(184,287)</u>	<u>(415,911)</u>	<u>202,066</u>
Net assets released from restrictions:				
Satisfaction of donor restrictions	21,172	(21,172)		
Principal and interest draw from curator endowment	136,983	(136,983)		
Total support and revenues	<u>2,010,497</u>	<u>190,801</u>	<u>2,201,299</u>	<u>5,189,905</u>

The accompanying notes are an integral part of these financial statements

BAINBRIDGE ISLAND MUSEUM OF ART
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
 With comparative totals for the year ended December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2018 Total</u>	<u>2017 Total</u>
Expenses				
Program services	\$ 1,420,175	\$	1,420,175	1,327,110
Management and general	552,479		552,479	568,905
Fundraising	379,178		379,178	430,015
Total expenses	<u>2,351,832</u>		<u>2,351,832</u>	<u>2,326,030</u>
Change in net assets	(341,335)	190,801	(150,533)	2,863,875
Net assets at beginning of year	14,332,426	3,546,172	17,878,598	15,026,034
Prior period adjustment	<u>2,444</u>		<u>2,444</u>	<u>(8,867)</u>
Net assets at beginning of year - as restated	14,334,870	3,546,172	17,881,042	15,017,167
Net assets at end of year	<u>\$ 13,993,535</u>	<u>\$ 3,736,973</u>	<u>\$ 17,730,509</u>	<u>\$ 17,881,042</u>

The accompanying notes are an integral part of these financial statements

**BAINBRIDGE ISLAND MUSEUM OF ART
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

With comparative totals for the year ended December 31, 2017

	Program Services				Supporting Services				Total	2018 Total	2017 Total	
	Store	Bistro	Rentals	Other Programs	Total	Management and General	Auction Events-Direct Benefits to Donors	Other Fundraising				Total Fundraising
Salaries and wages	\$ 117,597	\$ 132,415	\$ 54,025	\$ 461,258	\$ 765,295	\$ 289,567	\$	\$ 207,503	\$ 207,503	\$ 497,070	\$ 1,262,365	\$ 1,193,529
Retirement	1,442	1,905	2,701	2,701	6,048	10,929		2,943	19,920	13,872	19,920	15,983
Payroll taxes	12,038	18,570	6,609	32,558	69,775	35,062		15,862	15,862	50,924	120,698	112,117
Employee benefits	6,293	8,303	12,325	36,684	63,605	29,535		14,674	14,674	44,209	107,814	102,700
Total personnel expenses	137,370	161,193	72,959	533,200	904,722	365,093		240,982	240,982	606,074	1,510,797	1,424,329
Inventory costs	43,230	84,231	6,608		134,069					134,069	134,069	157,820
Consignment commissions	120,719				120,719					120,719	124,079	124,079
Other programs expenses	14,526	16,000	6,936		37,462					37,462	37,462	51,587
Cost of meals and beverages									19,997	19,997	19,997	17,295
Cost of entertainment									3,181	3,181	3,181	1,112
Cost of rentals									11,055	11,055	11,055	9,892
Cost of auction packages									72,561	72,561	72,561	50,570
Cost of raffles									1,401	1,401	1,401	951
Arts Commissions									15,719	15,719	15,719	13,417
Other fundraising expenses									6,856	6,856	6,856	13,523
Board expenses									6,110	6,110	6,110	5,148
Office equipment and data base	3,916	6,526	2,284	8,485	21,211	7,506		3,916	3,916	11,422	32,633	31,667
Occupancy	8,159	21,757	21,757	176,776	228,449	43,514		43,514	43,514	271,963	247,001	247,001
Accounting & bookkeeping						13,145			13,145	13,145	13,145	12,400
Other professional expenses	1,390	2,316	810	3,010	7,526	2,958			14,258	17,216	24,742	26,346
Operations and office expenses	3,222	5,548	1,780	6,612	17,162	5,484			41,112	46,596	63,758	24,051
Bank and credit card charges	3,711	6,185	2,165	8,041	20,102	7,113			14,929	22,042	42,144	47,702
Taxes	127	339	339	8,391	9,196	2,230			2,230	2,230	11,426	9,858
Travel, meeting, entertainment						14,025			3,523	17,548	17,548	10,396
Dues & subscription	574	574	574	11,482	13,204	2,584			2,584	2,584	2,584	2,101
Insurance						5,358			574	5,932	19,136	18,413
Memberships									21,460	21,460	21,460	24,090
Education/workshops/exhibits									12,166	12,166	117,538	101,141
Community partnerships						8,734				20,900	170,339	29,070
Marketing and advertising											107,205	21,050
Pledge write-off											60,767	26,667
Arts collection purchases											2,855,547	2,713,490
In-kind donated services											386,495	424,051
Depreciation and amortization	342,261	311,573	128,184	1,105,987	1,888,004	483,854		108,195	483,690	967,543	3,242,042	3,137,541
Total expenses	11,793	30,715	29,967	241,712	314,187	68,625		3,683	3,683	72,308	1,039,851	931,657
Less expenses included with revenues on the statement of activities	354,054	342,288	158,151	1,347,699	2,202,191	552,479		108,195	487,373	1,039,851	(962,687)	(809,066)
Total expenses included in the expense section of the statement of activities (Note 21)	(354,054)	(342,288)	(158,151)	(854,493)	(854,493)			(108,195)	(108,195)	(108,195)	931,657	2,328,475

