

CITY OF ASHLAND



Application for Economic Development, Cultural, Tourism and Sustainability Grants

******DUE NO LATER THAN 4:00 pm March 22, 2017******

**One (1) single sided, signed hard copy to
NO STAPLES PLEASE**

In an envelope titled:
**City of Ashland
Attn: Diana Shiplet, Administration Department
Grant Application
20 East Main Street, Ashland, OR 97520**

Applicant/Organization	Rogue Valley Symphony Association		
Mailing Address	1875 Highway 99 North, Suite 7, Ashland, OR 97520		
Contact Name	Jane Kenworthy	Contact Phone #1	541-708-6402
Email #1	director@rvsymphony.org		
Contact Name #2	Anastasia Gambill	Contact Phone #2	541-708-6403
Email #2	Development @rvsymphony.org		
Federal Tax ID	██████████	IRS Class (Exemption)	501(C)3
		Total Grant Request (\$5,000 min)	\$18,000

Application Submittal Checklist

In addition to the completed application form to be mailed and emailed, all submittals must contain the following;

1. List of all board members, their occupations, and years on the board;
2. Organizational client demographic profile;
3. Grant program budget (for activities/programs/events that are part of this grant application);
4. Organization 501© letter verifying your no-profit status;
5. Organization corporate bylaws;
6. Organization's most recent Form 990 IRS filing (summary page only);
7. Organization's previous year financial statement summarizing expenses and revenues.

Application for Economic Development, Cultural, Tourism and Sustainability Grants

1. Briefly describe the purpose and objectives of your organization and mission statement (*please limit to approximately 500 words*)

The purpose of the Rogue Valley Symphony (RVS) is to present live symphonic concerts, music education programs and community outreach events to the citizens of Southern Oregon and Northern California. Our objective is to be a part of the natural fabric of the communities in our region by providing opportunities for people of all ages and income levels to enrich their lives by experiencing live performance of symphonic music and by learning about music through our education programs. The Symphony's education programs annually serve more than 9,000 students. Our strategic plan is built around 6 major goals: enhancing the recruitment and retention of musicians and staff; diversifying our repertoire to introduce audiences to a wide breadth of symphonic music spanning 500 years of history; increasing the RVS visibility and relevance to our communities and beyond; increasing income through strong development plans; engaging our communities through collaboration and education; and enhancing our customer's experience by offering performances of the highest quality.

The mission of the Rogue Valley Symphony is to be the catalyst that inspires audiences of all ages and stimulates dialogue through the live performance of diverse music and educational programs. We succeed by cultivating growth in artistic excellence, in our audiences, in community support and in organizational sustainability.

2. Reference the list of eligible activities provided in the 2012 Policy for Economic, Cultural, Tourism, and Sustainability Grant to briefly describe how the City grant would be used and how your activities meet the eligibility criteria (please limit to approximately 1,000 words)

Cultural Development.

- The Rogue Valley Symphony (RVS) is the only fully professional symphony orchestra in Southern Oregon that offers a full season of subscription classical concerts and, as such, is a **unique cultural offering**. These symphonic concerts immeasurably **enrich the overall quality of life in the community**. The 2017-2018 season will be the Symphony's 50th Anniversary Season and will include special soloists and the commission of five new symphonic works, which expands the scope of existing cultural activities.
- **The City grant would support the Rogue Valley Symphony's Masterworks Series, Holiday concerts and a new chamber concert in Ashland in the 2017-2018 season (8 concerts in Ashland)**. These concerts are the mainstay of the Symphony's cultural offerings during the season and **ensure the viability and long-term success of the Symphony** and the continued availability of live symphonic music for residents - especially during the winter months when the Britt Classical Festival is not performing. Grant monies would help to pay musician wages (all musicians are paid professionals) and other direct concert costs. The Masterworks concerts typically include an overture, a world-renowned soloist engaged to play a concerto with the orchestra and a major symphonic work. The grant will help the RVS to **expand the scope of existing cultural activities**. In the coming season the RVS will expand its Masterworks subscription Series by adding a 6th concert. It will also offer for the first time a presentation chamber concert. It will collaborate with the Southern Oregon Repertory Singers and the Rogue Valley Chorale on the final concert of the season in performances of Beethoven's Ninth Symphony. The Symphony's Ashland performances always sell out weeks before the performance. Would-be audience members in Ashland who are disappointed by sell-outs often choose to purchase tickets for the Medford or Grants Pass performances. Because the Ashland performance venue at SOU is small - with a seating capacity of only 444 seats - and because Ashland concerts always sell out, ticket revenue cannot be increased without raising ticket prices to levels that would be unaffordable to

many local music lovers. This makes grant and gift income absolutely critical in order to cover concert costs. Music Director Martin Majkut, in his seven-year tenure, has raised the artistic level of the orchestra markedly; as a result total audiences (including in Medford and Grants Pass) have grown; the most recent concert in January 2017 sold out in all three venues. In the past two seasons the Symphony has booked solo artists of increased stature and quality compared to former seasons – something that audience members are noticing and supporting with increased donations. In the upcoming season, world-renowned guest solo artists include famous pianist Peter Serkin performing Mozart's Piano Concerto No. 20, violinist Bella Hristova performing a new violin concerto commissioned by the orchestra from her husband David Ludwig, pianist Gabriela Martinez performing Falla's "Nights in the Garden of Spain," the Tempest Trio performing Beethoven's Triple Concerto and electric violinist Tracy Silverman performing a new violin concerto of his own composition. All these artists have performed with major orchestras world-wide. The RVS is being adventurous in its programming in the Anniversary Season – by commissioning five new symphonic works – an enormously ambitious project for a small budget orchestra. In the 2017-2018 season the Symphony will present new works by nationally recognized composers David Ludwig, Tracy Silverman, and Jonathan Leshnoff and two works by two local composers l'ana Cotton and Ethan Gans-Morse. In addition the orchestra will perform classical favorites by Mahler, Haydn, Mendelssohn, Berlioz, Bernstein, Rachmaninoff, Tchaikovsky and Beethoven. **The RVS increases access to cultural programs for low income residents and children** by offering youth subscription tickets at 50% off regular prices and youth single tickets at only \$10. SNAP participants are offered up to two tickets for each concert at \$5.

Economic Development. Employment opportunities.

The Rogue Valley Symphony maintains and promotes job growth by employing 75 musicians on average for each of its concerts. It also employs many of its musicians for the orchestra's four education programs that enrich the musical curriculums in local schools. These performing and teaching wages are a critical piece of local musicians' total income each year, without which they might have to relocate to larger metropolitan areas where there are more playing opportunities. The addition in 2017-2018 of a sixth Masterworks concert and an increase in payscale for musicians add to the employment opportunities offered by the Symphony. The music director has planned in the 2017-2018 season for six Masterworks concerts with maximum musician counts. Further, the Symphony's Link Up education program this year will again include 3rd, 4th and 5th grades in the Talent/Phoenix School District and employ six musicians as teachers. Its Classical Coaches and Chamber Players in the Classroom programs have expanded. These education programs **add to musicians' wages** as well. Education wages for musicians in the coming season are budgeted to increase by \$119,343 over the current season. Musician wages are above the median income for Ashland (ranging from \$20/hr. to \$23.33/hr.) Grant and contributed income are essential to pay the direct costs of Ashland concerts not covered by ticket income. Without this contributed income the Symphony would have to move these performances to larger concert venues outside of town -- since there is no larger hall than SOU's music recital hall that is suitable and available. The Symphony adds to the economic base of Ashland by paying local businesses and individuals for printing, photography, design work, copying, utilities, production personnel, marketing, advertising, bookkeeping, office rent, etc.

