

North Carolina Symphony  
RFP #: 18-001

Proposal for Hospitality  
Tax Small Capital  
Projects Funding

Proposed Closing Time & Date:  
3:00PM on February 8, 2018

# NORTH CAROLINA **SYMPHONY**

**Acoustical Canopy  
Meymandi Concert Hall**

**Duke Energy Center  
for the Performing Arts**

**Raleigh**

# NORTH CAROLINA SYMPHONY

tel 919.733.2750 | fax 919.733.9920 | [www.ncsymphony.org](http://www.ncsymphony.org) | 3700 Glenwood Avenue, Suite 130, Raleigh, North Carolina 27612

February 8, 2018

Ms. Denise Foreman  
Assistant County Manager  
Wake County Justice Center, 4<sup>th</sup> Floor  
301 S. McDowell Street  
Raleigh, NC 27601

Dear Ms. Foreman,

The North Carolina Symphony is most appreciative of Wake County's decision to establish a Small Capital Projects Fund for projects that are consistent with the room occupancy tax and the prepared food and beverage tax enabling legislation that became law in 1991. We are also very grateful to be afforded the opportunity to apply for funding under this special program.

Please find enclosed the Symphony's formal proposal for Hospitality Tax Small Capital Projects Funding. Pursuant to the instructions specified in the RFP package, our proposal consists of a "single bound copy" and an "electronic PDF version on Flash Drive." The latter is in a printable format for 8 1/2 X 11.

Should the county's evaluation team have questions during its preliminary review of the Symphony's proposal, please direct all inquiries to Rob Schiller, our Senior VP for Finance and Administration, at [rschiller@ncsymphony.org](mailto:rschiller@ncsymphony.org) or 919-789-5490 (office)/919-741-9977 (cell).

Again, thank you for this opportunity and for your commitment to public service.

Sincerely,



Sandi M.A. Macdonald  
President & CEO

# NORTH CAROLINA **SYMPHONY**

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# NORTH CAROLINA SYMPHONY

## EXECUTIVE SUMMARY

The North Carolina Symphony (NCS) is the largest performing arts organization in the state. Each year, NCS performs over 175 concerts and reaches 250,000 North Carolinians across the state. Headquartered in Meymandi Concert Hall (MCH) at the Duke Energy Center for the Performing Arts (DECPA), NCS welcomes over 100,000 patrons to more than 75 concerts annually. NCS audiences represent approximately 24% of all attendees to DECPA.

The overall design of Meymandi Concert Hall at DECPA is intended to promote a sense of acoustical intimacy and provide audiences with a feeling of being immersed in the music. The original acoustical design concepts for MCH included an acoustical canopy, which was subsequently removed from the final construction due to budgetary limitations. Constructing and installing an acoustical canopy will improve on-stage hearing conditions for the musicians, enabling performing musicians to hear different parts of the orchestra during live performances, and increase the sense of impact and clarity for the audience. Adding this element now is essentially a completion of the original vision for MCH and will give Wake County residents and visitors a venue which will compare favorably to many of the world's best concert halls.

The construction and installation of an acoustical canopy will cost \$558,000. NCS seeks a grant of \$195,300, which will fund 35% of the total project costs to ensure all attendees of the North Carolina Symphony performances are afforded the best possible concertgoing experience. ***NCS has raised the balance of the funds required to construct and install the acoustical canopy.*** Additionally, NCS has worked closely with the City of Raleigh on the study for the acoustical canopy and has received approval from the Raleigh City Council to proceed with the project.

The responsibilities of the project team include: obtaining the appropriate permits, overseeing the bidding and construction administration and overseeing the commissioning and installation of the acoustic canopy. This team includes:

- Sandi M.A. Macdonald, President and CEO, NCS
- Jim Lavery, Manager of DECPA
- Paul Scarborough, Principal, Akustics  
Akustics is the international leader in providing guidance and leadership in defining excellence in architectural and audio acoustic in the next generation of great performance and recital halls, theatres, and museums.
- Robert Schiller, Senior Vice President for Finance, Administration & CFO, NCS
- Martin Sher, Vice President for Artistic Operations and General Manager, NCS
- Construction Company Representative (TBD)

The primary engagement contact for this project is Rob Schiller, who can be reached at: [rschiller@ncsymphony.org](mailto:rschiller@ncsymphony.org), phone: 919-789-5490 or fax: 919-781-6066.

# NORTH CAROLINA SYMPHONY

## PROJECT OVERVIEW AND OBJECTIVES

### Overall Project Description

Meymandi Concert Hall serves as the principal performance venue for the North Carolina Symphony. The Symphony presents an annual season of both classical and pops concerts. The Duke Energy Center for the Performing Arts operates the hall and programs events on dates not used by the North Carolina Symphony. These non-Symphony events include a mixture of amplified music and choral programs. The programs presented by the North Carolina Symphony represent the largest proportion of events in Meymandi Hall.

A new acoustical canopy would be comprised of four steel-framed panels with a painted MDF (medium density fiberboard) or plywood finish. The panels would be articulated to distribute energy both upstage and downstage as well as across the platform and out to the audience. Each panel would be approximately 8-feet in depth and extend to the edge of the platform on each side. Cross platform gaps would be provided between panels and pipes along the upstage edge of each panel to accommodate performance lighting. A preliminary design concept for the proposed canopy is shown in the sketches appended to this proposal. The acoustical canopy panels would be rigged from the roof steel using chain hoists. The canopy rigging would be designed to allow for an adjustment of the angle of the canopy between a nominal angle of 0-degrees (i.e., parallel to the platform) to a maximum angle of about 8-degrees. This angle and the canopy height would be fine-tuned during listening sessions with the orchestra (in rehearsal and performance) and then fixed once the height and angle have been optimized.

See Section 8: Appendix A for Acoustical Canopy Renderings

### Analysis: Inadequate Facility

The acoustical canopy is expected to improve on-stage hearing conditions for the musicians and to increase the sense of impact and clarity for the audience, particularly the audience on the orchestra floor. Originally conceived as part of Meymandi Concert Hall, an acoustical canopy will 1) enable musicians to hear other sections of the orchestra during live performances 2) allow for precise performances by musicians in the orchestra as well as during other live music performances, and 3) give patrons the experience and sense of being immersed in the music.

In 2016, the City of Raleigh and NCS commissioned an acoustical survey of MCH by Akustics to assess the stage acoustics to determine the feasibility of improving the performer and listener experience. Per the report prepared by Akustics, the major acoustical shortcoming in Meymandi Hall relates to the design and execution of the ceiling over the stage, which affects both impact for the audience and the on-stage hearing of the musicians.

### Impact

At 1,700-seats, Meymandi Hall is a modestly scaled venue and the sense of impact is not quite as high as might be expected in such a venue according to the independent acoustical survey conducted by Akustics. Impact is related both to the scale of a performance space and the degree to which the stage area effectively projects the sound of the performer to the audience. The design of the ceiling over the stage is largely responsible for this reduced sense of impact. The length of the acoustical path from the orchestra to audience is too long and passes through too

# NORTH CAROLINA SYMPHONY

many elements, which reduces the strength of the overhead reflection and diminishes the overall sense of impact

## On-Stage Hearing

For musicians to have a good on-stage acoustical experience requires a balance between two streams of sound energy. Early energy contributes to rhythmic precision and ensemble playing. Late or reverberation energy assists with intonation and inter-sectional balances. Good on-stage hearing depends upon having both of these streams in proper proportion to one another.

On the performance platform in MCH, the strong reverberation in the hall is audible on-stage and therefore intonation and inter-sectional balances come relatively easily for the orchestra. However, the design of the ceiling over the stage sharply reduces the reflection back to the musicians from overhead and the sense of rhythmic precision suffers.

## **Community Need**

Meymandi Concert Hall, which opened in 2001, is the only indoor facility in Wake County specifically built to house the orchestral performances of the North Carolina Symphony. In 2008, a 20-year contract was executed continuing previous agreements to ensure MCH remains the headquarters of the Symphony. This agreement reflects the long-term commitment by the NCS to bring the highest quality performances into the area for residents and visitors to Wake County.

In addition, when NCS is not in residence, MCH serves as the performance space for other local organizations such as Pinecone, NC Opera, and NC Master Chorale as well as various travelling productions. The installation of an acoustical canopy would greatly improve the listening experience for audiences of these shows as well as increase the rental appeal of MCH for future potential productions as MCH would now be comparable to the best concert halls in the world.

There are no anticipated delays for this project. If there were a delay, it would not impact its viability.

## **Capital Investment**

NCS forecasts an immediate impact on attendance as well as sustained growth in subsequent years. The return on the County's \$195,300 investment, as amortized over the first seven years of the project, ranges from 143% to 174% per year - providing a cumulative \$504,591 in hospitality taxes over the seven-year period.

## **Collaboration**

The original construction of Meymandi Concert Hall in 2001 was a collaboration between the City of Raleigh, the State of North Carolina and the North Carolina Symphony. NCS was responsible for raising millions of dollars to help fund the new concert hall and collaborated with the City of Raleigh on several design elements.

NCS has experimented with different types of programming and collaborations to reach new audiences and develop new concert experiences. Committed to presenting programs for diverse audiences, NCS has had several successful artistic partnerships. Through collaborative efforts with the NC Department of Natural and Cultural Resources and the NC Museum of

# NORTH CAROLINA SYMPHONY

Natural Sciences, NCS has performed concerts that were both educational in focus and innovative in presentation. A multimedia concert experience, Vivaldi's *Four Seasons*, celebrated the 100<sup>th</sup> anniversary of the NC State Parks with visual images from state parks across NC; and the concert, *The Planets: Live!*, combined music from Holst's *The Planets* and images of planets from NASA missions. These performances were extremely successful with attendance at 98% and 99% of house capacity, respectively.

## **Success Measurement**

The direct impact on the addition of the acoustical canopy would be an important improvement to the listening experience for the Symphony's music-loving audiences. With this new superior acoustical quality, NCS would expect that some patrons attending regular NCS subscription concert series in the surrounding counties such as Moore and Orange County, will move to the Wake County performances. In addition, NCS expects this improvement will lead to increased satisfaction with the concert experience, leading to larger and more consistent concert attendance within Wake County.

Each year, the Symphony tracks data on new and renewed subscription and single ticket sales, new households purchasing tickets, and actual concert attendance. This information, which can be broken down by zip code, would be made available to the County for reporting purposes.

## **Wake County Occupancy and F&B Principles**

The installation of an acoustical canopy would be consistent with many of the Wake County Room Occupancy and Prepared Food and Beverage Operating Principles. Here are a few examples:

1. Increased satisfaction in the acoustical qualities in MCH and increased attendance will directly impact the hotel and restaurant business in Wake County. Per the 2017 Arts & Economic Prosperity Report 5, nonprofits arts and culture industry, unlike most industries, leverages a significant amount of event-related spending by its audiences on services such as pre-concert dinners, post-concert dessert dining and hotel accommodations.