The accompanying notes are an integral part of these financial statements

BAINBRIDGE ISLAND MUSEUM OF ART
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
With comparative totals for the year ended December 31, 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ (150,533)	\$ 2,863,875
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Contributions restricted for endowment	(512,500)	(2,512,500)
Unrealized/realized loss from chief curator endowment	213,536	
Unrealized/realized gain (loss) from operating endowment	79,190	(68,712)
Unrealized/realized loss from deferred maintenance	12,469	356
Unrealized/realized gain (loss) from cash reserves	98,970	(44,440)
Investment income restricted for chief curator endowment	(29,249)	
Amortization and depreciation	386,495	424,051
Loss on sale of investments	5,424	
Prior period adjustment	2,444	(8,867)
(Increase) decrease in:		
Receivables	127,946	239,002
Prepaid	24,895	10,318
Inventory	(5,427)	6,791
Security deposit	8,021	(5,185)
Increase (decrease) in:		
Accounts payable	14,650	33,245
Retirement plan payable	3,937	15,983
Annual leave	4,450	(6,951)
Accrued expenses	59,477	8,573
Net cash provided by operating activities	344,195	955,539
Cash flows from investing activities:		
Purchase of investments	(3,525,956)	(4,671,149)
Proceeds from sale of investments	3,275,642	1,103,517
Purchase of furniture, fixtures, equipment, web design	(75,141)	(30,212)
Net cash provided (used) by investing activities	(325,455)	(3,597,844)
Cash flows from financing activities:		
Collections on contributions restricted for chief curator endowment	500,000	2,500,000
Investment income restricted for chief curator endowment	29,249	
Cash draw - chief curator endowment	(138,381)	
Collections on contributions restricted for operating endowment	12,500	12,500
Net cash provided (used) by financing activities	403,368	2,512,500
Net increase (decrease) in cash and cash equivalents	422,108	(129,805)
Cash and cash equivalents - unrestricted and restricted		
Beginning of year	312,579	442,384
End of year	\$ 734,687	\$ 312,579

The accompanying notes are an integral part of these financial statements

**BAINBRIDGE ISLAND MUSEUM OF ART
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 – DESCRIPTION OF ORGANIZATION OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Operations: Bainbridge Island Museum of Art (Art Museum) was formed in April 2009 as a non-profit organization. It is an educational institution whose mission is to engage a diverse population with the art of our region and our time. The Museum exhibits, interprets, preserves, collects, and promotes works of proven cultural value as well as new works by emerging artists and craftspeople. It is supported through donor contributions including memberships and fundraising/special events, gift shop (approximately 80% arts consignment from various local artists) and Bistro revenues, auditorium, classroom and museum rentals.

Basis of Presentation: The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follow:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purpose from time to time.

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

Contributions: Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. Restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.

Unconditional pledges are stated at the amount management expects to collect from outstanding promises. Management believes that promises to give (Pledges receivable) are fully collectible; therefore no allowance for uncollectible accounts is required at December 31, 2018.

New Accounting Pronouncement: On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.