

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

Name of Organization: Sitka Music Festival

Alaska State Business License Number (if applicable): ██████████

Name of Contact Person: Alexander Serio

Phone: 907-747-6774 Email: director@sitkamusicfestival.org

Mailing address: 104 Jeff Davis Street, 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 or
 - Community Development
- Special Emergency Grant

Dollars Requested: \$9,000

Match Dollars Committed: _____ Percentage: _____

Sources of Matched Dollars: _____

Brief Description of the Purpose of the Grant: The Sitka Music Festival is applying for an annual grant under the cultural and educational services category in the amount of \$9,000 to help fund our general operating budget for expanded fall and winter programming and to bolster our existing summer festival.

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

Name:  Alexander Serio

Title: Executive Director Date: 08/18/2023

Project Description

The Sitka Music Festival (SMF) was founded in 1972 by violinist Paul Rosenthal. In the 52 years since then, the Sitka Music Festival has brought over 250 of the world's finest classical musicians to Sitka, Alaska. SMF has been featured in the New York Times as a "junior Chamber Music Society of Lincoln Center" and "perhaps the best played music in Alaska." In 2011, Rosenthal retired and personally selected Grammy-winning cellist Zuill Bailey to lead the festival. Since then, the festival has grown and expanded its outreach throughout the state to include performances in over 42 Alaskan communities. In 2022, the SMF closed out a capital campaign that covered the purchase and restoration of our home, the Miner Music Center at Stevenson Hall, located on the historic Sheldon Jackson Campus. The renovation of this space will allow the festival to program concerts, educational events, and community engagement in Sitka for residents in the fall and winter months. Prior to the renovation, the festival only operated in the summer months in Sitka as our building where we house musicians did not have heat. We started programming fall and winter events in the 2022-2023 Season and are now hoping to make it a yearly offering that will continue to expand. **SMF is applying for an annual grant under the cultural and educational services category in the amount of \$9,000 to help fund our general operating budget for expanded fall and winter programming in Sitka as well as to bolster our existing summer festival.**

The funds from the grant will directly help make world-class musical artists and performances accessible to local Sitka residents of all ages and provide educational opportunities for local Sitka students. The Autumn Classics series will present two concerts in Sitka. On September 12, at Harrigan Centennial Hall the GRAMMY-winning Catalyst String Quartet will perform a concert at Harrigan Centennial Hall together with our GRAMMY-winning Artistic Director, Zuill Bailey. In addition to this concert, they will conduct a radio interview, and will visit at least one Sitka school to present an educational performance for students. On October 3, SMF will present the Mike Block Trio at the Odess Theater. The trio will also visit at least one school and the visit will include a free performance for residents of the Sitka Pioneer Home. The Mike Block Trio has been hailed as "one of the bravest, most intriguing musicians on the American fusion scene" by Gramophone Magazine. The trio fertilizes American roots music with contemporary and international influences, bringing an exciting and personal perspective to the acoustic music scene. The Winter Classics series will present a Winter Soiree on February 13 featuring Soprano Danielle Talamantes at Stevenson Hall. Talamantes' has appeared as a soloist with the Washington National Opera, Jacksonville Symphony, and National Philharmonic. Her recordings include At That Hour: Art Songs by Henry Dehlinger on the Avie Record Label; Canciones españolas and Heaven and Earth: A Duke Ellington Songbook on the MSR Classics label. Talamantes will visit a Sitka school as well. **Additionally, the Sitka Music Festival will present over 26 events, of which at least 7 will be free and open to the public during the 53rd Summer Music Festival from May 27 – June 23, 2024.**

The SMF has not previously received CBS funding. In addition to the above, a particular goal of added funding is to make free tickets available to any Sitka School Student who would like to attend one of our concerts. In 2022-2023 we were able to provide over 100 free tickets to Sitka School Students to attend the Sitka performance of Simply Three, a YouTube sensation with over 1.4 million subscribers. In 2023-2024 we would like to make 250 total tickets available to any Sitka School Student who would like to attend one of our concerts. Our student tickets are usually \$22.50 in advance or \$25 at the door. After processing fees, we usually make about \$20 per ticket and \$9,000 would directly allow us to provide these free tickets as well as support our growing programming in Sitka.