NCS is proud to have several existing partnerships with hotels and restaurants in the area and actively promotes their services to NCS patrons. Furthermore, according to the 2016 Impact Study of DECPA, conducted by HVS Convention, Sports & Entertainment Facilities Consulting, an international market research firm, NCS performances generate approximately 5,900 new overnight and 36,100 new day trip visitors per year for Raleigh, and approximately 5,900 new overnight and 25,300 new day trip visitors for Wake County.

2. As the major performance facility in Wake County, this upgrade will ensure that MCH stays competitive as a performance and rental space by being comparable to the best concert halls in the world.
3. Partnering with an organization that has over 85 years of experience and service to the state, as well as a 20-year agreement to perform at MCH, the investment in this project has strong long-term viability and sustainability.



# NORTH CAROLINA SYMPHONY

## PROJECT BUDGET AND FUNDING SOURCES

### Acoustical Canopy Project Budget

Description	Amount	Calendar Year of Commitment	Status of Funding
<b>Expenses</b>			
Project Study and Design			
Acoustical, Structural and Theater Consulting	\$28,510	2017	Confirmed
Project Management - Permitting			
Acoustical Consultant	\$2,800	2017	Confirmed
Theater Consultant	\$1,800	2017	Confirmed
Structural Consultant	\$500	2017	Confirmed
Construction Administration			
Acoustical Consultant	\$6,000	2017	Confirmed
Theater Consultant	\$16,500	2017	Confirmed
Consultant Expenses			
Permitting	\$3,200	2017	Confirmed
Bidding	\$800	2017	Confirmed
Site Representation	\$5,600	2017	Confirmed
Construction Administration	\$4,000	2017	Confirmed
Project Management Contingency	\$2,500	2017	Confirmed
Construction and Installation	\$485,790	2018	Pending
<b>Total Expenses</b>	<b>\$558,000</b>		
<b>Sources of Funding</b>			
City of Raleigh (shared costs of Project Study)	\$14,255	2017	Confirmed
NC Symphony - Funds Raised through Private Funding	\$348,445	2017	Confirmed
Wake County Small Capital Projects Fund	\$195,300	2018	Pending
<b>Total Funding</b>	<b>\$558,000</b>		

# NORTH CAROLINA **SYMPHONY**

## **Ratio of Private to Public Investment**

62% Private and 38% Public

## **Confirmed Sources of Funding**

- \$348,448 is already raised by the North Carolina Symphony and is in a bank account separate from the NCS day-to-day operating account. NCS donations are verified annually via an audit conducted by its independent audit firm, RSM.
- \$14,255 was paid directly by the City of Raleigh for the acoustical survey. This funding is verified in the minutes of the Raleigh City Council. Additional documentation can be supplied upon request.

## **Source of Cost Estimates**

The cost estimates were produced by the consulting firm, Akustics, in consultation with the City of Raleigh. The estimates are based on construction in the near future, although there is a small contingency for unexpected expenses including inflation.

## **Impact on Existing Infrastructure**

There will be no impact on existing infrastructure, such as roads or water and sewer facilities.

# NORTH CAROLINA SYMPHONY

## PROJECT TIMELINE

Project Action	Start Date	Finish Date
Study and Analysis of Project	Complete	
Receive drawings and specifications for acoustical canopy		
File application for an Express Review by the City of Raleigh		
Receive approval from City of Raleigh		
Prepare list of stage equipment contractors with necessary experience to fabricate and install acoustical canopy		
Hold pre-bid conference to review documents with potential contractors	2/20/2018	2/20/2018
Review bids and make recommendation to the City of Raleigh	3/16/2017	3/21/2018
Develop schedule with contractor for fabrication delivery and installation	5/1/2018	5/3/2018
Review shop drawings to ensure compliance	5/28/2018	5/31/2018
Initial installation of acoustical canopy	8/1/2018	8/31/2018
Establish preliminary angles for canopy elements and perform preliminary focus for integral theatrical light fixtures	9/3/2018	9/7/2018
Work with NCS to tune the acoustical canopy	9/11/2018	9/21/2018
First concert with acoustical canopy	9/14/2018	9/14/2018
Document final angle settings for the various canopy elements	9/20/2018	9/21/2018

# NORTH CAROLINA SYMPHONY

## PROJECT OPERATING PLAN BUDGET

North Carolina Symphony  
Project Operating Plan Budget and Projections

Projected Acoustical Canopy Upkeep Expenses	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Rigging Inspection	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$1,000	\$0
LED Lighting Replacement	Warranty	Warranty	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Total Expenses by Year	\$0	\$0	\$2,500	\$2,500	\$3,500	\$2,500	\$2,500	\$2,500	\$2,500	\$3,500	\$2,500
Projected Revenue by Year	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Total Revenue from Concerts at Meymandi Concert Hall	\$3,001,834	\$3,091,889	\$3,184,646	\$3,280,185	\$3,378,591	\$3,479,948	\$3,584,347	\$3,691,877	\$3,802,633	\$3,916,712	\$4,034,214

Source Data for Base Year of Revenue Projection

	17-18 Projected Attendance	17-18 Projected Revenue	18-19 Projected Attendance	18-19 Projected Revenue
Series at Meymandi Concert Hall				
Classical	31,500	\$1,195,792	33,075	\$1,280,693
Pops	17,500	\$894,070	18,375	\$957,549
Friday Favorites	7,000	\$110,000	7,350	\$117,810
YPC	9,200	\$146,390	9,200	\$150,782
Special Events	15,000	\$493,200	15,000	\$495,000
Education Concerts	30,000	\$0	30,000	\$0
Total	110,200	\$2,839,452	113,000	\$3,001,834

# NORTH CAROLINA SYMPHONY

## PROJECT OPERATING PLAN NARRATIVE

The North Carolina Symphony is the primary tenant of Meymandi Concert Hall located in the Duke Energy Center for the Performing Arts which is owned and operated by the City of Raleigh (COR).

It is the intention of the NCS to have an acoustical canopy for MCH designed, constructed and installed above the stage.

The COR has agreed to collaborate with the NCS to ensure the project will meet the needs of NCS while allowing the COR to maintain control of the construction process.

NCS paid for one half of the Project Study and Design which was performed by Akustics, LLC. The COR paid for the other half of the Project Study and Design. NCS paid Akustics, LLC. for the preparation of the contract documents, bidding and construction administration pieces of the project.

NCS will pay for the construction, installation and ongoing repair and maintenance of the acoustical canopy. Because the canopy panels will ultimately be dead hung, there will not be any significant maintenance required for the rigging of the canopy panels. NCS budgeted for the rigging to be inspected once every five years. Additionally, NCS budgeted for ongoing replacement of LED lights. The anticipated repair and maintenance will include but is not limited to all fire-proofing to meet current code. The acoustical canopy will require a new coat of fire-resistant paint once every 15 years.

Given the acoustical canopy will be permanently installed in the MCH, it will be the property of the COR.

NCS plans to prominently advertise the new acoustical canopy in all its promotional materials, including but not limited to brochures, display ads, radio ads and its website. Additionally, NCS plans to have a focused public relations and social media campaign to promote the new acoustical canopy and the improved sound of the concert hall.

### **Operating Budget and Financial Results**

See Section 9 for Form 990

See Section 10 for Audited Financial Report

# NORTH CAROLINA SYMPHONY

## ESTIMATES ON VISITORS AND RETURN ON INVESTMENT

North Carolina Symphony

Visitor Estimates and Return on Investment - First Seven Years of Project

Visitors	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Day Visitors	69,720	71,114	72,537	73,987	75,467	76,977	78,516
Overnight Visitors	13,280	13,546	13,817	14,093	14,375	14,662	14,955
<b>Total Visitors</b>	<b>83,000</b>	<b>84,660</b>	<b>86,353</b>	<b>88,080</b>	<b>89,842</b>	<b>91,639</b>	<b>93,471</b>
Return On Investment for Grant	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Economic Impact*	\$2,780,975	\$2,835,187	\$2,891,915	\$2,949,707	\$3,008,719	\$3,068,865	\$3,130,209
Hospitality Tax"	\$67,885	\$69,230	\$70,615	\$72,026	\$73,467	\$74,935	\$76,433
Grant Request Divided by Seven	\$27,900	\$27,900	\$27,900	\$27,900	\$27,900	\$27,900	\$27,900
	143%	148%	153%	158%	163%	169%	174%

\*Source: Visitor Estimates and Return on Investment Calculator for Room and Food Tax - Wake County

# NORTH CAROLINA SYMPHONY

## ORGANIZATIONAL INFORMATION

### **1. In Business**

The North Carolina Symphony was organized in 1932 under the direction of Pulitzer traveling fellowship recipient and composer Lamar Stringfield.

### **2. Organization Size and Structure**

NCS consists of 66 full-time musicians, 36 full-time and 7 part-time administrative staff.

NCS is led by President & CEO Sandi M.A. Macdonald and is organized into the following four departments: artistic, marketing & audience development, philanthropy, and finance & administration. Each department has a corresponding vice president.

There are two boards associated with NCS. The North Carolina Symphony Society, Inc. has a 55-person Board of Trustees comprised of the Governor of the State of North Carolina, the Superintendent of Public Instruction, the Secretary of the Department of Natural and Cultural Resources, four members appointed by the Governor, and forty-eight members elected by the membership of the Society. This Board serves as the governing body of the North Carolina Symphony; determines the organization's mission and purpose; secures the financial resources to support the organization; approves and monitors the organization's program goals; engages in strategic planning; and reviews and approves the annual budget. The Society Board also selects the President and CEO who in turn is charged with day-to-day oversight of the Society's affairs.

The North Carolina Symphony Foundation has a separately incorporated Board of Trustees of 18 members. The Foundation Board holds and manages the NCS endowment, solicits additions to the endowment, safeguards assets in a manner consistent with prudent investment of endowment funds, and expends endowment income and capital for the exclusive benefit of NCS.

See Section 8: Appendix B for a list of the North Carolina Symphony Board of Directors.

### **3. List of Executive Officers**

- Sandi M.A. Macdonald, President & CEO
- Robert Schiller, Senior Vice President for Finance, Administration & CFO
- Linda Charlton, Vice President for Marketing and Audience Development
- Lisa Ransom, Vice President of Philanthropy
- Martin Sher, Vice President for Artistic Operations and General Manager of NCS

### **4. Material**

See Section 8: Appendix C

### **5. Litigation/Governmental or Regulatory Action**

None pending

### **6. Contractual Relationships**

No organizational or contractual conflicts of interest

# NORTH CAROLINA SYMPHONY

## Proposer Team Experience

### *Sandi Macdonald*

Sandi M. A. Macdonald joined the North Carolina Symphony as President & CEO in June 2011. In this role she oversees the operations of the \$14.5 M professional orchestra of 65 musicians, 35 administrative staff, and 175 annual performances across the state of North Carolina. Ms. Macdonald's responsibilities support the mission of the North Carolina Symphony to perform at the highest artistic quality and embrace the dual legacy of statewide service and music education.