Tourism.

This season the Rogue Valley Symphony has drawn Oregon audiences from outside the immediate area including from: Portland, Corvallis, Jefferson, Seal Rock, Eugene, Clackamas, Gresham, Mount Angel, Brookings, Camas Valley, Coos Bay, Cogville, Glendale, Myrtle Creek, Roseburg, Wolf Creek, Cave Junction, White City, Eagle Point, Gold Hill, Kerby, Merlin, Murphy, Selma, Shady Cove, Trail, Wilerville, Williams, Klamath Falls, Bend, Paisley, and Pendleton. California residents from the following communities have purchased tickets to our concerts: Los Angeles, Santa Monica, Northridge, Nipomo, San Francisco, Fremont, Santa Cruz, Crescent City, Davis, Elk Grove, Meadow Vista, Redding, Burney, Canby, Etna, Fort Jones, Gazelle, Hornbrook, Redding, Montague, Mount Shasta, Weed, Yreka, and Alturas. From Washington state we have had audience members from Kirkland, Auburn, Port Orchard, and Port Townsend (see attached zip code analysis). Audience members from outside the area do more than just buy concert tickets – they stay in our hotels and motels, they dine in our restaurants, and they visit our shops. As the reputation of the Symphony increases, our out-of-town

audiences grow. The total number of ticket buyers from beyond 50 miles in our ticket data base for this year is 2,517. The caliber of solo artists engaged this year has been an additional draw. This season the orchestra has sold to date 576 more tickets than in the previous season (with one concert left to go).

2.1. If your grant request is for date specific events, programs or activities, please complete the following table

Program/Event Title	Anticipated Dates of Event		Funding Request
	Start	End	
Masterworks 1 concert featuring Peter Serkin, piano	9/15	9/15	\$3,000
Presentation Chamber concert featuring Tempest Trio	10/3	10/3	\$500
Masterworks 2 concert featuring Tempest Trio	10/6	10/6	\$3,000
Masterworks 3 concert featuring Bella Hristova, violin	11/10	11/10	\$3,000
Holiday concert featuring Laura Portune & R.V. Children's Chorus	12/2	12/2	\$2,000
Masterworks 4 concert featuring Tracy Silverman, elec. violin	1/19	1/19	\$3,000
Masterworks 5 concert featuring Gabriela Martinez, piano	2/16	2/16	\$3,000
Masterworks 6 concert featuring 4 soloists & Southern Oregon Repertory Singers & Rogue Valley Chorale	4/20	4/20	\$500

3. Which grant category (or categories) does your request fall under? (please check all that apply)

<input checked="" type="checkbox"/>	Grant Category	Grant Request
	Economic Development	\$6,000
<p>Per Economic Development eligible activities (page 10), please explain how your activities qualify (please limit to approx. 250 words): The programs and activities supported by this grant support the expansion and retention of RVS, an existing business that has been in our community for 50 years and that earns a competitive advantage from creativity. RVS is an important employer of cultural workers who perform concerts and provide education programs that enhance the overall quality of life. The Symphony hires approximately 72 local musicians for each of its 23 performances each year. RVS musicians "improve local educational & technical skills" by teaching music in the schools and privately. The RVS also hires H.S. and college student musicians who have passed an audition. The orchestra is an important training ground for these students where they learn the skills they will need for an eventual career in music. The proposed activity increases total employment and jobs above the median income for Ashland as the Symphony pays between \$20 and \$23 /hr; the Symphony is giving its musicians a substantial raise this season. The business being served by the grant relies on creativity. Without the RVS, local classical musicians (creative workers) might have to relocate to larger metropolitan areas to earn a living wage from their art. In addition to musicians, the RVS pays for work from photographers, publicists, and bookkeepers. It purchases ads and printing, catering for receptions and hotel rooms for visiting artists. The proposed activity supports and assists the Rogue Valley Symphony to remain in the community.</p>		
	Cultural	\$6,000

Per Cultural Development eligible activities (page 11), please explain how your activities qualify (*please limit to approx. 250 words*): The grant for the Symphony supports increased diversity of and accessibility to the arts and cultural opportunities for citizens and visitors. The City of Ashland's grant helps the Symphony with all-important contributed dollars that allow the organization to keep tickets affordable, despite the concert venue's small size and sold-out houses which otherwise would trigger price increases each year. The Symphony's 50th Anniversary Season is especially diverse with an impressive mix of new and traditional works, big-name soloists, and opportunities for audiences to meet working composers. The Symphony helps keep its performances accessible for students and youth by offering subscription tickets at 50% off and single tickets at \$10.

Tourism	\$2,000
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Per Tourism eligible activities (page 11), please explain how your activities qualify (*please limit to approx. 250 words*): For the 50th Anniversary Season, the RVS will be publicizing and marketing its concerts in media beyond the Rogue Valley. The Symphony has hired a publicist to help it obtain regional and national publicity based on the artists and composers it has engaged. The publicist will be soliciting feature stories from outlets like Southern Oregon Magazine and SOPTV's ArtBeat. As evidenced by the zip code analysis of 2016-2017 ticket purchasers, the RVS is already attracting visitors from beyond 50 miles. It is fair to assume that these visitors eat in our restaurants, visit our shops and that many stay in our motels, and hotels in the months of September through April (the 2017-2018 Masterworks Series runs from September through the last week in April). The RVS markets its events by advertising in local print media, including the Locals Guide, the Sneak Previews (Ashland, Medford, and Grants Pass), the Jacksonville Review, the A to Z Guide, the Daily Tidings, the Mail Tribune, the Jefferson Monthly, etc. The RVS runs TV ads on SOPTV and KDRTV. It runs radio ads on KAJO and JPR. Printed brochures, flyers and postcards are distributed throughout the region. Total marketing costs this season will exceed \$70,000 ---\$20,000 more than in 2016-2017.

Sustainability	\$ 6,000
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Per Sustainability eligible activities (page 11), please explain how your activities qualify (*please limit to approx. 250 words*): The professional Rogue Valley Symphony, with its high quality classical concerts, is one of the cultural organizations that draws new residents to the region. Affluent retirees moving from large metropolitan areas look for retirement communities that have multiple, high-quality cultural offerings – amenities that they are used to having. The Oregon Shakespeare Festival, the Britt Festival, and, increasingly, the Rogue Valley Symphony are important organizations that make the community socially and economically resilient. The Ashland economy runs on the arts. The Symphony's budget has more than doubled in six years and our reputation is now filling our venues for our concerts.