Expected Outcomes

“Art matters because it is the one true great connector in a world that seems to be very unconnected, and it's important now more than ever to shine a huge light on that connectivity that we have, that we often forget.”—Josh Groban, singer and composer

“Cortisol is a hormone that contributes to stress, but it is decreased in the brain when people...listen to music together in groups.” – Psychology Today

The SMF has a vision of inspiring connections through the best in Chamber Music throughout Alaska. Additionally, we have a core value of community that is diverse, equitable, and inclusive. Through providing performances by world class artists, we connect the community of volunteers, donors, patrons, artists, and staff. We also create equitable connections and experience through providing free events at centers like the Pioneer Home, free “Bach’s Lunch” Concerts during the summer festival, free classroom visits in Sitka Schools, free tickets for school students (as budget allows) and free tickets to volunteers. Additionally, we provide free community connecting experiences such as fall 2022 when GRAMMY-winning cellist, Zuill Bailey played the complete Bach Cello Suites during Trick-or-Treat on Lincoln Street.

In the 2023-2024 season, we are aiming to serve over 5,000 people through our events and concerts in Sitka. The majority of these will take place during the summer music festival, but we will have updated program service numbers after our fall and winter series with a complete count following our 53rd Summer Festival and Cello Seminar Concert Series which ends in mid-July of 2024. We will also institute audience surveys in the 2023-2024 season to directly hear how audience members and students were impacted by our programs.

A measure of success will be that we have reached our designated number of services but more importantly to hear through our surveys that people felt directly impacted and more connected as a community through hearing world class artists in Sitka. We will also survey teachers whose classrooms they visit to hear the impact of our artists educational visits on the students.

Benchmarks during the project will include the successful completion of each concert series with continued attendance and community support and staying in a strong fiscal position to allow us to continue to expand our programming in Sitka and Southeast Alaska.

Statement of Need

Sitka is a remote island only accessible by air or boat. The closest professional chamber music series is the Seattle Chamber Music Society in Seattle, Washington. Their ticket price is at \$30 but for a Sitka resident to attend they would need to purchase plane or ferry tickets in addition to lodging and meals. Through bringing world-renowned classical and crossover artists including GRAMMY-winning artists and what the New York Times described as a "junior Chamber Music Society of Lincoln Center" and "perhaps the best played music in Alaska," we are making world-class chamber accessible to all Sitka residents. With the aforementioned free concert opportunities and educational outreach, we are ensuring that our programming is equitable as well.

"There is a connection, hard to explain logically but easy to feel, between achievement in public life and progress in the arts. The age of Pericles was also the age of Phidias. The age of Lorenzo de Medici was also the age of Leonardo da Vinci. The age of Elizabeth was also the age of Shakespeare. And the New Frontier for which I campaign in public life, can also be a New Frontier for American art." – President John F. Kennedy

For 52 years, Sitka Music Festival has remained one of the prominent presenters of chamber music in the United States. It is remarkable for Sitka, with a population of just over 8,000 to have such world-class artists. The Sitka Music Festival is truly Alaska's Premier Chamber Music Presenter and we need continued our mission of providing the finest classical music experience in Alaska. Many communities in which we perform would not have access to the caliber of performances we present if we did not provided our programming in Alaska.

While funding from City and Borough of Sitka would not directly leverage a specific gift or grant, our existing, potential, and past funders require us to show multiple sources of funding when applying. These include the National Endowment for the Arts, Alaska State Council on the Arts, Atwood Foundation, Rasmuson Foundation, Murdock Charitable Trust, National Philanthropic Trust, and more. It will be very meaningful to SMF to show local support from our home in Sitka.