Prior to joining the North Carolina Symphony, Ms. Macdonald worked for The Cleveland Orchestra most recently as Miami Residency Director from 2007 to 2011 and from 2003 to 2007 as its Director of Marketing and Public Relations. From 1998 to 2003, Ms. Macdonald served as Senior Director, Strategic Planning and Audience Development of the Seattle Symphony. Prior to that, from 1989 to 1998, she worked in positions of increasing responsibility at the Toronto Symphony Orchestra, concluding her tenure as Marketing and Communications Director. Ms. Macdonald was born in Toronto, Canada and has a bachelor's degree in business marketing and Master of Business Administration. She studied music at the Royal Conservatory of Music in Toronto and arts management at the Banff School of Management and George Brown College. She began her career as Income Manager for the Canadian Opera Company and the National Ballet of Canada after which she held marketing and communications positions in the opera and orchestra field in Toronto and Detroit, Michigan.

Ms. Macdonald is a member of the Board of Advisors of KidzNotes an El Sistema style organization dedicated to changing children's lives through orchestra music training. She is also a member of the Board of the Raleigh Chamber of Commerce and the Greater Raleigh Convention and Visitors Bureau.

### *Robert Schiller*

Rob Schiller serves as Senior Vice President for Finance, Administration & CFO for the North Carolina Symphony. He has 30 years of experience in arts management. He came to the North Carolina Symphony in 2004 from his previous post as Manager of Budget and Finance at the Baltimore Symphony Orchestra. Earlier in his career, Mr. Schiller worked for the Choral Arts Society of Washington serving as their Deputy Director. As Senior Vice President for Finance, Administration & CFO for the North Carolina Symphony, his responsibilities include managing the finances, human resources, IT and government relations activities for the Symphony. He works closely with the Symphony's two Board of Trustees, the organization's money managers and auditors, the State of North Carolina's Department of Natural and Cultural Resources, as well as with firms providing information and systems support to the organization.

Mr. Schiller has a Bachelor of Music degree with an Arts Management concentration from James Madison University and a Master of General Administration with a concentration in Financial Management from the University of Maryland. In 2010, Schiller received a CFO of the Year Award from the Triangle Business Journal as well as a Top CFO Award from Business Leader Magazine.



# NORTH CAROLINA SYMPHONY

## *Martin Sher*

Martin Sher is the Vice President for Artistic Operations and General Manager of the North Carolina Symphony. He brings nearly two decades of experience to the post, with overall responsibility for management of the orchestra; including artistic planning, operations and production, and educational/community partnership activities. His career includes serving as Vice President of Artistic Planning for the Indianapolis Symphony Orchestra from 2008-2012, as a professional musician with the Colorado Symphony from 2000-2008, and before that the Berlin Philharmonic, as Principal with the Tanglewood Music Center Orchestra, and work as a violist and violinist with other orchestras in the United States and abroad.

Mr. Sher, who earned a bachelor's degree in Violin Performance from the Peabody Institute of the Johns Hopkins University and a master's degree in Viola Performance from the State University of New York at Stony Brook, also trained at the Royal Conservatory in Toronto, Canada, and at the Cleveland Institute of Music. He was awarded a prestigious Orchestra Management Fellowship from the League of American Orchestras in 2007. The year-long leadership training program is designed to prepare executive careers in orchestra management. The program consists of a series of residencies with orchestras of various sizes across the United States, along with intensive work with executive coaches and mentoring from industry leaders. During the fellowship year, he worked with the Aspen Music Festival & School, the Milwaukee Symphony Orchestra, the Memphis Symphony Orchestra, and the Orpheus Chamber Orchestra.

See Section 8: Appendix D for Organizational Chart

## **Similar Project**

NCS collaborated on the design concepts for Koka Booth Amphitheatre with the Town of Cary and with the City of Raleigh for Meymandi Concert Hall.

## APPENDIX A

### Acoustical Canopy Rendering



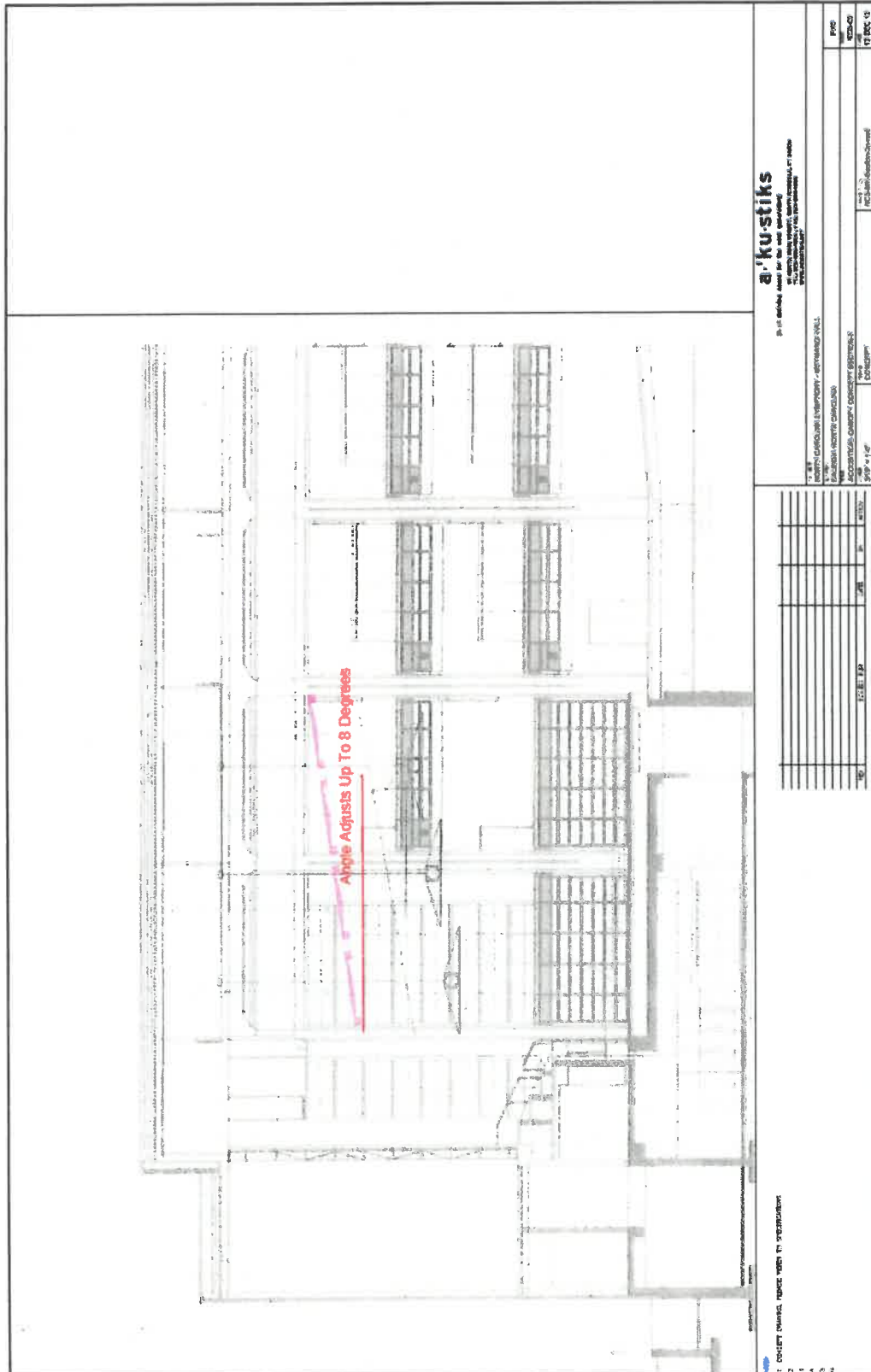
## APPENDIX A

### Acoustical Canopy Rendering



# NORTH CAROLINA SYMPHONY

## APPENDIX A Acoustical Canopy Rendering



# NORTH CAROLINA SYMPHONY

## APPENDIX B Boards of Trustees

**North Carolina Symphony Society, Inc.** *(as of November, 2017)*

*The Society Board is the governing, policy and operating board of the Symphony Society. It secures financial resources, approves program goals, engages in strategic planning and oversees budgets, continuing the Society's mission to achieve the highest level of artistic quality and performance standards, and embracing the dual legacies of statewide service and music education.*