4. If you do not receive the full amount of your request, describe how your organization would use a smaller amount of funds in each of the categories being applied for (*please limit to approximately 250 words*)

If the RVS does not receive the full amount of its request, the RVS would have to lower expenses by reducing musician counts for some of the concerts – thereby reducing their wages. We would still use the funds granted to pay musician wages and other concert direct costs, but most concert direct costs are fixed and therefore cannot be reduced except by cancelling the concert. The number of string musicians we hire is one of the few flexible expenses. Musician wages (including taxes) for the Masterworks Series this year have

averaged \$30,000 per concert. By putting fewer musicians on stage for each concert, we could reduce the cost, but it would not be without consequences to the artistic product and financial pain to our employees – and ultimately to the contributed support of the orchestra.

5. Using the attached City of Ashland Policy for Economic, Cultural, Tourism and Sustainability Grants, Section III (page 12), please explain how you will measure success or desired outcomes. *(please limit to approximately 250 words)*

The RVS will measure success by:

- Attendance - Have audiences increased overall? What percentage of capacity in each of the concert venues has been filled for each concert? How many performances in each of the concert venues have sold out?
- Ticket Revenue - Has ticket revenue exceed budgeted levels?
- Audience Retention - Has the subscription renewal rate increased?
- Donors - Has the number of patrons who also donate increased?
- Contribution Levels - Has the average gift amount increased?
- Concert Reviews - Has the Symphony received favorable concert reviews?
- Publicity – Has the Symphony received more and wider publicity this year?

All these measures will help to tell whether or not long-term access to an important performing arts organization in Ashland is assured.

We will measure how many audience members took advantage of low-cost Performing Arts Access ticket. This will tell us whether or not the proposed activity helped to increase access for low-income residents, children and minority groups.

Thank you for your time and efforts in preparing this information for consideration by the Grants Committee.

By signing below you certify that:

You, the grantee, understand that you must comply with all federal, state and local requirements applicable for the activities funded by this grant. Award of a grant by the City does not waive the grantee's obligation to obtain, at grantee's sole expense, all applicable permits that may be required for grantee's program or project.

And, that a grant may be conditioned on submission or other approvals to the City of a Certificate of General Liability Insurance in the amount of up to **\$1,000,000** naming the City of Ashland, its officers and employees as additional insured.

And, that you the undersigned have legal authority to submit the above information on behalf of the organization named above.

Name (print) Jane E. Kenworthy

Name (signature) 

2/20/17

Title Executive Director

ADDITIONAL SUBMITTAL INFORMATION & REFERENCE MATERIALS

The following requirements and forms are provided to assist applications in submitting a complete application package. Use of the form templates provided is not a submittal requirement, but rather an optional tool for the applicant to use if they choose to provide the required information in this format.

I. Grant Requirements (from 2012 Policy for Economic, Cultural, Tourism and Sustainability Grants)

- A. Grantee shall be registered as a 501(c) non-profit *
- B. Grantee shall be a non-government entity
- C. The minimum grant amount that can be applied for is \$5,000 and the minimum award granted is \$1,000 per category and \$5,000 per grant application
- D. Grant award shall be utilized consistent with the associated applicant proposal and shall be primarily oriented to the grantee's Ashland activities and programs. Grant funds may also be utilized for a proportionate share of Grantee's overall administrative expenses.
- E. An applicant can apply for grant funds from more than one category, however, it is the responsibility of the applicant to specify the categories and funds requested for each category and clearly describe how the proposal meets the criteria for each category.
- F. Grantees must submit the application to the City prior to the deadline, which is established each year by the City. **Absolutely no late applications will be accepted.**
- G. Incomplete applications (see application cover page) will NOT be forwarded to the grant review committee for consideration.
- H. Materials submitted beyond those required and listed on the application cover page and application form will NOT be forwarded to the grant review committee as part of the application packet.

II. Grant Submittal

- A. Grant applications for BN2017-19 are due on **March 22, 2017 by 4:00 p.m.**
- B. Completed application packets can delivered in person to the Utility Billing offices at City Hall, 20 East Main St ** or mailed to:

City of Ashland
c/o Diana Shiplet
20 East Main St
Ashland, OR 97520

- C. Questions regarding the BN 2017-19 Grant Program can be directed to Diana Shiplet, Administrative Analyst by phone at 541-552-2100 or diana.shiplet@ashland.or.us.

**If your organization is being sponsored by or legally affiliated with a registered non-profit, a letter from that organizations Board of Directors recognizing the affiliation and a copy of the 501 (c) verification of the sponsoring non-profit*

*** City of Ashland office hours are Monday to Friday 8:30am to 5:00pm.*

Tourism

As required by State law, a portion of the grant program funds must be awarded and utilized for specific tourism related activities. The grant program typically awards tourism funds in excess of the minimum amount required to meet Oregon Revised Statute (ORS) definition and criteria relating to tourism promotion.

Applicants requesting grant funds for activities that meet the ORS definition and criteria of tourism should highlight how the grant request meets the following ORS criteria:

§ 320.300₁

(6) 'Tourism' means economic activity resulting from tourists.

(7) 'Tourism promotion' means any of the following activities:

- (a) Advertising, publicizing or distributing information for the purpose of attracting and welcoming tourists;
- (b) Conducting strategic planning and research necessary to stimulate future tourism development;
- (c) Operating tourism promotion agencies; and
- (d) Marketing special events and festivals designed to attract tourists.

(10) 'Tourist' means a person who, for business, pleasure, recreation or participation in events related to the arts, heritage or culture, travels from the community in which that person is a resident to a different community that is separate, distinct from and unrelated to the persons community of residence, and that trip:

- (a) Requires the person to travel more than 50 miles from the community of residence; or
- (b) Includes an overnight stay.

Applicant Organization Board Member Information Reporting Sheet

Name	Address	Phone	Occupation	Title	Term of Office
Paul Smith	295 Island Pointe Drive Medford, 97504	541-776-0730	Financial Advisor, Morgan Stanley	President	10
Lynn Thompson	125 N. Main St. Ashland, 97520	541-552-0889	Retired Attorney	Treasurer	9
Rebecca DeBoer	711 Medford Center #138, Medford, 97504	541-944-5966	Music Teacher	Director	4
Vi Brown	220 Leejoy Drive Grants Pass 97526	541-471-7858	Cellist & Music Teacher Retired	Director	2
Sarah Epstein	3530 Tolman Creek Rd Ashland, 97520	541-482-9813	Community Volunteer & Philanthropist	Director	2
Helen Hanson	1619 Meadow View Drive, Medford 97504	541-857-6624	Retired Corporate Executive	Director	4
Robert Pohl	843 Plum Ridge Dr. Ashland, (7520	541-552-1985	Retired Chevron Executive	Director	3
Ilana Rubinfeld	One Skyline Drive 3602 Medford, 97504	541-857-6653	Retired Holistic Health Specialist	Director	7
Will Van Ert	1705 Lake Village Dr. Medford, 97504	541-857-6829	Corporate Executive - retired	Director	3
Arthur F. Kelly	367 Golf View Dr. Medford, 97504	541-905-2954	Marketing Executive - retired	Director	1
Ravindra Vasavada	1622 Meadow View Drive Medford, 97504	541-857-6804	Emeritus Professor of Pharmacy	Director	1

City of Ashland Customer Demographic Profile

The primary goal of the grant award process is to allocate funds to organizations that are providing economic, tourism, cultural and/or sustainability programs, services or events that reach a demographically diverse customer base, both locally and from outside our region. The following questions are intended to provide guidance for the possible types of customer demographics that would help the grant review/award sub-committee understand the customer types that your application would likely reach.

