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): 961779
Name of Contact Person: Alexander Serio
Phone: Email:
Mailing address:
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: 10,000
Match Dollars Committed: 10,000 Percentage: 100%
Sources of Matched Dollars: Grants and Donations
Brief Description of the Purpose of the Grant: Operational support for the Sitka Music Festival
whose mission is to inspire audiences, spark creativity, and strengthen community across Alaska
through live chamber music performances, music education, and training by artists of the highest
caliber.
I,, 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: 8/15/2025

Grant Proposal: Operational Support for the Sitka Music Festival

The Sitka Music Festival respectfully requests annual operational support from the City and Borough of Sitka under the category of Cultural and Educational Services. This funding will directly sustain our programming in Sitka. We received FY24 and FY25 grants for \$1,690 and \$1,490 respectively and are hoping to receive the maximum amount this year.

The Sitka Music Festival inspires audiences, sparks creativity, and strengthens community across Alaska through live chamber music performances, music education, and training—by artists of the highest caliber. We embrace both the shared experience of gathering for music events and the process of music-making as essential to community connectedness, mental wellness, and personal fulfillment. Under the leadership of Grammy-winning Artistic Director Zuill Bailey, our 501(c)(3) organization hosts more than 80 events annually, impacting over 45 communities across Alaska. Our core focus is our Summer Music Festival taking place over four weeks in June each year in Sitka; the festival has been featured in the New York Times and the LA Times, bringing national attention to the festival and Sitka.

In our most recent fiscal year, our in-person programs served over 10,000 statewide people through the following initiatives: • 80 Live Events and Affordable Access: In the summer of 2025 alone, we provided 34 concerts in Sitka over an eight-week period, with one-third offered either for free or at a nominal \$10 fee. We provided over 4,200 services to both Sitkans and visitors, with audiences ranging in age from 2 months to 92 years. Additionally, we provided 37 free tickets to host the entire Sitka Fine Arts Camp Middle School Orchestra at one of our concerts. • Free Programming: We offered 42 of our 80 events free of charge, including 15 educational school concerts that reached over 3,000 students statewide, with over 400 served directly in Sitka. • Student Engagement: Over 150 free tickets were provided to school and college students, fostering a love for classical music among young audiences. We also provided 37 free tickets to host the entire Sitka Fine Arts Camp Middle School Orchestra at one of our concerts. • Artist Involvement: We brought 38 individual musicians to Alaska, including three Grammy Award winners, and professors from Juilliard, Colburn, and Harvard, showcasing a diverse range of talent. • Repertoire: We performed over 100 individual compositions, offering a rich and varied musical experience. Our video, "A Musical Postcard from Sitka," featuring Grammy-winning cellist Zuill Bailey and filmed by Emmy-nominated producer Alexey Aleksandrov, has reached over 32,000 individuals worldwide.

One Sitka student reflected on a Grammy-winning string quartet's visit: "Watching them inspired me to view the music I'm playing as more than just notes, but as the story they try to portray. Their performance sparked a more creative flame for music in me." — Timothy, percussionist.

Recent survey results from Wolf Brown, one of the nation's leading non-profit surveyors who has analyzed over 600 organizations' audiences nationwide, underscore our impact: We provide 100% of access to classical chamber music for 23% of our audience and over 90% for 50% of our audience. Additionally, our audience is 80% local, meaning that we truly serve Sitkans and provide a service that they could not otherwise access anywhere else. Over 60% of our audience attends to be further educated in music and to be exposed to new works. Looking ahead, plans for 2026 include bringing two renowned pianists to Sitka in February. Our summer festival for 2026 will celebrate its 55th anniversary with two Grammy-winning artists already lined up.

With your support, we will continue to bring world-class chamber music to Sitka, enriching the cultural and educational opportunities available to our community. Thank you for considering our request.

Expected Outcomes

With the requested operational support, the Sitka Music Festival anticipates achieving the following outcomes:

1. Enhanced Cultural Engagement:

Building on a 50% expansion of our Sitka-based audience from 2023 to 2025, we aim to increase attendance at our events by 10% in the coming year, attracting both residents and visitors to strengthen Sitka's cultural identity and foster greater appreciation for classical music. We will continue engaging a diverse audience, from toddlers to senior citizens, ensuring programs are accessible and appealing to all age groups.