Organizational Capacity

The Sitka Music Festival has successfully produced 52 years of summer festivals and concerts in Sitka and throughout Alaska. Through the pandemic, when we could not offer live performances, we offered digital performances and were able to continue fundraising to finish our building project at 104 Jeff Davis Street. While we are still re-building our audience capacity in a post-Covid era as most performing arts organizations across the country, our 52nd Summer Festival showed a 62% increase, year over year, in ticket sales for all events including fundraiser. Our budget shows that we have almost met our concert revenue goal at the end of Summer prior to producing Autumn Classics. We are also expanding to offer concerts in Ketchikan for the first time ever in our 23-24 season. We have a strong fiscal accounting procedure with a yearly audit, and we have broad community support throughout Sitka and Alaska. We have over 100 individual donors from Sitka, alone. Additionally, we have a separate Sitka Music Festival Foundation in Sitka with a 1.2 million dollar endowment that exists to fund the Sitka Music Festival in perpetuity. The Foundation is currently closing out a \$50,000 matching gift from an anonymous donor to kickstart its goal of growing the endowment to \$10 million over the next 10 years.

The board of directors meets 6 times a year, and in 2023 will open its annual meeting to the public. All board meetings have quorum, and the board represents Sitka and Anchorage, our primary two performance locations.

Board Members and Officers

Kari Lundgren, President, Sitka

Dr. Elliot Bruhl, Vice President, Sitka

Dr. Petra Illig, MD, Secretary, Anchorage

Jim "Stef" Steffen, Treasurer, Sitka

Casey Carruth-Hinchey, Anchorage

Russellyn Carruth, Anchorage

Dr. Pam Steffes, Sitka

Rev. Robert Hattle, RN, Sitka

June Takagi, Anchorage

Budget

- Attached to this application are our last complete fiscal year's Income and Expense statement as well as our balance sheet.
- Attached to this application is our current complete budget to actual for the FY 23 year. The largest expenses associated with producing concerts in Sitka are artist fees and per diem and airfare. We receive 12 roundtrip vouchers from Alaska Airlines each year but they are not enough to cover the immense amount of travel it takes to have musicians fly to Sitka and other Alaskan communities. Each time Zuill comes, we have to buy a separate plane ticket for this 1693 Matteo Goffriller Cello valued at over \$5 million as it cannot be checked underneath the plane. Similarly, whenever we bring a guest cellist, we have to buy two tickets. This past summer, we presented over 12 artists in addition to Zuill and we presented 20 other artists during the year. Additionally, approximately 1/3 of our building expenses and utilities go towards the months we house musicians in our facility to produce programming.

The following numbers come from our June 30, 2023 Budget to Actual which is attached.

- Our total budgeted production expenses for FY 23 including artist fees are \$87,005.00
 - Our total budgeted travel expenses for FY 23 are \$29,000 and we are currently \$2,000 over that with rising airfares. We are projecting about \$10,000 more in expense to finish autumn classics.
 - Our total budgeted ticket revenue for FY 23 is \$81,275 and we are currently at \$76,259
 - We have received \$57,600 of \$107,088 budgeted for grants.
 - We have received \$41,000, \$2,000 over budgeted foundation support
 - ****Not all of the National Philanthropic Trust noted above has gone into Grants Received as of the end of June as it has not all been received yet.**
- Below is an outline of grants received and/or pending for FY 23 and FY 22.

**Sitka Music Festival
Current and Past Grants FY 23 & 22
*Unless marked pending, grants are received**

FY 23

National Endowment for the Arts - \$10,000
Alaska State Council on the Arts - \$12,440
Atwood Foundation - \$40,000 (pending)
National Philanthropic Trust - \$70,000
White Elephant - \$1500 (pending)

FY 22

National Endowment for the Arts - \$10,000
Alaska State Council on the Arts - \$12,440
Atwood Foundation - \$20,000
National Philanthropic Trust - \$70,000
White Elephant - \$1300
Murdock Charitable Trust (capital campaign) - \$200,000
Shee Atika Corporation - \$1000