*** If your organization tracks this data or other related data, in other formats, please feel free to submit that format directly. This form is provided as a template and is not required to be completed in this format, but customer demographic information is an application submittal requirement.**

Organization Name: Rogue Valley Symphony Association

Program/Event Name: 50th Anniversary Season concerts in Ashland

For the Twelve month period of: July 1, 2017 – June 30, 2018

I. Customer Age (percentage)

Youth 0 to 17 years	20 %
Adult 18 to 39 years	10 %
Adult 40 to 64 years	15 %
Adult 65 and over	55 %
Unknown	%
Total	100 %

II. Staff Residence (percentage)

Ashland	44 %
Rogue Valley	36 %
Other	20 %
Total	100 %

Staff numbers above include musicians

II. Customer Residence (percentage)

Ashland	31 %
Rogue Valley	41 %
Other (within 50 miles)	1 %
Other (greater than 50 miles)	27 %

Percentages above are for customers of all performances in all 3 cities

III. Of the Customers identified above, what percent do you estimate stayed overnight to attend your program, service or event? 1 %

**CITY OF ASHLAND
GRANTS PROGRAM BUDGET**

Please use this form to identify costs associated with the program, activity or event that you are requesting funds for. This form is provided as a template to use. If your organization tracks grant related financials in a different reporting format, please submit in that format if you choose.

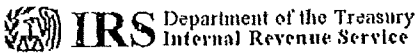
APPLICANT/ORGANIZATION: Rogue Valley Symphony Association

PROGRAM/EVENT TITLE: 2017-2018 50th Anniversary Season concerts

PROJECT PERIOD: July 1, 2017 to June 30, 2018

REVENUE		
City of Ashland Grant Funds		\$ 18,000
Jackson County Funds /Identify: Jackson Co. Cultural Commission		\$ 2,000
Other State or Federal Funds /Identify: Oregon Arts Commission		\$ 3,868
Other Funds /Identify Oregon Cultural Trust		\$ 17,780
Other Funds (cont) Foundation grants		\$ 81,000
Individual donations		\$ 295,500
Ticket Sales & cd sales		\$ 365,220
Advertising Income (Program Book)		\$ 17,000
Interest and Endowment Draw; Strategic Opportunity Funds Draw		\$ 93,988
TOTAL REVENUE		\$894,356
EXPENDITURES		
A. PERSONAL SERVICES (List costs by job title or function)		
Total Salaries	% of time to project	\$
1. <u>Artistic Salaries incl Music Director</u>	<u>100</u> %	\$ 345,995
2. <u>Admin Salaries & Dev Salaries</u>	<u>80</u> %	\$ 161,800
3. <u>Production Salaries</u>	<u>80</u> %	\$ 12,280
4. <u>Contracted services (bookkeeper, auditor, computer, designer, 80%</u>		\$ 33,000
Total Benefits		\$
1. <u>Taxes & Workman's Comp</u>		\$53,766
2. <u>Health Insurance</u>		\$12,235
3. <u>Retirement Contribution</u>		\$ 6,810
4. <u>Travel Reimbursement for musicians</u>		\$ 26,950
TOTAL PERSONAL SERVICES		\$652,836
B. MATERIALS & SERVICES:		
Direct concert expenses (music, hall rental, equipment, programs, truck, piano, etc		\$ 85,848
Production – hall personnel, box office, cc fees, insurance,		\$ 33,440
Marketing & Development – ads, brochures, posters, flyers, banners,		\$ 72,892
Administrative – office, postage, copying, utilities, licenses, etc.		\$ 42,340
Final Anniversary Concert reception & sponsorship preview		\$ 7,000
TOTAL MATERIALS & SERVICES		\$241,520
TOTAL EXPENDITURES		\$894,356

N.B.: The above does not reflect the entire budget for the RVS for the year of the grant – simply the Masterworks, Holiday and Presentation concerts. The Discovery Concert which only has one performance in Medford was not included, nor were the education programs offered outside of Ashland.



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: [REDACTED]
Oct. 09, 2015 LTR 4168C 0
[REDACTED] 000000 00
00027253
BODC: TE

ROGUE VALLEY SYMPHONY ASSOCIATION
1875 HWY 99 N STE 7
ASHLAND OR 97520

24338

Employer Identification Number: [REDACTED]
Person to Contact: Customer Service
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Sep. 30, 2015, 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 June 1988.

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.

ROGUE VALLEY SYMPHONY ASSOCIATION

BYLAWS

ARTICLE I

NAME AND PURPOSE:

1. The name of this organization is the ROGUE VALLEY SYMPHONY ASSOCIATION, incorporated as a nonprofit corporation by the state of Oregon, and hereinafter referred to as RVSA.
2. It is and shall remain an association which shall not provide pecuniary gain or profit to any person. It shall have all of the powers exercised by a nonprofit corporation.
3. The purposes of the RVSA shall be to:
 - (a) promote, advertise, and present musical concerts of the Rogue Valley Symphony Orchestra.
 - (b) provide for and promote musical education in the community served by the orchestra.
 - (c) obtain funds and contributions to sustain the varied operations of the orchestra.

APPROVED BY BOARD 5/20/15

ARTICLE II

MEMBERSHIP:

1. There shall be no members.

ARTICLE III

BOARD OF DIRECTORS:

1. The Board shall consist of elected directors. The Board shall be charged with the management and control of the business of the RVSA and shall have all powers authorized by the statutes of the State of Oregon.
 - (a) There shall be no fewer than nine nor more than twenty-four elected directors with a geographic representation from:

MEDFORD and vicinity,
ASHLAND and vicinity,
GRANTS PASS and vicinity,
Positions at large
2. In addition to the elected directors, there may be non-voting, ex-officio Board members:
 - (a) One representative of the symphony orchestra committee selected by the membership of that committee.
 - (b) The president or a representative of any Board-recognized volunteer support group.
3. An elected director's term shall be three years and/or the unfulfilled term of a Board member who cannot complete that term. Terms of new Board members should be staggered to ensure continuity and equal distribution. Board members can take a leave of absence at the discretion of the president.
4. The representatives of the orchestra and of the volunteer support groups shall serve according to their tenure in office as determined by their respective organizations.
5. The Board shall have the power to make appointments to fill all vacancies. Three absences from Board meetings in any one fiscal year by an elected director, without a valid reason, may constitute cause for removal from the Board.