2. Expanded Access to Classical Music:

We will maintain affordability by offering at least 30% of concerts for free or at a nominal \$10 fee, making classical music accessible across income levels. Building on our video "A Musical Postcard from Sitka," which reached over 32,000 viewers globally, we will develop additional digital content to grow and educate our online audience. Over time, we will explore digital programs and virtual performances to supplement live events, reaching a broader audience and better serving Sitkans year-round.

3. Educational Impact:

We will provide over 150 free tickets to school and college students and host musicians for direct school engagements, fostering deeper appreciation for classical music and inspiring future arts careers. Annually, we reach over 3,000 students statewide, including over 400 in Sitka. We plan to maintain and expand educational outreach in rural and underserved areas, building on our successful cello seminar to diversify training programs for the next generation of musicians.

4. Community and Artist Involvement:

We will bring diverse, high-caliber musicians to Sitka, including Grammy winners and international performers, enhancing concert quality and community exposure to world-class talent. For over 50 years, we have presented classical music at the highest standards; we are committed to exploring genres like classical crossover, jazz, folk, blues, and world music while upholding excellence. We will deepen collaborations with local organizations, such as the Sitka Fine Arts Camp, to create a vibrant cultural ecosystem.

5. Cultural Impact:

Through consistent programming and engagement, we will continue to solidify the festival as a cornerstone of Sitka's cultural life, ensuring long-term sustainability for current and future generations.

By achieving these outcomes, the Sitka Music Festival will enhance Sitka's cultural landscape and contribute to Alaska's artistic and educational development. Your support will be instrumental in realizing these goals.

Statement of Need

The Sitka Music Festival seeks operational support under the Cultural and Education Services funding category, perfectly aligning with the objectives of this grant. As Alaska's premier chamber music presenter, our mission is to inspire audiences, spark creativity, and strengthen community across Alaska through live chamber music performances, music education, and training—by artists of the highest caliber. This project embodies the essence of the funding category by providing accessible, high-quality cultural experiences that benefit the entire community, from young students to senior citizens.

Addressing Documented Needs

Sitka, like many small communities, faces challenges in sustaining vibrant cultural programming, particularly in the arts. According to the Sitka Comprehensive Plan, there is a clear need to enhance cultural offerings and educational opportunities to improve the quality of life for residents and attract visitors. Additionally, data from the Alaska State Council on the Arts highlights the importance of arts education in fostering creativity and community engagement, particularly among youth. Our project directly addresses these needs by providing a robust schedule of live events, many of which are free or low-cost, and by offering educational programs that reach over 3,000 students statewide annually, with over 400 served directly in Sitka—across Sitka, Anchorage, and Ketchikan.

The Youth Risk Behavior Survey conducted in Alaska also underscores the need for positive, enriching activities for young people, particularly in rural areas. By engaging students with free tickets, school concerts, and direct interaction with internationally acclaimed musicians, we offer a constructive and inspiring alternative to the risks highlighted in the survey. Our programs foster a sense of community, cultural pride, and personal development, all of which are crucial to the well-being of Sitka's youth.

Leveraging Additional Funding

The funding requested through this grant will significantly leverage additional financial support for the Sitka Music Festival. Our operational budget is sustained through a combination of grants, ticket sales, individual donations, and sponsorships. By securing this grant, we can demonstrate strong local support, which is a key factor in attracting further investments from national arts foundations and private donors. Additionally, the grant will enable us to expand our programming and outreach, thereby increasing ticket sales and donations. This multiplier effect ensures that every dollar invested by the City and Borough of Sitka not only sustains our current activities but also amplifies our capacity to generate additional funds.

In conclusion, the Sitka Music Festival's project is crucial to fulfilling documented community needs in cultural and educational services. The requested funding will not only enhance the cultural vitality of Sitka but also serve as a catalyst for further financial and community support, ensuring the long-term sustainability of our programs. Your investment in this project will have a lasting impact, enriching the lives of Sitkans and contributing to the cultural legacy of our community.

Organizational Capacity

The Sitka Music Festival, a 501(c)(3) nonprofit founded in 1972, has a proven track record of delivering high-quality classical chamber music programming across Alaska for over 50 years. Under the visionary leadership of Grammy-winning Artistic Director Zuill Bailey, who brings decades of international performance experience and educational expertise, our organization is well-equipped to execute our mission of inspiring audiences, sparking creativity, and strengthening communities through live performances, education, and artist training. Bailey is a Grammy Award-winning cellist, internationally renowned soloist, recitalist, and teacher, featured with orchestras worldwide, including the Los Angeles, Chicago, and San Francisco Symphonies. He serves as Director of the Center for Arts Entrepreneurship and Professor of Cello at the University of Texas at El Paso.