**Mr. Don Davis**, Chair, Raleigh – Retired Vice President, Progress Energy (now Duke Energy)

**Dr. Mary Susan Fulghum**, Vice Chair, Raleigh – Retired Physician

**Mr. Joe Bastian**, Treasurer, Chapel Hill - Retired CEO, Panera Breadwinners of the Triangle

**Dr. Ted R. Kunstling**, Assistant Treasurer, Raleigh - Retired Physician

**Dr. Sally C. Johnson**, Secretary, Raleigh – Physician and Educator

**Ms. Sandi M. A. Macdonald**, President & CEO, Raleigh

**Ms. Deborah M. Aiken**, Raleigh – Wealth Management Executive

**Dr. Tim Altman\*\***, Laurinburg – Chair, Department of Music, UNC-Pembroke

**Dr. Trude R. Bate**, Cary – Community Volunteer and Arts Advocate

**Mrs. Janie W. Bird**, Raleigh – Community Leader

**Mr. Dennis W. Blue**, Raleigh – Senior VP and Wealth Management Director, PNC

**Mr. Jud Bowman**, Durham – CEO Sift Media, Inc.

**Ms. Patty Briguglio**, Cary – Public Relations/Media Consultant

**Mr. Martin H. Brinkley**, Raleigh – Attorney and Dean, UNC –CH Law School

**Mr. Steve Burriss**, Raleigh – President, REX UNC Healthcare

**Mr. Philip P. Cave**, Raleigh – Senior Vice President, Wells Fargo

**Mr. Tim Clancy**, Raleigh – President, Clancy and Theys Construction Company

**The Honorable Roy Cooper\***, Raleigh – Governor, State of North Carolina

**Mr. David R. Crabtree**, Raleigh – Anchor/Reporter WRAL-TV

**Mr. Richard L. Daugherty**, Raleigh – Retired IBM Executive

**Mr. Robert C. Doherty**, Raleigh – Retired, CEO McKinney & Silver

**Mr. Keith Donahue\*\***, Raleigh – EVP, Corporate Growth, Telerent Leasing Corporation

**Dr. Marijanet Doonan\***, Pinehurst – Physician

**Mrs. Ruth Dzau**, Durham – Community Leader

# NORTH CAROLINA SYMPHONY

**Mrs. Margaret Poyner Galbraith**, Raleigh – Executive, George Smedes Poyner Foundation

**Mr. Rick Gardner**, Raleigh – President, RGA Investments

**Mr. Robert Graham**, Chapel Hill – Retired Executive

**Mr. Donald A. Haile**, Raleigh – Retired, Corporate Executive (IBM and Fidelity Investments)

**Mr. David Haines**, Cary – Partner, Deloitte & Touche, LLP

**Secretary Susi H. Hamilton\***, Wilmington – Secretary,

North Carolina Department of Natural and Cultural Resources

**Mrs. Elaine Bryant Hayes**, Fayetteville – Retired Educator/Arts Leader

**Dr. Wm. Charles Helton**, Raleigh - Physician

**Mr. Richard E. Hinson**, Chapel Hill – Retired Executive

**Mr. Douglas C. Hornberger**, Raleigh – Director, Merrill Lynch

**Mr. Kevin Howell\*\***, Raleigh – Senior Vice President of External Affairs for the UNC system

**Mr. Michael Patrick Hughes**, - Raleigh – Vice President Community Relations, Duke Energy

**The Honorable Mark Johnson\***, Raleigh – State Superintendent, Public Instruction

**Mr. L. Dwain Joyce\***, Fayetteville – Retired Educator

**Mrs. Cecelia Eckert Kennedy**, Morrisville – Retired Dietician

**Dr. Robert Lacin**, Raleigh - Physician

**Mr. Branford Marsalis**, Durham – Musician/Educator

**Mr. James Morgan\*\***, Raleigh – Risk Advisor, Towne Insurance

**Mr. Graham Mosely**, Wilmington – Retired Executive

**Mr. Sharat Nagaraj**, Raleigh – President and CEO, Celito.net

**Mr. Thomas L. Norris, Jr.**, Raleigh – Attorney, Poyner & Spruill Law Firm

**Mrs. Florence Peacock**, Chapel Hill – Musician/Educator

**Dr. Emily Mann Peck**, Raleigh – Professor Emeritus

**Mrs. Ashley Matlock Perkinson**, Raleigh – Attorney/Lobbyist

**Dr. Ramachandra P. Reddy**, Cary – Physician

**Mr. Thomas H. Roberg**, Foundation Board President, Raleigh – Retired IT Executive

**Mr. Richard H. (Dick) Robinson, Jr.**, Chapel Hill – Retired VP and General Counsel, UNC System

**Mr. Jeffrey B. Sheehan**, Raleigh – Partner, Trinity Capital Advisors

**Mr. Jason Smith**, Raleigh – Chef/Restaurateur

**Mrs. Tracey Fodor Smith**, Farmville – Retired Nurse

**Mr. David Sontag**, Chapel Hill – Retired, Professor and Film and Entertainment Executive

# NORTH CAROLINA SYMPHONY

**Mrs. Linda J. Staunch\***, New Bern – Public Relations/Media Executive

**Mr. Terry L. Stevens**, Raleigh – Retired, Senior Vice President and CFO, Highwoods Properties

**Mrs. Jennie Harris Wallace**, Raleigh – Retired Educator

**Mr. Tim Yull**, Raleigh – Senior VP, Engineering, MetLife

*\*Ex Officio Members \*\*Governor's Appointee*

## **Lifetime Trustees**

The Society and Foundation Boards gratefully recognize these individuals as a Lifetime Trustee for extraordinary involvement and leadership of the Symphony over a significant period of time.

**Dr. Assad Meymandi** - 2015 Inductee, Raleigh

**Mr. Edward O. Woolner** – 2016 Inductee, Cary

## **North Carolina Symphony Foundation (as of November 2, 2017)**

*The Foundation Board holds the permanent endowment of the Symphony, solicits additions to the endowment, safeguards and invests assets and prudently expends funds for the exclusive use and benefit of the Symphony Society.*

**Mr. Thomas H. Roberg**, President, Raleigh – Retired IT Executive

**Mr. Larry Wilson**, Vice President, Raleigh – Retired, President & CEO, Coastal Federal Credit Union

**Col. Matt Segal**, Treasurer, Cary – Retired, Military and McDonald's Executive

**Mr. D.S. (Steve) Hodges**, Secretary, Durham – Retired, IBM

**Mr. Chip Anderson**, Raleigh – Senior Vice President, Morgan Stanley

**Ms. Catharine Biggs Arrowood**, Raleigh - Attorney/Partner, Parker Poe Law Firm

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**Mr. Richard L. Daugherty**, Raleigh – Retired IBM Executive

**Mr. Don Davis\***, Raleigh – Retired, Vice President, Progress Energy (now Duke Energy)

**Dr. Robert N. Eby**, Chapel Hill – Retired Executive

**Dr. Warner Hall**, Raleigh – Retired Physician

**Dr. Wm. Charles Helton**, Raleigh – Physician

**Mrs. Louise A. Miller**, Cary – Retired, Social Services Management

**Mr. Gray Reed**, Raleigh – Regional President, BB&T

**Ms. Dianne C. Sellers**, Raleigh – Retired Attorney and Judge

**Dr. Shaler Stidham, Jr.**, Raleigh – Retired, Educator

**Mr. Josiah Stevenson IV**, Pinehurst – Retired Executive

# NORTH CAROLINA SYMPHONY

## APPENDIX C

### Organizational Information Section 4: Materials

#### RALEIGH CITY COUNCIL MINUTES

The City Council of the City of Raleigh met in a work session at 11:30 a.m. on Tuesday, December 5, 2017 in Room 305 of the Raleigh Municipal Building, Avery C. Upchurch Government Complex, 222 West Hargett Street, Raleigh, North Carolina, with the following present:

Mayor Nancy McFarlane  
Mayor Pro Tem Kay C. Crowder  
Councilor Corey D. Branch  
Councilor David N. Cox  
Councilor Stef Mendell  
Councilor Russ Stephenson  
Councilor Nicole Stewart  
Councilor Dickie Thompson

Mayor McFarlane called the meeting to order at 11:48 a.m. All Council members were present.

#### **MEYMANDI CONCERT HALL – PUBLIC PRIVATE PARTNERSHIP – APPROVED**

The Meymandi Concert Hall (MCH) at the Duke Energy Center for the Performing Arts opened in February 2001 and serves as the principal performance venue for the North Carolina Symphony. The overall design of MCH is intended to promote a sense of acoustical intimacy and provide audiences with a feeling of being immersed in the music. Early stage acoustical design concepts for the MCH included an acoustical canopy; a canopy was subsequently deleted from the final construction schedule through a value engineering process to reduce overall costs of the facility. The purpose of an acoustical canopy is to enable performing musicians to hear different parts of the orchestra during live performances.

Canopy can be expected to improve on-stage hearing conditions for the musicians and increase the sense of impact and clarity for the audience. Adding this element now is essentially a completion of the original vision for MCH. The symphony has agreed to donate all necessary funding for the study, design, construction and installation of an acoustical canopy in the MCH at a total cost of approximately \$558,000. The City previously shared the cost of a \$49,000 feasibility study earlier in 2017; the City contributed \$14,255 of this cost from residual capital maintenance appropriations for the Performing Arts Center.

It is appropriate at this time to memorialize the project in the form of an agreement between the City and the NC Symphony. In addition, a budget amendment in the amount of \$514,255 is necessary to appropriate the additional donation from the symphony; a previous budget action in June 2017 appropriated the \$43,700 prior donation of funding by the Symphony. Following execution of the agreement, the City will select a vendor to construct and install the acoustic



# NORTH CAROLINA SYMPHONY

canopy and enter into appropriate contractual arrangements with the selected vendor. Staff will provide a brief overview during the meeting.

**Recommendation:** Accept the donation, authorize a budget amendment in the amount of \$514,255, and authorize the City Manager to enter into an agreement with the North Carolina Symphony.

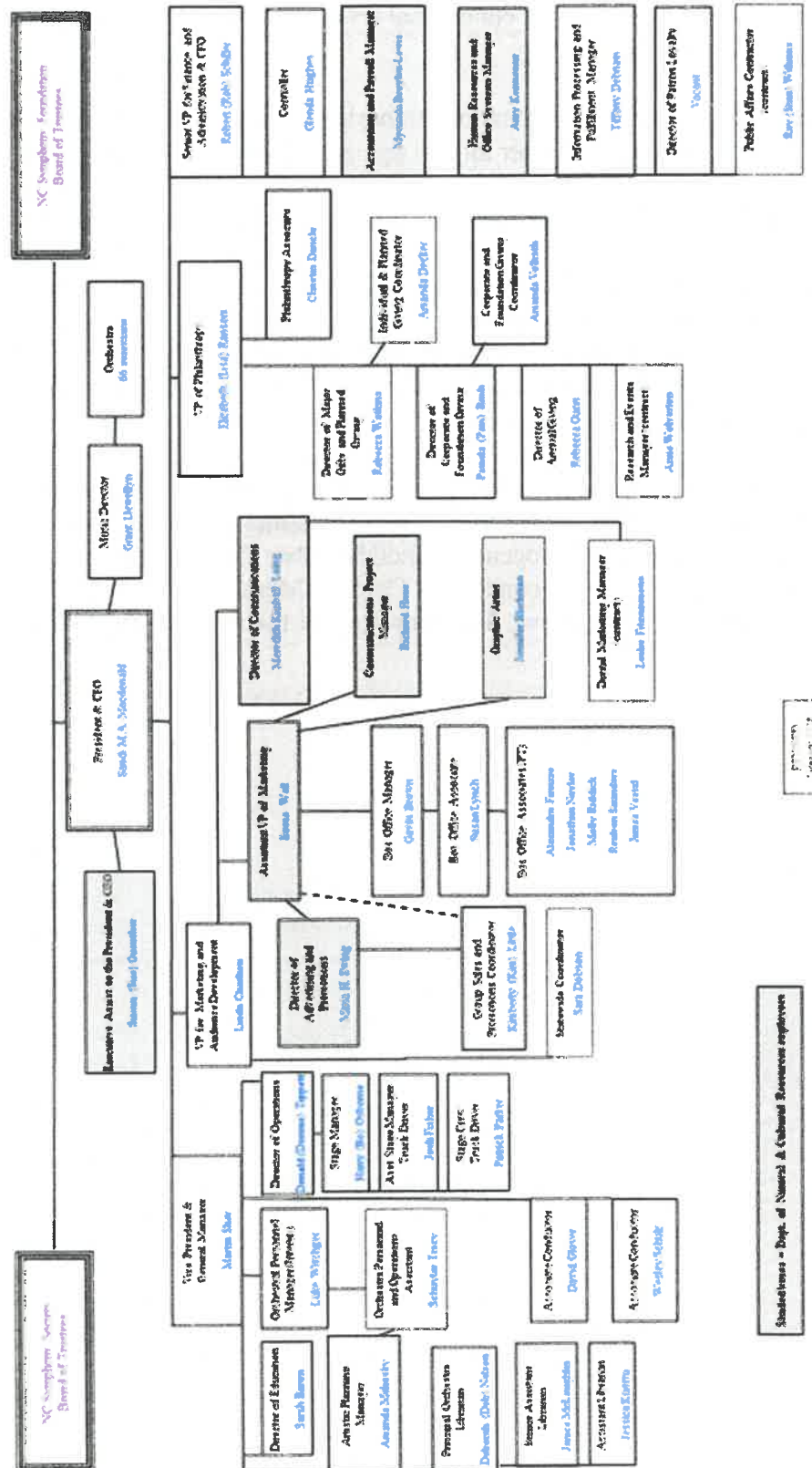
City Manager Hall explained the item and complimented all involved in this endeavor.