- (a) A director may be removed for cause by affirmative vote of a majority of the Board, provided that the director proposed to be removed shall first be given reasonable notice and shall have the right to present their case against removal. Any director may resign from the Board by written notice to the president or secretary of the Board

- 6. The Board shall meet no less than every other month, except that meetings may be omitted by action of the Board. Special meetings may be called by the president.
 - (a) One-third of the Board positions currently filled shall constitute a quorum. If less than a quorum attends a meeting, a majority of the members present may adjourn the meeting to a time and place certain.

- 7. No compensation shall be paid directors, but actual and necessary expenses may be reimbursed.

ARTICLE IV

OFFICERS OF THE BOARD:

1. Officers of the Board shall consist of a president, secretary, treasurer and president-elect, if one has been designated.
 - (a) The Board may elect and install officers from nominations presented by the Governance Committee, or the board as a whole.
 - (b) The term of the president shall be two-years, unless otherwise specified by the board. The term of the president shall extend to the end of the fiscal year or until their successor has been duly elected.
 - (c) The term of office of the remaining officers shall extend to the end of the current fiscal year or until their successors have been duly elected.
2. The president shall preside at all meetings of the Board. The president shall be responsible for seeing that the decisions made by the Board are executed, appointing all committee chairs, and serving as an ex-officio member of all committees. In times of their absence or disability, the president shall appoint the president-elect, or other officer, to act as president.
3. The secretary shall be responsible for taking minutes at Board meetings, shall review all written records of the proceedings at all Board meetings, and shall provide such records to the president and executive director. The secretary may co-sign legal documents as required and shall perform such other duties as the Board may designate.
4. The treasurer shall direct the executive director in the handling of all monies of the RVSA, and the accounting for them, and the preparing of all financial reports and income tax and informational returns and shall perform such other duties as the Board may designate..
 - (a) Such funds shall be disbursed by check, and checks greater than an amount designated by the Board must be signed by two authorized signatures.

APPROVED BY BOARD 5/20/15

- (b) An operating statement shall be presented to the Board at each regular meeting.
- 5. The Board may by a majority vote remove an officer from office and elect a successor. The removal shall be with or without cause, provided that the officer shall be given reasonable notice and shall have the right to present their case against removal.
- 6. The Board may establish other offices with attendant duties as deemed necessary.
- 7. The Board may choose a president-elect at any time.

ARTICLE V

STANDING COMMITTEES:

1. Executive Committee

- (a) Between the Board's regular meetings and when a meeting of the full Board is not possible or necessary, on-going oversight of the affairs of RVSA may be conducted by an Executive Committee.
- (b) The Executive Committee members shall include the president, president-elect (if one has been designated), treasurer, secretary, and such other board members as the president may appoint who shall serve at the pleasure of the president. The executive director and music director shall be ex-officio members.
- (c) The Executive Committee shall have the authority to Act for the board between meetings of the board to:
 - 1. oversee the operations of RVSA;
 - 2. carry out policies established by the board;
 - 3. in an emergency only, assume the policy-making responsibilities of the board.
- (d) The president of the Board shall be chair of the Executive Committee.
- (e) Any policy-making actions by the Executive Committee are subject to review by the full board at the next regularly scheduled meeting.

2. Governance Committee

- (a) The Governance Committee shall be selected and shall function in the manner set out in Article VI hereinafter.
- (b) The Governance Committee is responsible for recruiting and enlisting individuals who qualify for membership on the Board and for officer positions. The Governance

Committee shall from time to time present to the Board a list of candidates to fill vacancies on the Board.

- (c) The Governance Committee shall include the president, president-elect (if one has been designated), and other such members as the president shall appoint who shall serve at the pleasure of the president.
- (d) Annually the Governance Committee shall submit a slate of officers for approval by the Board. At this meeting, names may be put into nomination from the floor, and nominees must be Board members. Prior notice of the slate of officers to be presented for approval by the Board will be sent before the meeting at which the vote is to occur.

3. Finance Committee:

- (a) The Finance Committee shall ensure that RVSA financial statements and procedures are evaluated to determine that adequate fiscal controls and procedures are in place and that RVSA is in good financial health.
- (b) The treasurer shall be the chair of the Finance Committee. The Finance Committee shall also include such other board members as the president may appoint, in consultation with the treasurer, who shall serve at the pleasure of the president.
- (c) The Finance Committee annually shall present a budget for approval by the Board.

4. Development Committee:

- (a) The Development Committee is responsible for overseeing the overall fundraising plan approved by the Board.
- (b) The Development Committee shall also include such other Board members as the president may appoint, in consultation with the Chair, who shall serve at the pleasure of the president.
- (c) The Development Committee shall annually present a fund-raising plan for approval by the Board.
- (d) The Development Committee shall be selected and shall function in the manner set out in Article VI hereinafter.

ARTICLE VI

OTHER COMMITTEES:

1. The president may create such other committees and task forces as the president deems appropriate, and shall appoint the chairs of such committees and task forces who shall assist in conducting the affairs of the RVSA.
2. Unless otherwise specified in these bylaws, members of each committee and task forces shall be selected by the chair in consultation with the president. Such committees and task forces shall have the power and duties designated by the Board, and shall give advice and make non-binding recommendations to the Board.
3. Only Board members can be chairs of committees. Committee members, selected by each chair, may be from the community at large, except that all members of the Nominating Committee must be Board members.

ARTICLE VII

FINANCIAL ADMINISTRATION:

1. The fiscal year of the RVSA shall begin on July 1 and end on June 30 following.
2. The Board shall determine whether the financial records of the RVSA should be audited or reviewed. The results of such audit or review shall be reported by the Finance Committee to the Board within thirty days of the completion of the audit or review.
3. Any disbursement from the cash reserve fund shall be subject to prior, specific Board authorization.
4. Upon the dissolution of this corporation for any reason, all assets remaining after the payment of all outstanding debts shall be donated to any nonprofit, tax exempt musical organization which the Board may by resolution designate.

ARTICLE VIII

MUSIC DIRECTOR AND EXECUTIVE DIRECTOR:

1. The Board shall engage the music director, who shall perform their duties in accordance with the job description or contract.
2. The Board shall engage the executive director, who shall perform their duties in accordance with the job description or contract.

ARTICLE IX

LIABILITY:

1. No officer, committee, or any other person shall contract or incur any debts on behalf of the RVSA or in any way render it liable unless authorized by the Board.
2. No officer, committee, employee, or contractor can act on behalf of the RVSA to promise moral or financial support to any person or group without the approval of the Board of the RVSA.