Other Attached Documentation

- IRS 501(c)(3) Designation Letter
- Business License
- CBS Liabilites Form

Sitka Music Festival
Balance Sheet
 As of August 31, 2022

	Aug 31, 22
ASSETS	
Current Assets	
Checking/Savings	
1006 · First Bank Capital Account 1730	7,199.27
1007 · First Bank Op Savings 1740	37,039.28
1008 · First Bank Operating 0440	5,258.20
1010 · Cash	400.00
Total Checking/Savings	49,896.75
Accounts Receivable	0.00
Other Current Assets	
Loan Fees	3,416.30
1200 · Prepaid Expenses	8,387.08
1300 · Concessions Inventory	8,157.69
Total Other Current Assets	19,961.07
Total Current Assets	69,857.82
Fixed Assets	
1400 · Furniture and Equipment	109,280.54
1403 · Buildings	181,729.17
1404 · Building Improvements	3,822,779.27
1450 · Accumulated Depreciation	-230,003.81
1500 · Land	250,959.33
Total Fixed Assets	4,134,744.50
Other Assets	
1401 · Tech Equipment	6,091.00
1402 · Instruments	140,340.45
Total Other Assets	146,431.45
TOTAL ASSETS	4,351,033.77
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	12,864.36
Total Accounts Payable	12,864.36
Credit Cards	
2001 · BOA AkAir Visa	6,918.83
Total Credit Cards	6,918.83
Other Current Liabilities	
2110 · Direct Deposit Liabilities	-6,896.05
2200 · Payroll Tax Liabilities	-90.91
Total Other Current Liabilities	-6,986.96
Total Current Liabilities	12,796.23
Long Term Liabilities	
2250 · Construction Loan 1	-110.00
2275 · First Bank Commercial Prop Loan	-1,360.90
Total Long Term Liabilities	-1,470.90
Total Liabilities	11,325.33

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11/15/22

Accrual Basis

Sitka Music Festival
Balance Sheet
As of August 31, 2022

	<u>Aug 31, 22</u>
Equity	
Sitka Music Festival Foundation	-255.93
3000 · Opening Balance Equity	35,149.87
32000 · Unrestricted Net Assets	4,303,673.29
Net Income	1,141.21
	<hr/>
Total Equity	4,339,708.44
	<hr/>
TOTAL LIABILITIES & EQUITY	<u><u>4,351,033.77</u></u>

Internal Revenue Service**Department of the Treasury****Date: March 14, 2001****Sitka Summer Music Festival, Inc.
PO Box 3333
Sitka, AK 99835-3333****Person to Contact:**
[REDACTED]**Customer Service Specialist
Toll Free Telephone Number:
8:00 a.m. to 9:00 p.m. EST
877-829-5500****Fax Number:
613-263-3756****Federal Identification Number:**
[REDACTED]**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 April 1980 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.

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Sitka Summer Music Festival, Inc.
[REDACTED]

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.

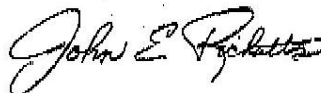
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public 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