Our core team includes Executive Director Alexander Serio, with over 15 years in arts administration, supported by a part-time staff focused on operations, marketing, and development. Serio was named one of Musical America Worldwide's Top 30 Professionals of 2024 and was recognized by Senator Lisa Murkowski for his contributions to bringing world-class chamber music and education to rural communities. Zuill Bailey oversees artistic programming. Our Board of Directors comprises 13 community leaders from Sitka, Anchorage, and Ketchikan, providing strategic oversight and fundraising support. The board meets 6 times a year plus one annual meeting and always has quorum.

- Kari Lundgren, President (Sitka)
- Rev. Robert Hattle, Vice President (Sitka and Shishmaref)
- Russellyn Carruth, Secretary (Anchorage)
- Dirk White, Treasurer (Sitka)
- Dr. Petra Illig (Anchorage)
- Casey Carruth-Hinchey (Anchorage)
- Peter Bartlett (Anchorage)
- Dr. Pam Steffes (Sitka)
- June Takagi (Anchorage)
- Dr. Peter Mjos (Anchorage)
- Barbara Bigelow (Ketchikan)
- Mary Hames (Sitka)
- Jessica Hames (Sitka)

Financial and Risk Management:

We maintain strong financial health through diversified revenue streams, annual audits, and established policies including a financial controls policy, conflict of interest policy, and a gift policy. Grants from entities like the City and Borough of Sitka (FY24: \$1,690; FY25: \$1,490) bolster operations, while we mitigate risks through comprehensive insurance, COVID-19 protocols, and contingency planning for Alaska's remote logistics.

Community Support:

We collaborate with over 25 business and community partners and engage nearly 100 volunteers annually. The Sitka Music Festival Foundation, a \$1.7 million endowment fund for the festival provides long-term stability, with trustees including Trish White (President - Sitka), Sharon Davies (Vice President - Anchorage), Olga Borland (Secretary - Sitka), Dr. Petra Illig (Anchorage), Rich McClear (Sitka), and Dr. Peter Mjos (Anchorage).

Statement of Financial Position SITKA MUSIC FESTIVAL, INC

As of December 31, 2024

Distribution account		Total	
Assets			
Current Assets			
Bank Accounts			
1006 First Bank Capital Account 1730	\$	4,052.29	
1007 First Bank Op Savings 1740	\$	29,778.60	
1008 First Bank Operating 0440	\$	91,189.94	
Total for Bank Accounts	\$	125,020.83	
Accounts Receivable	\$	1,124.00	
Other Current Assets			
1300 Concessions Inventory	\$	6,825.00	
Total for Other Current Assets	\$	6,825.00	
Total for Current Assets	\$	132,969.83	
Fixed Assets			
1400 Furniture and Equipment	\$	107,162.85	
1403 Buildings	\$	181,729.17	
1404 Building Improvements	\$	3,822,779.27	
1450 Accumulated Depreciation	\$	(579,872.81)	
1500 Land	\$	250,959.33	
Total for Fixed Assets	\$	3,782,757.81	
Other Assets			
1402 Instruments	\$	196,134.52	
Total for Other Assets	\$	196,134.52	
Total for Assets	\$	4,111,862.16	
Liabilities and Equity			
Liabilities			
Current Liabilities			
Accounts Payable	\$	20,195.33	
Credit Cards			
2001 BofA Visa 7764	\$	175.23	
BofA 3170	\$	938.08	
Total for Credit Cards	\$	1,113.31	
Other Current Liabilities			
Deferred Rev/Exp	\$	3,413.26	
Payroll Liabilities	\$	2,355.63	
Total for Other Current Liabilities	\$	5,768.89	
Total for Current Liabilities	\$	27,077.53	
Long-term Liabilities			
Total for Liabilities	\$	27,077.53	
Equity			
32000 Unrestricted Net Assets	\$	4,218,217.87	
Net Income	\$	(57,781.49)	
3000 Opening Balance Equity	\$	(75,651.75)	
	\$	4,084,784.63	
Total for Equity	φ	4,004,704.03	