ARTICLE X

INDEMNIFICATION:

1. The RVSA shall have the authority to indemnify, reimburse, or defend any present or former director, officer, associate, employee, or agent of the RVSA for expenses, claims, liabilities, indebtedness, penalties, damages, or injuries incurred by or caused to them in such capacity to the full extent authorized by the laws and the public policy of the State of Oregon.
2. Indemnification pursuant to the foregoing authority shall not be deemed to be exclusive of any other rights to which such present or former director, officer, associate, employee, or agent of the RVSA may be entitled under any other bylaws, agreement, vote of the Board or otherwise.

APPROVED BY BOARD 5/20/15

ARTICLE XI

BONDING:

1. The Board may require any or all of the officers, agents, and employees, as it deems advisable, to give bond or bonds for the faithful performance of their respective duties and offices but the RVSA shall pay the necessary premiums for securing such bonds.

APPROVED BY BOARD 5/20/15

ARTICLE XII

AMENDMENTS:

1. These bylaws may be amended by a two-thirds vote of the directors provided written notice of proposed amendment is given each director at least ten days before the meeting.

2015 Exempt Org. Return
prepared for:

ROGUE VALLEY SYMPHONY ASSOCIATION
1875 HIGHWAY 99 N, SUITE 7/DOOR D
ASHLAND, OR 97520

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- Do not enter social security numbers on this form as it may be made public.
- Information about Form 990 and its instructions is at www.irs.gov/form990.

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2015 calendar year, or tax year beginning 7/01, **2015, and ending** 6/30, **2016**

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C **ROGUE VALLEY SYMPHONY ASSOCIATION**
 1875 HIGHWAY 99 N, SUITE 7/DOOR D
 ASHLAND, OR 97520

D Employer identification number: [REDACTED]

E Telephone number: 541-708-6401

G Gross receipts \$ 1,103,218.

F Name and address of principal officer: PAUL SMITH
 SAME AS C ABOVE

H(a) Is this a group return for subordinates? Yes No

H(b) Are all subordinates included? Yes No
 If 'No,' attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: WWW.RVSYPHONY.ORG

K Form of organization: Corporation Trust Association Other

L Year of formation: 1967

M State of legal domicile: OR

H(c) Group exemption number ▶

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>ROGUE VALLEY SYMPHONY ASSOCIATION IS DEDICATED TO PROMOTING, ADVERTISING AND PRESENTING MUSICAL CONCERTS OF THE ROGUE VALLEY SYMPHONY ORCHESTRA AND TO ENCOURAGE THE CULTURAL GROWTH OF THE ROGUE VALLEY AND SURROUNDING COMMUNITIES.</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	11
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	123
	6 Total number of volunteers (estimate if necessary)	6	100
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	531,393.	710,474.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	329,133.	360,700.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,594.	32,044.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	871,224.	1,103,218.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	448,261.	418,788.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 64,152.		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	265,491.	288,070.	
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	713,752.	706,858.	
19 Revenue less expenses. Subtract line 18 from line 12	157,472.	396,360.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	1,541,171.	1,883,920.
	22 Net assets or fund balances. Subtract line 21 from line 20	237,515.	237,393.
		1,303,656.	1,646,527.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: LYNN THOMPSON
 Date: _____
 Title: TREASURER

Paid Preparer Use Only

Print/Type preparer's name: ROBERT W. HAGUE, CPA
 Preparer's signature: _____
 Date: _____
 Check if self-employed PTIN: [REDACTED]

Firm's name: KDP CERTIFIED PUBLIC ACCOUNTANTS, LLP
 Firm's address: 640 SUPERIOR CT
 MEDFORD, OR 97504-6181
 Firm's EIN: [REDACTED]
 Phone no.: (541) 773-6633

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

**ROGUE VALLEY SYMPHONY ASSOCIATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015
WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**



Certified
Public
Accountants, LLP

A Kosmatka, Donnelly, and Piels Company
640 Superior Court, Medford, OR 97504

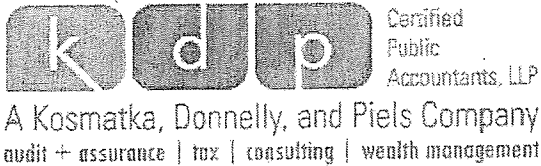
ROGUE VALLEY SYMPHONY ASSOCIATION

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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P: 541.773.6633 | F: 541.773.1965
640 Superior Court, Medford, OR 97504
www.KDPLL.com

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Rogue Valley Symphony Association
Ashland, Oregon

We have reviewed the accompanying financial statements of Rogue Valley Symphony Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility.

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in dark ink, appearing to read 'Mark E. Damon'.

Mark E. Damon, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
January 18, 2017

ROGUE VALLEY SYMPHONY

STATEMENT OF FINANCIAL POSITION JUNE 30, 2016 AND 2015

	<u>ASSETS</u>	
	<u>2016</u>	(Restated) <u>2015</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 985,452	\$ 781,463
Pledges and grants receivable	55,700	68,964
Prepaid expenses	16,439	11,713
Security deposit	500	-
Total current assets	1,058,091	862,140
NON-CURRENT ASSETS:		
Property and equipment, net of accumulated depreciation of \$70,119 and \$67,917, respectively	9,146	2,662
OTHER ASSETS:		
Beneficial interest in assets held by Oregon Community Foundation (OCF)	816,683	676,369
TOTAL ASSETS	\$ 1,883,920	\$ 1,541,171
	<u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES:		
Accounts payable	\$ 6,257	\$ 2,224
Accrued payroll taxes and benefits	3,835	7,749
Deferred income	227,301	227,542
Total current liabilities	237,393	237,515
NET ASSETS:		
Unrestricted	544,584	606,742
Temporarily restricted	285,260	20,545
Permanently restricted	816,683	676,369
Total net assets	1,646,527	1,303,656
TOTAL LIABILITIES AND NET ASSETS	\$ 1,883,920	\$ 1,541,171

ROGUE VALLEY SYMPHONY

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES:				
Ticket sales	\$ 346,885	\$ -	\$ -	\$ 346,885
Contributions	201,748	255,467	85,401	542,616
Interest/investment income	32,044	-	-	32,044
Miscellaneous	13,815	-	-	13,815
Grants	78,183	89,675	-	167,858
Contribution of assets to OCF	(108,402)	-	108,402	-
Net assets released from restrictions	80,427	(80,427)	-	-
Total support and revenues	<u>644,700</u>	<u>264,715</u>	<u>193,803</u>	<u>1,103,218</u>
EXPENSES:				
Program expenses:				
Artistic	344,189	-	-	344,189
Concert	53,610	-	-	53,610
Production	32,169	-	-	32,169
Total program expenses	<u>429,968</u>	<u>-</u>	<u>-</u>	<u>429,968</u>
Support services expenses:				
Fundraising	64,152	-	-	64,152
Management and general	212,738	-	-	212,738
Total support services expense	<u>276,890</u>	<u>-</u>	<u>-</u>	<u>276,890</u>
Total expenses	<u>706,858</u>	<u>-</u>	<u>-</u>	<u>706,858</u>
Operating income	(62,158)	264,715	193,803	396,360
CHANGE IN VALUE OF ASSETS HELD BY OCF				
	<u>-</u>	<u>-</u>	<u>(53,489)</u>	<u>(53,489)</u>
INCREASE IN NET ASSETS	(62,158)	264,715	140,314	342,871
NET ASSETS - BEGINNING OF YEAR	606,742	20,545	676,369	1,303,656
NET ASSETS - END OF YEAR	\$ 544,584	\$ 285,260	\$ 816,683	\$ 1,646,527