Sitka Music Festival
Profit & Loss
September 2021 through August 2022

	Sep '21 - Aug 22
Ordinary Income/Expense	
Income	
DONATIONS RECEIVED	
4100 · Corporate Donations	72,150.00
4110 · Individual Donations	272,917.54
	345,067.54
Total DONATIONS RECEIVED	345,067.54
4200 · Merchandise Sales	2,107.00
4204 · Concert & Festival Income	66,715.37
4205 · Cello Seminar	50,000.00
4206 · Concert & Event Sponsors	2,000.00
4210 · Outreach Concert	1,135.00
4400 · Grants Received	78,088.00
	545,112.91
Total Income	545,112.91
Cost of Goods Sold	
5000 · Merchandise Purchases	3,040.76
5020 · Merchant Credit Card Fees	4,514.44
	7,555.20
Total COGS	7,555.20
Gross Profit	537,557.71
Expense	
ADMINISTRATIVE OPERATING EXP	
5100 · Bank Service Charges	-0.01
5101 · Interest Expense	525.89
5104 · Dues, Fees, Licenses	5,496.54
5105 · Supplies & Equipment	3,341.56
5106 · Insurance Expense	33,758.29
5300 · Advertising and Promotion	14,725.19
5301 · Automobile Expense	2,975.58
5302 · Computer and Internet Expenses	591.43
5305 · Office Supplies	1,943.19
5306 · Repairs and Maintenance	2,237.04
5310 · Professional Fees	53,951.42
5400 · Merchandise & Tickets Sales Tax	1,991.04
	121,537.16
Total ADMINISTRATIVE OPERATING EXP	121,537.16
PERSONNEL EXPENSES	
5200 · Payroll Tax Expense	18,885.78
5203 · Wages & Salaries	178,794.67
5204 · Worker's Comp Insurance	663.00
5205 · Direct Deposits Fees	120.09
PERSONNEL EXPENSES - Other	21,691.95
	220,155.49
Total PERSONNEL EXPENSES	220,155.49
PRODUCTION EXPENSES	
5500 · Musician Stipend/Per Diem	18,640.00
5501 · Musician Contract Prof Fees	24,999.99
5504 · Instruments	25,794.07
5506 · Special Event/Fundraising Exp	8,054.10
5509 · Venue Rent	1,234.50
5510 · Tech Equipment Purchase	369.08
	79,091.74
Total PRODUCTION EXPENSES	79,091.74

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11/15/22

Accrual Basis

Sitka Music Festival
Profit & Loss
September 2021 through August 2022

	<u>Sep '21 - Aug 22</u>
STEVENSON HALL FACILITY	
5901 · Telecommunications	2,922.68
5902 · Housekeeping	4,593.66
5903 · Stevenson Hall Improvements	45,141.62
5904 · Utilities	15,714.57
5905 · Furnishings & Fixtures	2,071.26
5907 · Property Taxes	2,751.00
5909 · Building Loan Interest	1,337.47
Total STEVENSON HALL FACILITY	<u>74,532.26</u>
TRAVEL EXPENSES	
5700 · Travel Expense	26,825.18
5703 · Per Diem	5,800.00
Total TRAVEL EXPENSES	<u>32,625.18</u>
5311 · Hospitality	8,588.31
Total Expense	<u>536,530.14</u>
Net Ordinary Income	1,027.57
Other Income/Expense	
Other Income	
4000 · Interest Income	113.64
Total Other Income	<u>113.64</u>
Net Other Income	113.64
Net Income	<u><u>1,141.21</u></u>