Jim Lavery, Convention and Performing Arts Complex, told of the work and how Sandi McDonald of the Symphony approached the City about a year ago about improving the acoustics in Meymandi Concert Hall. He talked briefly about the work with the North Carolina Symphony pointing out they are the largest resident company in the complex. He provided an overview of the acoustical canopy project and showed examples of canopies in other locations.

Sandi Macdonald, North Carolina Symphony, talked about how the Symphony is thrilled to be working with the City. Questions were responded to about whether any seats would be negatively impacted with it being pointed out that would not occur. Council Member Crowder moved approval of the recommendation as outlined. Her motion was seconded by Council Member Branch and a roll call vote resulted in all members voting in the affirmative. The Mayor ruled the motion adopted on an 8-0 vote. See Ordinance 769 TF 306.

# NORTH CAROLINA SYMPHONY

## APPENDIX D Organizational Chart



Form **990**

# Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047

**2015**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

- ▶ 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](http://www.irs.gov/form990).

**A** For the 2015 calendar year, or tax year beginning **JUL 1, 2015** and ending **JUN 30, 2016**

**B** Check if applicable:

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Final return/terminated  
☐ Amended return  
☐ Application pending

**C** Name of organization

**NORTH CAROLINA SYMPHONY SOCIETY, INC.**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

**3700 GLENWOOD AVE.**

Room/suite

**130**

City or town, state or province, country, and ZIP or foreign postal code

**RALEIGH, NC 27612**

**F** Name and address of principal officer: **SANDI M.A. MACDONALD  
SAME AS C ABOVE**

**D** Employer identification number

**56-0556755**

**E** Telephone number

**919-733-2750**

**G** Gross receipts \$ **17,885,373.**

**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)

**H(c)** Group exemption number ▶

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

**J** Website: **NCSYMPHONY.ORG**

**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

**L** Year of formation: **1932** **M** State of legal domicile: **NC**

## Part I Summary

Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>PROMOTE AND FOSTER THE MUSICAL CULTURE AND EDUCATION OF THE COMMUNITIES OF NC.</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>58</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>58</b>
	<b>5</b> Total number of individuals employed in calendar year 2015 (Part V, line 2a)	<b>5</b>	<b>246</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>168</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>	
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>10,735,700.</b>	<b>12,964,471.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>4,465,470.</b>	<b>4,533,384.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>25,428.</b>	<b>110,962.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>141,370.</b>	<b>113,357.</b>
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>15,367,968.</b>	<b>17,722,174.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>0.</b>	<b>0.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>9,064,290.</b>	<b>9,499,181.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>1,484,512.</b>	<b>712.</b>	<b>0.</b>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>4,407,073.</b>	<b>4,670,258.</b>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>13,472,075.</b>	<b>14,169,439.</b>
Net Assets or Fund Balances	<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>1,895,893.</b>	<b>3,552,735.</b>
	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>6,022,847.</b>	<b>8,667,583.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>5,413,604.</b>	<b>4,559,163.</b>
		<b>609,243.</b>	<b>4,108,420.</b>

## 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

Date

**SANDI M.A. MACDONALD, PRESIDENT & CEO**  
Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name

**YONG ZHANG**

Preparer's signature

Date

Check if self-employed ☐

PTIN

**P01249785**

Firm's name ▶ **RSM US LLP**

Firm's EIN ▶ **42-0714325**

Firm's address ▶ **230 N ELM ST STE 1100  
GREENSBORO, NC 27401**

Phone no. (336) **272-4551**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

☒ X

1 Briefly describe the organization's mission:

**TO BE NORTH CAROLINA'S STATE ORCHESTRA, AN ORCHESTRA ACHIEVING THE HIGHEST LEVEL OF ARTISTIC QUALITY AND PERFORMANCE STANDARDS, AND EMBRACING ITS DUAL LEGACIES OF STATEWIDE SERVICE AND MUSIC EDUCATION.**

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ **11,229,158.** including grants of \$ ) (Revenue \$ **4,600,065.**)

**FOUNDED IN 1932, THE NORTH CAROLINA SYMPHONY WAS THE FIRST STATE-SUPPORTED ORCHESTRA IN THE COUNTRY, AND ITS DUAL MISSION OF STATEWIDE SERVICE AND MUSIC EDUCATION CONTINUES TODAY. LED BY INTERNATIONALLY KNOWN MUSIC DIRECTOR GRANT LLEWELLYN, THE NORTH CAROLINA SYMPHONY IS THE LARGEST PERFORMING ARTS ORGANIZATION IN NORTH CAROLINA, AND HAS THE MOST EXTENSIVE MUSIC EDUCATION PROGRAM OF ANY MAJOR U.S. ORCHESTRA. THE SYMPHONY PERFORMS APPROXIMATELY 175 FULL ORCHESTRA CONCERTS ACROSS THE STATE ANNUALLY, TRAVELING MORE THAN 18,000 MILES - MORE THAN ANY STATE SYMPHONY IN THE COUNTRY. VISITING APPROXIMATELY 40 COUNTIES EACH YEAR, THE SYMPHONY PERFORMS FOR 250,000 PEOPLE EACH YEAR, INCLUDING MORE THAN 50,000 SCHOOL CHILDREN. INNOVATIVE PROGRAMS HIGHLIGHT THE SYMPHONY'S ROLE AS A LEADER IN THE**

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses **11,229,158.**

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<b>X</b>	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	<b>X</b>	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		<b>X</b>
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<b>X</b>	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		<b>X</b>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		<b>X</b>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		<b>X</b>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		<b>X</b>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		<b>X</b>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<b>X</b>	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<b>X</b>	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		<b>X</b>
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		<b>X</b>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		<b>X</b>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<b>X</b>	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<b>X</b>	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		<b>X</b>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	<b>X</b>	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		<b>X</b>
14a Did the organization maintain an office, employees, or agents outside of the United States?		<b>X</b>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		<b>X</b>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		<b>X</b>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		<b>X</b>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		<b>X</b>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<b>X</b>	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		<b>X</b>

Form 990 (2015)

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a</b> Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	X	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	X	
<b>36</b> Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Form 990 (2015)



**Part V** Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	131	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	246	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	<b>Section 501(c)(7) organizations.</b> Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	<b>Section 501(c)(12) organizations.</b> Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

☒**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year	58	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent	58	
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b> Did the organization have members or stockholders?		X
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	X	
<b>b</b> Each committee with authority to act on behalf of the governing body?	X	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates?		X
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b> Did the organization have a written whistleblower policy?	X	
<b>14</b> Did the organization have a written document retention and destruction policy?	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official	X	
<b>b</b> Other officers or key employees of the organization	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed **NC**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

**19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, address, and telephone number of the person who possesses the organization's books and records: **ROBERT SCHILLER - 919-733-2750**  
**3700 GLENWOOD AVE, STE 130, RALEIGH, NC 27612**



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DON DAVIS CHAIR	5.00 1.00	X		X				0.	0.	0.
(2) JEFFREY A. CORBETT PAST CHAIR	5.00 1.00	X		X				0.	0.	0.
(3) RUTH DZAU VICE CHAIR	5.00 1.00	X		X				0.	0.	0.
(4) DR. MARY SUSAN FULGHUM VICE CHAIR	5.00 1.00	X		X				0.	0.	0.
(5) JOE BASTIAN TREASURER	5.00 1.00	X		X				0.	0.	0.
(6) DR. TED R. KUNSTLING ASSISTANT TREASURER	5.00 1.00	X		X				0.	0.	0.
(7) DR. SALLY C. JOHNSON SECRETARY	5.00 1.00	X		X				0.	0.	0.
(8) DEBORAH M. AIKEN TRUSTEE	1.00 1.00	X						0.	0.	0.
(9) CATHARINE BIGGS ARROWOOD TRUSTEE	1.00 1.00	X						0.	0.	0.
(10) THE HONORABLE JUNE ATKINSON TRUSTEE	1.00 1.00	X						0.	0.	0.
(11) JANIE W. BIRD TRUSTEE	1.00 1.00	X						0.	0.	0.
(12) PATTY BRIGUGLIO TRUSTEE	3.00 1.00	X						0.	0.	0.
(13) MARTIN H. BRINKLEY TRUSTEE	1.00 1.00	X						0.	0.	0.
(14) STEVE BURRISS TRUSTEE	1.00 1.00	X						0.	0.	0.
(15) PHILIP P. CAVE TRUSTEE	1.00 1.00	X						0.	0.	0.
(16) TIM CLANCY TRUSTEE	1.00 1.00	X						0.	0.	0.
(17) EDWARD M. COMAN TRUSTEE	3.00 5.00	X						0.	0.	0.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) DAVID R. CRABTREE TRUSTEE	1.00	X						0.	0.	0.
(19) RICHARD L. DAUGHERTY TRUSTEE	3.00 5.00	X						0.	0.	0.
(20) ROBERT C. DOHERTY TRUSTEE	1.00	X						0.	0.	0.
(21) DR. MARIJANET DOONAN TRUSTEE	1.00	X						0.	0.	0.
(22) SUSIE FARRELL TRUSTEE	1.00	X						0.	0.	0.
(23) EVAN FULTZ TRUSTEE	1.00	X						0.	0.	0.
(24) MARGARET POYNER GALBRAITH TRUSTEE	1.00	X						0.	0.	0.
(25) ROBERT GRAHAM TRUSTEE	3.00	X						0.	0.	0.
(26) DON HAILE TRUSTEE	1.00	X						0.	0.	0.
<b>1b Sub-total</b>								0.	0.	0.
<b>c Total from continuation sheets to Part VII, Section A</b>								897,979.	0.	51,196.
<b>d Total (add lines 1b and 1c)</b>								897,979.	0.	51,196.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **6**

**3** Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

	Yes	No
<b>3</b>		X
<b>4</b>	X	
<b>5</b>		X

**4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

**5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
COLUMBIA ARTISTS, 5 COLUMBUS CIRCLE, 1790 BROADWAY, NEW YORK, NY 10019	GUEST ARTIST MANAGEMENT	125,826.
SOUTHERN EXPRESS, 1300 EAST PETTIGREW STREET, DURHAM, NC 27701-4243	BUS TRANS FOR MUSICIANS	106,210.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **2**

SEE PART VII, SECTION A CONTINUATION SHEETS

Form 990 (2015)