ROGUE VALLEY SYMPHONY

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2015 (RESTATED)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES:				
Ticket sales	\$ 319,130	\$ -	\$ -	\$ 319,130
Contributions	397,447	35,630	9,122	442,199
Interest/investment income	31,613	-	-	31,613
Miscellaneous	8,702	-	-	8,702
Grants	50,598	41,000	-	91,598
Contribution of assets to OCF	(21,195)	-	21,195	-
Net assets released from restrictions	61,085	(61,085)	-	-
Total support and revenues	<u>847,380</u>	<u>15,545</u>	<u>30,317</u>	<u>893,242</u>
EXPENSES:				
Program expenses:				
Artistic	386,696	-	-	386,696
Concert	67,870	-	-	67,870
Production	30,948	-	-	30,948
Total program expenses	<u>485,514</u>	<u>-</u>	<u>-</u>	<u>485,514</u>
Support services expenses:				
Fundraising	46,468	-	-	46,468
Management and general	175,937	-	-	175,937
Total support services expense	<u>222,405</u>	<u>-</u>	<u>-</u>	<u>222,405</u>
Total expenses	<u>707,919</u>	<u>-</u>	<u>-</u>	<u>707,919</u>
Operating income	139,461	15,545	30,317	185,323
CHANGE IN VALUE OF ASSETS HELD BY OCF				
	<u>-</u>	<u>-</u>	<u>(29,339)</u>	<u>(29,339)</u>
INCREASE IN NET ASSETS	139,461	15,545	978	155,984
NET ASSETS - BEGINNING OF YEAR	<u>467,281</u>	<u>5,000</u>	<u>675,391</u>	<u>1,147,672</u>
NET ASSETS - END OF YEAR	<u>\$ 606,742</u>	<u>\$ 20,545</u>	<u>\$ 676,369</u>	<u>\$ 1,303,656</u>

ROGUE VALLEY SYMPHONY

STATEMENT OF CASH FLOWS YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 342,871	\$ 155,984
Adjustments to reconcile change in net assets to net cash applied to operating activities:		
Depreciation	2,202	936
Contributions to OCF	(193,803)	(30,317)
Change in value of beneficial interest in assets held by OCF	53,489	29,339
(Increase) decrease in prepaid expenses	(4,726)	(2,758)
(Increase) decrease in pledges and grants receivable	13,264	(68,814)
(Increase) decrease in security deposits	(500)	-
Increase (decrease) in accounts payable	4,033	2,127
Increase (decrease) in accrued payroll taxes and benefits	(3,914)	3,074
Increase (decrease) in deferred income	(241)	19,405
Net cash provided by operating activities	212,675	108,976
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(8,686)	-
Net cash provided (used) by investing activities	(8,686)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	203,989	108,976
CASH AND CASH EQUIVALENTS - Beginning of the year	781,463	672,487
CASH AND CASH EQUIVALENTS - End of the year	\$ 985,452	\$ 781,463

ROGUE VALLEY SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1 – Summary of Significant Accounting Policies

The summary of significant accounting policies of Rogue Valley Symphony Association (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

Rogue Valley Symphony Association was formed in 1967 in the State of Oregon as a non-profit corporation. The Organization is dedicated to promoting, advertising and presenting musical concerts of the Rogue Valley Symphony Orchestra and to encourage the cultural growth of the Rogue Valley and surrounding communities.

Basis of Accounting

The Organization maintains its financial records on the accrual basis of accounting. Revenue is recognized as the related services are provided. Grant funds received in advance are accounted for as temporarily restricted or unrestricted as provided in the particular terms of the respective grant agreements.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and are presented in accordance with accounting for financial statement of not-for-profit organizations, which requires classification of an organization's net assets and its revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – be presented in a statement of financial position and that the amounts of change in each of those classes of net assets be presented in a statement of activities. The assets, liabilities, revenues, expenses, and net assets of the Organization are reported in the following categories:

Unrestricted net assets: represent unrestricted resources available to support the Organization's operations and temporarily restricted resources which have become available for use by the Organization in accordance with the intention of the donor.

Temporarily restricted net assets: represent contributions that are limited in use by the Organization in accordance with temporary donor-imposed stipulations. These stipulations may expire with time or may be satisfied by the actions of the Organization according to the intention of the donor. Upon satisfaction of such stipulations, the associated net assets are released from temporarily restricted net assets and recognized as unrestricted net assets.

Permanently restricted net assets: represent net assets subject to donor-imposed stipulations that they be maintained by the Organization in perpetuity. The Board of Directors has interpreted Oregon's enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of permanently restricted donations absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the permanently restricted fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Generally, the donors of these assets permit the Organization to use all or part of the investment return on these assets.

**ROGUE VALLEY SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies (continued)

Tax-Exempt Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and received their determination letter from the IRS in May 1969. However, income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. The Organization qualifies for the charitable contribution deduction and has also been classified as an organization that is not a private foundation under Section 509(a).

The Organization's Federal Form 990, Return of Organization Exempt from Income Tax, and annual filings with the State of Oregon, are subject to examination by the respective taxing authorities, generally for three years after they were filed. The Organization has concluded no material uncertain tax positions have been taken on any open tax returns. For the current year, management believes all tax positions are fully supportable by existing Federal law and related interpretations and there are no uncertain tax positions to consider.

Restatement of Prior Year Amounts

During the fiscal year ended June 30, 2016, the Organization identified an issue related to fiscal 2015. The issue is related to the release of time restrictions on specific donations in the fiscal year ended June 30, 2015 and resulted in a classification error of \$3,186 in which unrestricted net assets were overstated and temporarily restricted net assets were understated.

The issue has been corrected by restating the net assets released from restrictions on the statement of activities for the year ended June 30, 2015.

Contributions and Promises to Give

Donations of assets are recorded at their estimated fair value at the date of donation. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor imposed restrictions that are met in the same reporting period are reported as unrestricted.

Donated services are recognized as contributions in accordance with the FASB ASC. If the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers may provide various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under the ASC are not met, or the valuation of such services cannot be reasonably determined. No amounts have been reflected in the financial statements for donated services for the year ended June 30, 2016.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical methods.

**ROGUE VALLEY SYMPHONY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses (continued)

Program services include expenses directly related to the exempt purpose of the Organization. Currently, there are three program focuses. Artistic focuses on the conducting, musician, and soloist expenses related to the symphony performances. Concert focuses on necessary advertising, box office, and media expenses for the related symphony performances. Production focuses on stage set up, equipment rental and other necessary symphony performances expenses along with teaching aid materials. Fund-raising activities provide the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations. Management and General activities include the functions necessary to maintain an employment program; ensure an adequate working environment; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the organization.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all investments with an immediate liquidity basis to be cash equivalents. These primarily include cash depository and money market accounts that are not otherwise held by an investment advisor. The carrying values of cash and cash equivalents approximate fair value.