Statement of Activity SITKA MUSIC FESTIVAL, INC

January-December, 2024

Distribution account	Total	
Income		
4200 Merchandise Sales	\$	3,391.97
4203 Progam Advertising Income	\$	400.00
4204 Concert & Festival Income	\$	128,571.97
4206 Concert & Event Sponsors	\$	24,175.00
4208 Fundraising/Special Event Income	\$	9,542.19
4400 Grants Received	\$	99,730.00
4401 Foundation/Trust Contributions	\$	39,450.00
4500 Rental Income	\$	14,567.44
DONATIONS RECEIVED	\$	246,685.26
In Kind Income	\$	84,905.67
Total for Income	\$	651,419.50
Cost of Goods Sold		
5000 Merchandise Purchases	\$	2,008.49
5020 Merchant Credit Card Fees	\$	9,456.85
Total for Cost of Goods Sold	\$	11,465.34
Gross Profit	\$	639,954.16
Expenses		
ADMINISTRATIVE OPERATING EXP		
5100 Bank Service Charges	\$	323.96
5101 Interest Expense	\$	57.61
5104 Dues, Fees, Licenses	\$	10,557.81
5105 Supplies & Equipment	\$	529.54
5106 Insurance Expense	\$	1,913.12
5108 Postage and Delivery	\$	796.32
5300 Advertising and Promotion	\$	9,402.43
5301 Automobile Expense	\$	2,226.49
5302 Computer and Internet Expenses	\$	3,377.96
5303 Director Cell Phone	\$	257.20
5305 Office Supplies	\$	882.24
5310 Professional Fees	\$	32,155.21
5311 Hospitality Expense	\$	8,420.98
Total for ADMINISTRATIVE OPERATING EXP	\$	70,900.87
PERSONNEL EXPENSES		
5200 Payroll Tax Expense	\$	19,508.67
5203 Wages & Salaries	\$	228,197.41
5204 Worker's Comp Insurance	\$	943.00
5205 Direct Depsosit Fees	\$	62.48

Net Income	\$	(57,781.49)
Net Other Income	\$	62.40
Total for Other Expenses	\$	-
Other Expenses		
Total for Other Income	\$	62.40
4000 Interest Income	\$	62.40
Other Income		
Net Operating Income	\$	(57,843.89)
Total for Expenses	\$	697,798.05
Total for TRAVEL EXPENSES	\$	71,131.97
5700 Travel Expense	\$	71,131.97
TRAVEL EXPENSES		
Total for STEVENSON HALL FACILITY	\$	163,451.83
6000 Depreciation Expense	\$	105,969.00
5908 Building Insurance	\$	13,853.00
5907 Property Taxes	\$	2,751.00
5904 Utilities	\$	19,110.90
5903 Stevenson Hall Supplies	\$	7,013.20
5902 Housekeeping	\$	2,421.90
5901 Telecommunications	\$	5,413.50
5900 Repairs & Maintenance	\$	6,919.33
STEVENSON HALL FACILITY		
Total for PRODUCTION EXPENSES	\$	125,652.60
5509 Venue Rent	\$	6,076.90
5508 Stage/House Manager	\$	800.30
5506 Special Event/Fundraising Exp	\$	23,721.74
5505 Programs	\$	7,088.02
5501 Musician Contract Prof Fees	\$	77,345.64
5500 Musician Stipend/Per Diem	\$	10,620.00
PRODUCTION EXPENSES	,	,
Total for PERSONNEL EXPENSES	\$	266,660.78
5209 Hospitality Stipend	\$	3,749.99
5208 Relocation	\$	5,649.20
5207 Health Stipend	\$	6,000.03
5206 Per Diem	\$	2,550.00