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) DAVID L. HAINES TRUSTEE	1.00	X						0.	0.	0.
(28) JIM HANSEN TRUSTEE	1.00	X						0.	0.	0.
(29) ELAINE BRYANT HAYES TRUSTEE	1.00	X						0.	0.	0.
(30) DR. WM. CHARLES HELTON TRUSTEE	1.00 1.00	X						0.	0.	0.
(31) RICHARD E. HINSON TRUSTEE	1.00	X						0.	0.	0.
(32) DOUGLAS C. HORNBERGER TRUSTEE	1.00	X						0.	0.	0.
(33) KEVIN HOWELL TRUSTEE	1.00	X						0.	0.	0.
(34) JERRY HWANG TRUSTEE	1.00	X						0.	0.	0.
(35) SECRETARY SUSAN KLUTTZ TRUSTEE	3.00	X						0.	0.	0.
(36) DR. ROBERT LACIN TRUSTEE	1.00	X						0.	0.	0.
(37) DR. EARNEST LAMB TRUSTEE	1.00	X						0.	0.	0.
(38) BRANFORD MARSALIS TRUSTEE	1.00	X						0.	0.	0.
(39) LEE ANNE MCCLYMONT TRUSTEE	1.00	X						0.	0.	0.
(40) THE HONORABLE PAT MCCRORY TRUSTEE	1.00	X						0.	0.	0.
(41) CLIFFORD B. MELTZER TRUSTEE	1.00	X						0.	0.	0.
(42) GRAHAM MOSELY TRUSTEE	1.00	X						0.	0.	0.
(43) SHARAT NAGARAJ TRUSTEE	1.00	X						0.	0.	0.
(44) THOMAS L. NORRIS JR. TRUSTEE	1.00	X						0.	0.	0.
(45) FLORENCE PEACOCK TRUSTEE	1.00	X						0.	0.	0.
(46) EMILY MANN PECK TRUSTEE	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(47) ASHLEY MATLOCK PERKINSON TRUSTEE	3.00	X						0.	0.	0.
(48) DR. P. RAMACHANDRA REDDY TRUSTEE	1.00	X						0.	0.	0.
(49) JEFFREY B. SHEEHAN TRUSTEE	1.00	X						0.	0.	0.
(50) JASON SMITH TRUSTEE	1.00	X						0.	0.	0.
(51) TRACEY FODOR SMITH TRUSTEE	1.00	X						0.	0.	0.
(52) LINDA J. STAUNCH TRUSTEE	3.00	X						0.	0.	0.
(53) TERRY L. STEVENS TRUSTEE	1.00	X						0.	0.	0.
(54) DR. SHALER STIDHAM JR. TRUSTEE	1.00	X						0.	0.	0.
(55) SANDRA SULLY TRUSTEE	1.00	X						0.	0.	0.
(56) JENNIE HARRIS WALLACE TRUSTEE	3.00	X						0.	0.	0.
(57) DARLENE WOOLNER TRUSTEE	3.00	X						0.	0.	0.
(58) ROBERT E. ZAYTOUN TRUSTEE	1.00	X						0.	0.	0.
(59) SANDI M.A. MACDONALD PRESIDENT & CEO	60.00 5.00			X				215,439.	0.	13,282.
(60) ROBERT SCHILLER SENIOR VP & CFO	60.00 5.00			X				140,018.	0.	840.
(61) MARTIN SHER VP & GENERAL MANAGER	50.00			X				117,146.	0.	16,603.
(62) GRANT LLEWELLYN MUSIC DIRECTOR	25.00				X			195,200.	0.	2,354.
(63) RAY WILLIAMS, JR. SR. DIRECTOR PUBLIC AFFAIRS	50.00					X		110,687.	0.	893.
(64) BRIAN REAGIN MUSICIAN	40.00					X		119,489.	0.	17,224.
Total to Part VII, Section A, line 1c								897,979.		51,196.

**Part VIII** Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c	183,485.			
	d Related organizations	1d	564,086.			
	e Government grants (contributions)	1e	4,633,304.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	7,583,596.			
	g Noncash contributions included in lines 1a-1f: \$		69,852.			
	h Total. Add lines 1a-1f		12,964,471.			
<b>Program Service Revenue</b>	2 a CONCERT REVENUE	Business Code 711190	4,523,133.	4,523,133.		
	b EDUCATION	711190	10,251.	10,251.		
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		4,533,384.			
<b>Other Revenue</b>	3 Investment income (including dividends, interest, and other similar amounts)		110,962.			110,962.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real (ii) Personal				
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ 183,485. of contributions reported on line 1c). See Part IV, line 18	a	209,875.			
	b Less: direct expenses	b	163,199.			
	c Net income or (loss) from fundraising events		46,676.			46,676.
	9 a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
	10 a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11 a PROGRAM PROCESSING FEES	900099	54,823.	54,823.			
b MISCELLANEOUS	900099	11,858.	11,858.			
c						
d All other revenue						
e Total. Add lines 11a-11d		66,681.				
12 Total revenue. See instructions.		17,722,174.	4,600,065.	0.	157,638.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	804,776.	354,000.	296,088.	154,688.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	6,590,862.	5,743,244.	384,283.	463,335.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	412,332.	412,332.		
9 Other employee benefits	1,178,245.	1,008,802.	126,501.	42,942.
10 Payroll taxes	512,966.	438,505.	46,739.	27,722.
11 Fees for services (non-employees):				
a Management				
b Legal	14,187.		14,187.	
c Accounting	49,250.		35,700.	13,550.
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,320,985.	933,512.	87,982.	299,491.
12 Advertising and promotion	572,614.	572,614.		
13 Office expenses	27,935.	10,277.	16,238.	1,420.
14 Information technology				
15 Royalties				
16 Occupancy	158,940.		158,940.	
17 Travel	180,353.	170,626.	6,341.	3,386.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	14,502.	7,150.	2,042.	5,310.
20 Interest	76,771.		76,771.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	60,996.	31,970.	29,026.	
23 Insurance	200,187.	91,721.	108,466.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a GUEST ARTISTS	879,408.	879,408.		
b BAD DEBTS	281,824.			281,824.
c BOX OFFICE	163,242.	163,242.		
d PRINTING AND PUBLICATION	145,516.	119,311.		26,205.
e All other expenses	523,548.	292,444.	66,465.	164,639.
25 Total functional expenses. Add lines 1 through 24e	14,169,439.	11,229,158.	1,455,769.	1,484,512.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)



**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing .....	246,705.	1	2,384,933.
	2 Savings and temporary cash investments .....		2	
	3 Pledges and grants receivable, net .....	2,927,726.	3	2,093,072.
	4 Accounts receivable, net .....	21,094.	4	20,027.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		6	
	7 Notes and loans receivable, net .....	440,537.	7	0.
	8 Inventories for sale or use .....		8	
	9 Prepaid expenses and deferred charges .....	273,344.	9	279,782.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 848,699.		
	b Less: accumulated depreciation .....	10b 714,435.		
	11 Investments - publicly traded securities .....	154,431.	10c	134,264.
	12 Investments - other securities. See Part IV, line 11 .....	1,959,010.	11	3,755,505.
	13 Investments - program-related. See Part IV, line 11 .....		12	
	14 Intangible assets .....		13	
	15 Other assets. See Part IV, line 11 .....		14	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	6,022,847.	15	8,667,583.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses .....	607,393.	16	566,902.
	18 Grants payable .....		17	
	19 Deferred revenue .....		18	
	20 Tax-exempt bond liabilities .....	1,807,118.	19	1,735,538.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D .....		20	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		21	
	23 Secured mortgages and notes payable to unrelated third parties .....	965,469.	22	2,035,107.
	24 Unsecured notes and loans payable to unrelated third parties .....		23	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	2,033,624.	24	221,616.
	26 <b>Total liabilities.</b> Add lines 17 through 25 .....	5,413,604.	25	4,559,163.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets .....	-4,702,301.	26	-19,427.
	28 Temporarily restricted net assets .....	5,311,544.	27	4,127,847.
	29 Permanently restricted net assets .....		28	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds .....		29	
	31 Paid-in or capital surplus, or land, building, or equipment fund .....		30	
	32 Retained earnings, endowment, accumulated income, or other funds .....		31	
	33 <b>Total net assets or fund balances</b> .....	609,243.	32	4,108,420.
	34 <b>Total liabilities and net assets/fund balances</b> .....	6,022,847.	33	8,667,583.

Form 990 (2015)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	17,722,174.
2	Total expenses (must equal Part IX, column (A), line 25)	2	14,169,439.
3	Revenue less expenses. Subtract line 2 from line 1	3	3,552,735.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	609,243.
5	Net unrealized gains (losses) on investments	5	-53,558.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	4,108,420.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2015)



Department of the Treasury  
Internal Revenue Service

**Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.**

▶ **Attach to Form 990 or Form 990-EZ.**

Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2015

**Open to Public Inspection**

Name of the organization

NORTH CAROLINA SYMPHONY SOCIETY, INC.

Employer identification number

56-0556755

<b>Part I</b>	<b>Reason for Public Charity Status</b> (All organizations must complete this part.) See instructions.
---------------	--

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

**f** Enter the number of supported organizations

g Provide the following information about the supported organization(s).

Provide the following information about the supported organization(s):						
(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**Total**

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	8016457.	8182971.	8091496.	10620378.	12964471.	47875773.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge	329,554.	418,824.	418,856.	400,775.	571,982.	2139991.
4 Total. Add lines 1 through 3	8346011.	8601795.	8510352.	11021153.	13536453.	50015764.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						6235120.
6 Public support. Subtract line 5 from line 4.						43780644.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
7 Amounts from line 4	8346011.	8601795.	8510352.	11021153.	13536453.	50015764.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,081.	229.	88.	23,880.	110,962.	136,240.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	169,460.	122,185.	231,123.	89,991.	209,875.	822,634.
11 Total support. Add lines 7 through 10						50974638.
12 Gross receipts from related activities, etc. (see instructions)					12	21,678,322.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14	85.89 %
15 Public support percentage from 2014 Schedule A, Part II, line 14	15	94.33 %
16a 33 1/3% support test - 2015. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input checked="" type="checkbox"/>	
b 33 1/3% support test - 2014. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2015. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2014. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

Schedule A (Form 990 or 990-EZ) 2015

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.) .....						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.) .....						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2014 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2014 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2015.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐**b 33 1/3% support tests - 2014.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 11 on Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).		
<b>b</b> Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> Substitutions only. Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI.		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI.		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI.		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI.		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer 10b below.		
<b>b</b> Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

**Part IV Supporting Organizations** (continued)

- 11 Has the organization accepted a gift or contribution from any of the following persons?
- a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?
- b A family member of a person described in (a) above?
- c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.

	Yes	No
11a		
11b		
11c		

**Section B. Type I Supporting Organizations**

- 1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.
- 2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.

	Yes	No
1		
2		

**Section C. Type II Supporting Organizations**

- 1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).

	Yes	No
1		

**Section D. All Type III Supporting Organizations**

- 1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?
- 2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).
- 3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.

	Yes	No
1		
2		
3		

**Section E. Type III Functionally-Integrated Supporting Organizations**

- 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):
- a ☐ The organization satisfied the Activities Test. Complete line 2 below.
- b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.
- c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).

**2 Activities Test. Answer (a) and (b) below.**

- a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.
- b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

**3 Parent of Supported Organizations. Answer (a) and (b) below.**

- a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.
- b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.