Property and Equipment

Property and equipment are carried at cost. Depreciation and amortization is provided using the straight-line method for all depreciable assets over the estimated useful lives of the assets, which range from 5 to 10 years.

Depreciation expense was \$2,202 and \$936 for the years ended June 30, 2016 and 2015, respectively.

Advertising

The Organization expenses advertising costs as incurred. Advertising costs for the years ended June 30, 2016 and 2015 were \$28,311 and \$20,919, respectively.

Unearned Income

The Organization records proceeds from the sale of pre-order tickets and other advanced sales as deferred revenue and recognizes admission revenue when a holder redeems the ticket or other advanced sale certificates. The Organization considers ticket redemption at the time of the event.

Note 2 – Cash and Cash Equivalents

The Organization maintains its cash balances and money market funds in three national institutions with offices located in Southern Oregon. At June 30, 2016, all deposit accounts were guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. The Organization's uninsured deposits were \$554,754 and \$332,971 at June 30, 2016 and 2015, respectively.

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Note 3 – Pledges Receivable

The Organization receives pledges and grants from various individuals and organizations. An allowance for doubtful accounts has not been recorded by management for these balances as they estimate any uncollectible amount to be insignificant based on historical reference. All pledges are considered current at June 30, 2016 and 2015 (no long-term pledges).

Note 4 – Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements and Disclosures* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC Topic 820 describes three levels of inputs that may be used to measure fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs, other than the quoted price in active markets, that are observable either directly or indirectly.
- Level 3 – Unobservable inputs based on our own assumptions.

The beneficial interest in assets held by the Oregon Community Foundation has been valued, as a practical expedient, at the fair value of the Organization's share of the Foundations' investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair value of certain investments of the Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The Foundation's investments are composed of approximately 40% equities (both domestic and international), 20% alternative investments, 15% fixed income, 15% inflation hedge investments, and 10% private equity. As a result of these factors, the assets held by the Oregon Community Foundation have been categorized as a Level 3 financial instrument.

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis at:

	June 30, 2016			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 985,452	\$ -	\$ -	\$ 985,452
Beneficial interest in assets held by OCF	-	-	816,683	816,683
	<u>\$ 985,452</u>	<u>\$ -</u>	<u>\$ 816,683</u>	<u>\$ 1,802,135</u>

**ROGUE VALLEY SYMPHONY ASSOCIATION
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Note 4 – Fair Value of Financial Instruments (continued)

	June 30, 2015			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 781,463	\$ -	\$ -	\$ 781,463
Beneficial interest in assets held by OCF	-	-	676,369	676,369
	<u>\$ 781,463</u>	<u>\$ -</u>	<u>\$ 676,369</u>	<u>\$ 1,457,832</u>

Financial instruments classified as Level 3 in the fair value hierarchy represent the Organization's investments in financial instruments in which the Organization has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for Level 3 financial instruments:

	<u>2016</u>	<u>2015</u>
Balance at beginning of year	\$ 676,369	\$ 675,391
Contributions received	193,803	30,317
Distributions paid	(30,759)	(27,523)
Undistributed change in value of beneficial interest in OCF (net of fees)	<u>(22,730)</u>	<u>(1,816)</u>
Balance at end of year	<u>\$ 816,683</u>	<u>\$ 676,369</u>

Note 5 – Beneficial Interest in Oregon Community Foundation

In February 2000, the Organization elected to participate in the Oregon Community Foundation (OCF). The Organization transferred assets to OCF which is holding them as an endowed component fund titled the Rogue Valley Symphony Endowment Fund for the benefit of the Organization. In June 2004, the Organization established a Subfund of the Rogue Valley Symphony Endowment Fund entitled Robert A Johnson Bequest Subfund, also known as the Board Designated Endowment Fund subject to the agreement between the Organization and OCF. The Organization has granted OCF variance power which gives OCF's Board of Trustees the power to use the Fund for other purposes in certain limited circumstances. The Fund is subject to OCF's investment and spending policies which currently result in reinvestment of any distributions to be paid to the Organization, of a certain percent of the average quarterly value over time, until further notice.

The Organization reports the fair value of the Funds as Beneficial Interest in Assets Held by OCF in the statement of financial position as permanently restricted in accordance with applicable accounting principles and reports distributions received as investment income. Unrealized changes in the value of the Fund are reported in the permanently restricted category of the statement of activities.

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Note 6 – Leases

In August of 2015, the Organization entered into a lease contract for its office space. The lease commenced on August 15, 2015 and expires August 31, 2018. Monthly rent is \$911. Rent expense under this arrangement amount to \$9,587 for the year ended June 30, 2016 and there was no rent expense for the year ended June 30, 2015.

Future minimum lease payments under the operating lease are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2017	\$ 10,929
2018	10,930
2019	911
	<u>\$ 22,770</u>

Note 7 – Net Assets

Temporarily restricted net assets

Temporarily restricted contributions and earnings have been received and are available for the following purposes at June 30:

	<u>2016</u>	<u>2015</u>
Temporarily restricted net assets:		
Link-Up program	\$ 23,986	\$ 12,530
Classical coaches	5,253	1,940
Chamber players	15,866	6,075
Individual sponsorship	153,655	-
Other	86,500	-
	<u>\$ 285,260</u>	<u>\$ 20,545</u>

Permanently restricted net assets

Contributions for the Oregon Community Foundation (OCF) Endowment fund totaling \$85,401 and \$9,122 at June 30, 2016 and 2015, respectively, have been permanently restricted by donors. Only earnings from principal can be used for Organizational purposes

The Board transferred certain assets to the OCF Board Designated Endowment fund totaling \$108,402 and \$21,195 at June 30, 2016 and 2015, respectively. In accordance with GAAP, when this transfer was made, the assets were deemed to be permanently restricted net assets. Only earnings distributed back from OCF can be used for Organizational purposes.

Interpretation of Relevant Law

In relation to the Board Designated Endowment fund net assets held by OCF, the OCF Board of Trustees controls the funds investment and spending policies, the Organization has no control of such policies. The OCF investment policies and the performance of the investment managers are reviewed quarterly by an investment committee made up of community volunteers and the OCF board members.

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Note 7 – Net Assets (continued)

Interpretation of Relevant Law (continued)

In relation to the permanently restricted funds, the Board of Directors of the Organization has interpreted the State of Oregon Uniform Prudent Management of Institutional Funds Act (SPMIFA), adopted January 1, 2008, as allowing the Organization, absent of any donor stipulations to the contrary, to appropriate so much of an endowment fund as the Organization determines is prudent for uses, benefits, purposes, and duration for which the endowment is established.

Note 8 – Subsequent Events

Management of the Organization has evaluated events and transactions occurring after June 30, 2016 through January 18, 2017 the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.