Sitka Music Festival, Inc 2025 Budget

	FY 25 Budget
Revenue	
4200 Merchandise Sales	2000
4203 Progam Advertising Income	2000
4204 Concert & Festival Income	113567
4206 Concert & Event Sponsors	30000
4208 Fundraising/Special Event	
Income	24,933
4400 Grants Received	132,348.00
4401 Foundation/Trust	
Contributions	38555
4500 Rental Income	25000
DONATIONS RECEIVED	
4100 Corporate Donations	10000
4110 Individual Donations	227,379.00
4111 Restricted Donation	0
Total DONATIONS RECEIVED	\$ 237,379.00
In Kind Income	5000
Total Revenue	\$ 610,782.00
Cost of Goods Sold	
5000 Merchandise Purchases	1500
5020 Merchant Credit Card Fees	10000
QuickBooks Payments Fees	
Total 5020 Merchant Credit Card Fees	\$ 10,000.00
Total Cost of Goods Sold	\$ 11,500.00
Gross Profit	\$ 599,282.00
Expenditures	
ADMINISTRATIVE OPERATING EXP	
5100 Bank Service Charges	300
5101 Interest Expense	50
5104 Dues, Fees, Licenses	10000
5105 Supplies & Equipment	1000
5106 Insurance Expense	1375
5108 Postage and Delivery	1100
5300 Advertising and Promotion	10000
5301 Automobile Expense	2300
	2300

5302 Computer and Internet		
Expenses		2000
5303 Director Cell Phone		800
5305 Office Supplies		1500
5310 Professional Fees		41700
5311 Hospitality Expense		8500
Total ADMINISTRATIVE OPERATING		0000
EXP	\$	80,625.00
PERSONNEL EXPENSES		,
5200 Payroll Tax Expense		20520
5203 Wages & Salaries		235945
5204 Worker's Comp Insurance		943
5205 Direct Depsosit Fees		130
5206 Per Diem		3250
5207 HealthBenefits		6000
5208 Relocation		0
5209 Hospitality Stipend		3750
Total PERSONNEL EXPENSES	\$	270,538.00
PRODUCTION EXPENSES	·	,
5500 Musician Stipend/Per Diem		16000
- '		
5501 Musician Contract Prof Fees		75000
5505 Programs		7500
<u> </u>		
5506 Special Event/Fundraising Exp		20000
5508 Stage/House Manager		1000
5509 Venue Rent		9000
5510 Production Supplies		1000
Total PRODUCTION EXPENSES	\$	129,500.00
STEVENSON HALL FACILITY		
5900 Repairs & Maintenance		5000
5901 Telecommunications		5500
5902 Housekeeping		6000
5903 Stevenson Hall Supplies		3500
5904 Utilities		20000
5907 Property Taxes		2751
5908 Building Insurance		14368
5910 Groundskeeping		1500
Total STEVENSON HALL FACILITY	\$	58,619.00
TRAVEL EXPENSES	-	-
5700 Travel Expense		60000
Total TRAVEL EXPENSES	\$	60,000.00
Total Expenditures	_	599,282.00
Net Operating Revenue	\$	0.00
1 0		

Other Revenue	
4000 Interest Income	
Total Other Revenue	
Other Expenditures	
6010 Asset Purchase < \$5,000	0
80000 Ask My Accountant	0
Total Other Expenditures	
Net Other Revenue	
Net Revenue	\$ 0.00

SMF List of Grants

National Endowment for the Arts - \$10,000

Alaska State Council on the Arts - \$9,975

Atwood Foundation - \$35000

City and Borough of Sitka - \$1490 (2025)

Sitka Music Festival Foundation - \$41000

Internal Revenue Service

Date: March 14, 2001

Sitka Summer Music Festival, Inc.

Sitka, AK 99835-3333

Department of the Treasury

P. O. Box 2508 Cincinnati, OH 45201

Person to Contact:
Miss Hensley 31-03886
Customer Service Specialist
Toli Free Telephone Number:
8:00 a.m. to 9:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756

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 fiable 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.

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 Department of Commerce, Community, and Economic Development

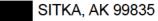
Division of Corporations, Business, and Professional Licensing PO Box 110806, Juneau, AK 99811-0806

This is to certify that the owner

SITKA SUMMER MUSIC FESTIVAL, INC.

is licensed by the department to do business as

SITKA SUMMER MUSIC FESTIVAL



for the period

August 15, 2025 to December 31, 2025 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

for Fiscal Year 2026

CBS Liabilities Form

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

Organization Name:	Sitka	Music Festival
Property Tax		Justin Harris, Supervisory Senior Accountant 747-1853
Sales Tax		Justin Harris, Supervisory Senior Accountant 747-1853
Municipal Leases		Tori Fleming, Procurement Specialist
 Loan/Promissory Note 		Amanda Diehl, Controller
• Utilities		747-1801 Chelsey Dumag, Utility/Harbor Billing Clerk

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

the second of th