	Yes	No
2a		
2b		
3a		
3b		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2015



**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

<b>Section D - Distributions</b>		<b>Current Year</b>
<b>1</b>	Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b>	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b>	Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b>	Amounts paid to acquire exempt-use assets	
<b>5</b>	Qualified set-aside amounts (prior IRS approval required)	
<b>6</b>	Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7</b>	<b>Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b>	Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b>	Distributable amount for 2015 from Section C, line 6	
<b>10</b>	Line 8 amount divided by Line 9 amount	

<b>Section E - Distribution Allocations</b> (see instructions)	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2015</b>	<b>(iii) Distributable Amount for 2015</b>
<b>1</b> Distributable amount for 2015 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
<b>3</b> Excess distributions carryover, if any, to 2015:			
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b> From 2013			
<b>e</b> From 2014			
<b>f</b> Total of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2015 distributable amount			
<b>i</b> Carryover from 2010 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2015 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2015 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
<b>6</b> Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
<b>7</b> Excess distributions carryover to 2016. Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b>			
<b>b</b>			
<b>c</b> Excess from 2013			
<b>d</b> Excess from 2014			
<b>e</b> Excess from 2015			

Schedule A (Form 990 or 990-EZ) 2015

**Part VI** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.  
(See instructions.)

**SCHEDULE A, PART II, LINE 10, EXPLANATION FOR OTHER INCOME:****OTHER INCOME**

2011 AMOUNT: \$ 169,460.

2012 AMOUNT: \$ 122,185.

2013 AMOUNT: \$ 231,123.

2014 AMOUNT: \$ 89,991.

2015 AMOUNT: \$ 209,875.



**Schedule B**  
(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

Name of the organization

Employer identification number

**NORTH CAROLINA SYMPHONY SOCIETY, INC.**

**56-0556755**

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)( 3 ) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

☒ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ .....

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**LHA** For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. **Schedule B (Form 990, 990-EZ, or 990-PF) (2015)**

Name of organization <b>NORTH CAROLINA SYMPHONY SOCIETY, INC.</b>	Employer identification number <b>56-0556755</b>
--	---

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>		\$ <u>4,650,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

**NORTH CAROLINA SYMPHONY SOCIETY, INC.****56-0556755****Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

**NORTH CAROLINA SYMPHONY SOCIETY, INC.****56-0556755****Part III**

Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**  
▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

**Open to Public  
Inspection**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

**NORTH CAROLINA SYMPHONY SOCIETY, INC.**

Employer identification number

**56-0556755**

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures ..... ▶ \$

3 Volunteer hours ..... ▶

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

1 Enter the amount of any excise tax incurred by the organization under section 4955 ..... ▶ \$

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ..... ▶ \$

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ..... ☐ Yes ☐ No

4a Was a correction made? ..... ☐ Yes ☐ No

b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ..... ▶ \$

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ..... ▶ \$

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ..... ▶ \$

4 Did the filing organization file Form 1120-POL for this year? ..... ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2015

**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A Check ☒ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying) .....															
b Total lobbying expenditures to influence a legislative body (direct lobbying) .....															
c Total lobbying expenditures (add lines 1a and 1b) .....															
d Other exempt purpose expenditures .....															
e Total exempt purpose expenditures (add lines 1c and 1d) .....															
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.															
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g Grassroots nontaxable amount (enter 25% of line 1f) .....															
h Subtract line 1g from line 1a. If zero or less, enter -0- .....															
i Subtract line 1f from line 1c. If zero or less, enter -0- .....															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? .....		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

**4-Year Averaging Period Under section 501(h)**  
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
 See the separate instructions for lines 2a through 2f.)

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (a))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (a))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2015

**Part II-B** Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?	X		
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		106,418.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	
j Total. Add lines 1c through 1i			106,418.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

**Part III-B** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

**Part IV** Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

**PART II-B, LINE 1, LOBBYING ACTIVITIES:**

THE NORTH CAROLINA SYMPHONY IS A MEMBER OF ARTS NORTH CAROLINA WHICH IS  
A 501(C)(3) TAX EXEMPT ORGANIZATION. OUR DUES WERE \$2,800 FOR FY2016  
AND A PORTION OF THIS WILL GO TOWARD LOBBYING.

OUR STAFF IS INVOLVED IN THE LEGISLATIVE BUDGET PROCESS EACH YEAR DUE

**Part IV** Supplemental Information (continued)

TO STATE FUNDING AND IN-KIND FUNDS RECEIVED FROM THE STATE OF NORTH CAROLINA DEPARTMENT OF NATURAL AND CULTURAL RESOURCES. OUR PRESIDENT SERVES AS A DIVISION DIRECTOR WITHIN THE DEPARTMENT OF NATURAL AND CULTURAL RESOURCES. OUR BOARD OF DIRECTORS IS INVOLVED IN INDIVIDUAL EFFORTS TO MAINTAIN OUR STATE SUPPORT. DURING THE 2016 FISCAL YEAR, THE SYMPHONY ALSO ACTIVELY SOUGHT CITY, COUNTY AND FEDERAL GRANTS TO SUPPORT OUR PROGRAMS. WE ALSO RECEIVE IN-KIND SUPPORT FROM THE CITY OF RALEIGH FOR THE USE OF FACILITIES.

IN TERMS OF NATIONAL ISSUES, WE ARE A MEMBER OF THE LEAGUE OF AMERICAN ORCHESTRAS TO WHICH WE PAID ANNUAL DUES OF \$15,511. AMONG THEIR ACTIVITIES IS GOVERNMENTAL AFFAIRS AND LOBBYING FOR ISSUES RELATED TO THE ARTS. THE LEAGUE OF AMERICAN ORCHESTRAS SPENDS 2% ON LOBBYING EFFORTS.



**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990.

▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

Open to Public  
Inspection

Name of the organization

**NORTH CAROLINA SYMPHONY SOCIETY, INC.**

Employer identification number

**56-0556755**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 .....

▶ \$ .....

(ii) Assets included in Form 990, Part X .....

▶ \$ .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 .....

▶ \$ .....

b Assets included in Form 990, Part X .....

▶ \$ .....

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items

(check all that apply):

a ☐ Public exhibitiond ☐ Loan or exchange programsb ☐ Scholarly researche ☐ Otherc ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ Nob If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	1,872,507.				
b Contributions	1,900,000.	1,953,857.			
c Net investment earnings, gains, and losses	47,418.	35,566.			
d Grants or scholarships					
e Other expenditures for facilities and programs	165,630.	116,916.			
f Administrative expenses					
g End of year balance	3,654,295.	1,872,507.			

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment 52.63 %b Permanent endowment .00 %c Temporarily restricted endowment 47.37 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		X
3a(ii)	X	
3b	X	

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		87,726.	84,534.	3,192.
d Equipment		622,214.	540,939.	81,275.
e Other		138,759.	88,962.	49,797.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				134,264.

Schedule D (Form 990) 2015

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		

Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		

Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	

Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) INTERCOMPANY PAYABLE	127,884.
(3) OBLIGATIONS UNDER SPLIT-INTEREST	
(4) AGREEMENTS	93,732.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	221,616.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	18,403,797.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	-53,558.
b	Donated services and use of facilities	2b	571,982.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	518,424.
3	Subtract line 2e from line 1	3	17,885,373.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	-163,199.
c	Add lines 4a and 4b	4c	-163,199.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	17,722,174.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	14,904,620.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	571,982.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	163,199.
e	Add lines 2a through 2d	2e	735,181.
3	Subtract line 2e from line 1	3	14,169,439.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	14,169,439.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART V, LINE 4:**

THE PURPOSE OF THE ENDOWMENT FUNDS IS TO PROVIDE SUPPORT TO THE SOCIETY.

THE ENDOWMENT FUNDS OF BOTH THE NORTH CAROLINA SYMPHONY SOCIETY INC. AND

THE NORTH CAROLINA SYMPHONY FOUNDATION ARE MANAGED BY AN INVESTMENT

COMMITTEE, COMPRISED OF MEMBERS OF BOTH ORGANIZATIONS' BOARDS.

**PART X, LINE 2:**

FIN 48 (ASC 740) FOOTNOTE: MANAGEMENT HAS EVALUATED THE SYMPHONY'S TAX

POSITIONS AND CONCLUDED THAT THE SYMPHONY HAD TAKEN NO UNCERTAIN TAX

POSITIONS THAT REQUIRE ADJUSTMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS

TO COMPLY WITH THE PROVISIONS OF THE INCOME TAXES TOPIC OF THE FASB.

**Part XIII** Supplemental Information (continued)**PART XI, LINE 4B - OTHER ADJUSTMENTS:**

**FUNDRAISING DIRECT EXPENSES** -163,199.

**PART XII, LINE 2D - OTHER ADJUSTMENTS:**

**DIRECT FUNDRAISING EXPENSES** 163,199.

Department of the Treasury  
Internal Revenue Service

**Complete if the organization answered "Yes" on Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2015

**Open to Public Inspection**

Name of the organization

NORTH CAROLINA SYMPHONY SOCIETY, INC.

Employer identification number

56-0556755

**Fundraising Activities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations  
b ☐ Internet and email solicitations  
c ☐ Phone solicitations  
d ☐ In-person solicitations  
e ☐ Solicitation of non-government grants  
f ☐ Solicitation of government grants  
g ☐ Special fundraising events

- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes

☐ **Np**

- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total						

**Total** .....

- 3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

**Part II Fundraising Events.** Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

	(a) Event #1 RENEE FLEMING GALASTRING FLING (event type)	(b) Event #2 (event type)	(c) Other events 1 (total number)	(d) Total events (add col. (a) through col. (c))
<b>Revenue</b>				
1 Gross receipts .....	221,784.	93,864.	77,712.	393,360.
2 Less: Contributions .....	86,284.	63,239.	33,962.	183,485.
3 Gross income (line 1 minus line 2) .....	135,500.	30,625.	43,750.	209,875.
<b>Direct Expenses</b>				
4 Cash prizes .....				
5 Noncash prizes .....				
6 Rent/facility costs .....	40,864.	2,600.	1,500.	44,964.
7 Food and beverages .....				
8 Entertainment .....				
9 Other direct expenses .....	53,122.	38,052.	27,061.	118,235.
10 Direct expense summary. Add lines 4 through 9 in column (d) .....				163,199.
11 Net income summary. Subtract line 10 from line 3, column (d) .....				46,676.

**Part III Gaming.** Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
<b>Revenue</b>				
1 Gross revenue .....				
<b>Direct Expenses</b>				
2 Cash prizes .....				
3 Noncash prizes .....				
4 Rent/facility costs .....				
5 Other direct expenses .....				
6 Volunteer labor .....	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d) .....				
8 Net gaming income summary. Subtract line 7 from line 1, column (d) .....				

9 Enter the state(s) in which the organization conducts gaming activities: \_\_\_\_\_

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: \_\_\_\_\_

- 11 Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13 Indicate the percentage of gaming activity conducted in:
- |                               |     |   |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility         | 13b | % |
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?
- ☐
- Yes
- ☐
- No

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_

c If "Yes," enter name and address of the third party:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

## 16 Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

☐ Director/officer☐ Employee☐ Independent contractor

## 17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**Part IV** Supplemental information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information (see instructions).**SCH G**

THE RENEE FLEMING GALA FUNDRAISING EVENT NETTED \$127,798, INCLUDING BOTH GROSS TICKET SALES AND CONTRIBUTIONS RECEIVED. THE STRING FLING FUNDRAISING EVENT NETTED \$53,212, INCLUDING BOTH GROSS TICKET SALES AND CONTRIBUTIONS RECEIVED. THE FRIENDS OF NOTE FUNDRAISING EVENT, CLASSIFIED AS "OTHER EVENTS," NETTED \$49,151, INCLUDING BOTH GROSS TICKET SALES AND CONTRIBUTIONS RECEIVED.