**Sitka Music Festival
Budget to Actual
January through June 2023**

	Jan - Jun 23	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
DONATIONS RECEIVED			
4100 · Corporate Donations	1,750.00	13,950.00	-12,200.00
4110 · Individual Donations	107,720.82	214,197.50	-106,476.68
4111 · Restricted Donation	200.00		
Total DONATIONS RECEIVED	109,670.82	228,147.50	-118,476.68
4200 · Merchandise Sales	585.00	3,000.00	-2,415.00
4204 · Concert & Festival Income	76,259.03	81,275.00	-5,015.97
4206 · Concert & Event Sponsors	10,000.00	25,500.00	-15,500.00
4400 · Grants Received	57,600.00	107,088.00	-49,488.00
4401 · Foundation/Trust Contributions	41,000.00	38,000.00	3,000.00
4500 · Rental Income	5,590.00	50,000.00	-44,410.00
Total Income	300,704.85	533,010.50	-232,305.65
Cost of Goods Sold			
5000 · Merchandise Purchases	446.34	600.00	-153.66
5020 · Merchant Credit Card Fees	3,864.84	4,974.00	-1,109.16
Total COGS	4,311.18	5,574.00	-1,262.82
Gross Profit	296,393.67	527,436.50	-231,042.83
Expense			
ADMINISTRATIVE OPERATING EXP			
5100 · Bank Service Charges	95.00	200.00	-105.00
5104 · Dues, Fees, Licenses	6,230.64	6,500.00	-269.36
5105 · Supplies & Equipment	0.00	1,500.00	-1,500.00
5106 · Insurance Expense	1,314.00		
5108 · Postage and Delivery	220.10	2,500.00	-2,279.90
5300 · Advertising and Promotion	2,521.66	20,000.00	-17,478.34
5301 · Automobile Expense	2,915.28	255.00	2,660.28
5302 · Computer and Internet Expenses	0.00	2,447.00	-2,447.00
5305 · Office Supplies	88.07	1,950.00	-1,861.93
5310 · Professional Fees	4,846.32	26,900.00	-22,053.68
5311 · Hospitality Expense	3,167.98	6,000.00	-2,832.02
5400 · Merchandise & Tickets Sales Tax	0.00	2,190.00	-2,190.00
Total ADMINISTRATIVE OPERATING EXP	21,399.05	70,442.00	-49,042.95
PERSONNEL EXPENSES			
5200 · Payroll Tax Expense	9,895.73	15,631.50	-5,735.77
5203 · Wages & Salaries	107,444.74	230,420.00	-122,975.26
5204 · Worker's Comp Insurance	-135.00	663.00	-798.00
5205 · Direct Deposit Fees	57.37	130.00	-72.63
5206 · Per Diem	900.00	2,500.00	-1,600.00
5207 · Health Stipend	3,000.01	6,000.00	-2,999.99
5208 · Relocation	2,074.41	9,600.00	-7,525.59
5209 · Hospitality Stipend	1,874.99	3,750.00	-1,875.01
Total PERSONNEL EXPENSES	125,112.25	268,694.50	-143,582.25
PRODUCTION EXPENSES			
5500 · Musician Stipend/Per Diem	11,550.00	18,640.00	-7,090.00
5501 · Musician Contract Prof Fees	14,000.00	42,000.00	-28,000.00
5505 · Programs	2,109.80	4,000.00	-1,890.20
5506 · Special Event/Fundraising Exp	8,819.21	14,865.00	-6,045.79
5508 · Stage/House Manager	931.00	3,000.00	-2,069.00
5509 · Venue Rent	0.00	4,500.00	-4,500.00
Total PRODUCTION EXPENSES	37,410.01	87,005.00	-49,594.99
STEVENSON HALL FACILITY			
5900 · Repairs & Maintenance	281.19	2,000.00	-1,718.81
5901 · Telecommunications	2,629.00	3,000.00	-371.00
5902 · Housekeeping	1,026.08	8,000.00	-6,973.92
5903 · Stevenson Hall Supplies	663.70	3,745.00	-3,081.30
5904 · Utilities	8,710.54	21,000.00	-12,289.46
5907 · Property Taxes	0.00	18,550.00	-18,550.00
5908 · Building Insurance	0.00	16,000.00	-16,000.00
Total STEVENSON HALL FACILITY	13,310.51	72,295.00	-58,984.49
TRAVEL EXPENSES			
5700 · Travel Expense	31,440.41	29,000.00	2,440.41
Total TRAVEL EXPENSES	31,440.41	29,000.00	2,440.41
Total Expense	228,672.23	527,436.50	-298,764.27
Net Ordinary Income	67,721.44	0.00	67,721.44
Other Income/Expense			
Other Income			
4000 · Interest Income	31.24		
Total Other Income	31.24		
Net Other Income	31.24		
Net Income	67,752.68	0.00	67,752.68

Internal Revenue Service**Department of the Treasury****Date: March 14, 2001****Sitka Summer Music Festival, Inc.
PO Box 3333
Sitka, AK 99835-3333****P. O. Box 2508
Cincinnati, OH 45201****Person to Contact:****Customer Service Specialist
Toll Free Telephone Number:
8:00 a.m. to 9:00 p.m. EST
877-829-5500****Fax Number:
613-263-3756****Federal Identification Number:****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 April 1980 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.

-2-

Sitka Summer Music Festival, Inc.
[REDACTED]

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.

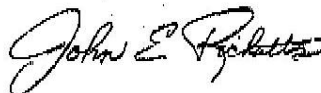
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public 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

Sitka Music Festival
Balance Sheet
As of August 31, 2022

	<u>Aug 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
1006 · First Bank Capital Account 1730	7,199.27
1007 · First Bank Op Savings 1740	37,039.28
1008 · First Bank Operating 0440	5,258.20
1010 · Cash	400.00
Total Checking/Savings	<u>49,896.75</u>
Accounts Receivable	0.00
Other Current Assets	
Loan Fees	3,416.30
1200 · Prepaid Expenses	8,387.08
1300 · Concessions Inventory	8,157.69
Total Other Current Assets	<u>19,961.07</u>
Total Current Assets	<u>69,857.82</u>
Fixed Assets	
1400 · Furniture and Equipment	109,280.54
1403 · Buildings	181,729.17
1404 · Building Improvements	3,822,779.27
1450 · Accumulated Depreciation	-230,003.81
1500 · Land	250,959.33
Total Fixed Assets	<u>4,134,744.50</u>
Other Assets	
1401 · Tech Equipment	6,091.00
1402 · Instruments	140,340.45
Total Other Assets	<u>146,431.45</u>
TOTAL ASSETS	<u><u>4,351,033.77</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	12,864.36
Total Accounts Payable	<u>12,864.36</u>
Credit Cards	
2001 · BOA AkAir Visa	6,918.83
Total Credit Cards	<u>6,918.83</u>
Other Current Liabilities	
2110 · Direct Deposit Liabilities	-6,896.05
2200 · Payroll Tax Liabilities	-90.91
Total Other Current Liabilities	<u>-6,986.96</u>
Total Current Liabilities	<u>12,796.23</u>
Long Term Liabilities	
2250 · Construction Loan 1	-110.00
2275 · First Bank Commercial Prop Loan	-1,360.90
Total Long Term Liabilities	<u>-1,470.90</u>
Total Liabilities	<u>11,325.33</u>

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11/15/22

Accrual Basis

Sitka Music Festival
Balance Sheet
As of August 31, 2022

	<u>Aug 31, 22</u>
Equity	
Sitka Music Festival Foundation	-255.93
3000 · Opening Balance Equity	35,149.87
32000 · Unrestricted Net Assets	4,303,673.29
Net Income	1,141.21
	<hr/>
Total Equity	4,339,708.44
	<hr/>
TOTAL LIABILITIES & EQUITY	<u><u>4,351,033.77</u></u>

General Fund Grants for Non-Profit Organizations for Fiscal Year 2024

CBS Liabilities Form

Complete and submit this form with your Non-Profit Grant Application.

Organization Name: Sitka Music Festival

- Property Tax

Justin Harris
Justin Harris, Supervisory Senior Accountant
747-1853

- Sales Tax

Justin Harris
Justin Harris, Supervisory Senior Accountant
747-1853

- Municipal Leases

Denise Salter for Ashley
Ashley Workman, Utility/Harbor Billing Clerk
747-1843

- Loan/Promissory Note

Denise Salter
Denise Salter, Controller
747-1836

- Utilities

Denise Salter for Ashley
Ashley Workman, Utility/Harbor Billing Clerk
747-1843

CBS Department signatures must be complete to verify your organization is current on all CBS liabilities.

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

SITKA SUMMER MUSIC FESTIVAL

104 Jeff Davis St, SITKA, AK 99835

owned by

SITKA SUMMER MUSIC FESTIVAL, INC.

is licensed by the department to conduct business for the period

March 18, 2023 to December 31, 2023
for the following line(s) of business:

71 - Arts, Entertainment and Recreation



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.

Julie Sande
Commissioner

SITKA SUMMER MUSIC FESTIVAL
104 Jeff Davis St
SITKA, AK 99835