**Part IV** Supplemental Information *(continued)*

Lined area for supplemental information.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

Open to Public  
Inspection

Name of the organization

**NORTH CAROLINA SYMPHONY SOCIETY, INC.**

Employer identification number

**56-0556755**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

**a** Receive a severance payment or change-of-control payment?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

**a** The organization?

**b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

**a** The organization?

**b** Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described on lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

X

X

X

X

X

X

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Schedule J (Form 990) 2015



**Part III** Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Blank area for supplemental information with horizontal lines.

**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

OMB No. 1545-0047

**2015**

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- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization

**NORTH CAROLINA SYMPHONY SOCIETY, INC.**

Employer identification number

**56-0556755**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	<b>X</b>	<b>7</b>	<b>69,852.</b>	<b>FAIR MARKET VALUE</b>
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ( )				
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions  
for which the organization completed Form 8283, Part IV, Donee Acknowledgement

**29**

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it  
must hold for at least three years from the date of the initial contribution, and which is not required to be used for  
exempt purposes for the entire holding period?

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash  
contributions?

b If "Yes," describe in Part II.

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked,  
describe in Part II.

	Yes	No
30a		<b>X</b>
31	<b>X</b>	
32a		<b>X</b>
33		

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Schedule M (Form 990) (2015)

**Part II** **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

**SCHEDULE M, PART I, COLUMN (B):**

**THE NUMBER OF CONTRIBUTIONS REFLECTS THE NUMBER OF CONTRIBUTORS.**

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

Open to Public  
Inspection

Name of the organization

**NORTH CAROLINA SYMPHONY SOCIETY, INC.**

Employer identification number  
**56-0556755**

**FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:**

**CULTURAL LIFE OF THE STATE WHILE EXPLORING ARTISTIC, CULTURAL, AND  
HISTORICAL IMPACTS AROUND THE MUSIC THE SYMPHONY PRESENTS.**

**FORM 990, PART VI, SECTION A, LINE 7A:**

**THE GOVERNOR OF THE STATE OF NC APPOINTS FOUR TRUSTEES.**

**FORM 990, PART VI, SECTION B, LINE 11:**

**THE AUDIT COMMITTEE REVIEWS THE ENTIRE FORM 990. SCHEDULE B IS REDACTED FOR  
REVIEW BY THE FULL BOARD SINCE SOME DONORS REQUEST TO REMAIN ANONYMOUS.**

**FORM 990, PART VI, SECTION B, LINE 12C:**

**THE NORTH CAROLINA SYMPHONY HAS A CONFLICT OF INTEREST POLICY WHICH ALL  
TRUSTEES AND EMPLOYEES ARE REQUIRED TO COMPLETE ON AN ANNUAL BASIS.**

**FORM 990, PART VI, SECTION B, LINE 15:**

**INDUSTRY SALARY SURVEYS ARE USED TO DETERMINE SALARIES, AND COMPENSATION  
WAS ESTABLISHED BY AN INDEPENDENT CONSULTANT. CEO AND MUSIC DIRECTOR  
SALARIES ARE REVIEWED AND APPROVED BY A COMMITTEE OF THE BOARD. THE  
COMPENSATION ARRANGEMENT IS DOCUMENTED WHEN DECIDED BY THE BOARD OF  
TRUSTEES.**

**FORM 990, PART VI, SECTION C, LINE 19:**

**FINANCIAL STATEMENTS AND GOVERNING DOCUMENTS ARE AVAILABLE UPON REQUEST FOR  
THE SAME PERIOD OF DISCLOSURE AS SET FORTH IN SECTION 6104(D).**

Name of the organization

NORTH CAROLINA SYMPHONY SOCIETY, INC.

Employer identification number

56-0556755

## FORM 990, PART VII, SECTION A:

GRANT LLEWELLYN'S COMMITMENT TO NORTH CAROLINA SYMPHONY IS HIS FOREMOST PROFESSIONAL RESPONSIBILITY. FOR THE 2015-16 SEASON, MR. LLEWELLYN WAS SCHEDULED TO CONDUCT 12 WEEKS. THROUGHOUT THE YEAR, HE WAS AVAILABLE BOTH IN PERSON AND REMOTELY FOR ADDITIONAL ARTISTIC PLANNING, EDUCATION PROGRAMS, ADMINISTRATIVE WORK, AUDITIONS, AND PROMOTIONAL AND PUBLIC RELATIONS ACTIVITIES. MR. LLEWELLYN SPENT A CONSIDERABLE AMOUNT OF TIME ASSISTING WITH THE CULTIVATION AND SOLICITATION OF KEY DONORS AND VOLUNTEERS THROUGH HIS PRESENCE AT MEETINGS, RECEPTIONS AND FUNDRAISING EVENTS. YEAR-ROUND, MR. LLEWELLYN PROVIDES ARTISTIC VISION AND GUIDANCE FOR THE NORTH CAROLINA SYMPHONY, IMPLEMENTS THE ARTISTIC POLICIES FOR THE ORGANIZATION, AND MAINTAINS AND DEVELOPS THE ARTISTIC QUALITY IN ORDER TO UPHOLD THE HIGHEST POSSIBLE STANDARD OF MUSICAL PERFORMANCE IN ALL PROGRAMS.



**Related Organizations and Unrelated Partnerships**  
 Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
 Attach to Form 990.

**Information about Schedule R (Form 990) and its instru-**

Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**NORTH CAROLINA SYMPHONY SOCIETY, INC.**

Employer identification number  
56-0556755

**Part I**  
**Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.**

[illegible]

**Part II** Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

[illegible]

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

632161  
19-08-15  
LHA

Schedule R (Form 990) 2015



**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?	Yes	No
a	Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	X
b	Gift, grant, or capital contribution to related organization(s)	1b	X
c	Gift, grant, or capital contribution from related organization(s)	1c	X
d	Loans or loan guarantees to or for related organization(s)	1d	X
e	Loans or loan guarantees by related organization(s)	1e	X
f	Dividends from related organization(s)	1f	X
g	Sale of assets to related organization(s)	1g	X
h	Purchase of assets from related organization(s)	1h	X
i	Exchange of assets with related organization(s)	1i	X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o	Sharing of paid employees with related organization(s)	1o	X
p	Reimbursement paid to related organization(s) for expenses	1p	X
q	Reimbursement paid by related organization(s) for expenses	1q	X
r	Other transfer of cash or property to related organization(s)	1r	X
s	Other transfer of cash or property from related organization(s)	1s	X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) NC SYMPHONY FOUNDATION, INC.	C	564,086.CASH	
(2) NC SYMPHONY FOUNDATION, INC.	D	127,884.CASH	
(3)			
(4)			
(5)			
(6)			



**Part VII** Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).



**North Carolina  
Symphony Society, Inc.  
North Carolina  
Symphony Foundation**

Consolidated Financial and Compliance Report  
June 30, 2017

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RSM US LLP

## **Independent Auditor's Report**

To the Boards of Trustees  
North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation  
Raleigh, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of North Carolina Symphony Society, Inc. and North Carolina Symphony Foundation (collectively, the Symphony), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, the related consolidated statements of activities and cash flows for the years then ended and the related notes to the consolidated financial statements (collectively, the financial statements).

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Symphony as of June 30, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information and schedule of expenditures of federal and state awards are presented for purposes of additional analysis rather than to present the financial position, changes in net assets and cash flows of the individual companies and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information and schedule of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our reports dated October 24, 2017, and October 26, 2016, on our consideration of the Symphony's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Symphony's internal control over financial reporting and compliance.

*RSM US LLP*

Raleigh, North Carolina  
October 24, 2017

## **Section I**

# **Consolidated Financial Statements**

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Consolidated Statements of Financial Position  
June 30, 2017 and 2016**

	2017	2016
<b>Assets</b>		
Cash and cash equivalents	\$ 1,388,643	\$ 2,384,933
Contributions receivable, net	1,456,166	2,228,215
Other receivables	17,207	20,027
Prepaid expenses	372,228	279,782
Investments	16,589,383	14,776,933
Assets held in charitable remainder trusts	66,053	66,976
Split-interest agreements and beneficial interests in perpetual trusts	1,718,347	1,937,764
Equipment and leasehold improvements, net of accumulated depreciation	89,332	134,264
Historical treasures	350,000	350,000
Cash value of life insurance	234,804	234,078
<b>Total assets</b>	<b>\$ 22,282,163</b>	<b>\$ 22,412,972</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 325,089	\$ 566,902
Line of credit	11,190	1,208,100
Deferred revenue	1,766,293	1,735,538
Obligations under capital leases	7,571	12,826
Obligations under split-interest agreements	130,999	142,294
Notes payable	-	814,181
<b>Total liabilities</b>	<b>2,241,142</b>	<b>4,479,841</b>
Commitments and contingencies		
Net assets:		
Unrestricted	1,070,273	259,408
Temporarily restricted	4,580,807	4,127,847
Permanently restricted	14,389,941	13,545,876
<b>Total net assets</b>	<b>20,041,021</b>	<b>17,933,131</b>
<b>Total liabilities and net assets</b>	<b>\$ 22,282,163</b>	<b>\$ 22,412,972</b>

See notes to consolidated financial statements.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Consolidated Statements of Activities  
Years Ended June 30, 2017 and 2016**

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue, gains and other support:</b>				
Concert revenue	\$ 4,391,457	\$ -	\$ -	\$ 4,391,457
Federal, state and local grants	4,320,879	350,000	-	4,670,879
Contributions – operating	1,036,401	3,690,004	-	4,726,405
Donated historical treasures, goods, services and facilities	651,920	-	-	651,920
Endowment investment return designated for current operations	187,181	594,345	-	781,526
Other investment income	-	6,134	-	6,134
Other income	98,063	-	-	98,063
Net assets released from donor restrictions	4,424,531	(4,424,531)	-	-
<b>Total revenue, gains and other support</b>	<b>15,110,432</b>	<b>215,952</b>	<b>-</b>	<b>15,326,384</b>
<b>Expenses:</b>				
Program:				
Orchestra production	10,237,661	-	-	10,237,661
Education	101,485	-	-	101,485
Fundraising:				
Marketing	1,613,747	-	-	1,613,747
Development and fundraising	1,044,208	-	-	1,044,208
General and administrative	1,831,672	-	-	1,831,672
<b>Total expenses</b>	<b>14,828,773</b>	<b>-</b>	<b>-</b>	<b>14,828,773</b>
<b>Change in net assets from operations</b>	<b>281,659</b>	<b>215,952</b>	<b>-</b>	<b>497,611</b>
<b>Other changes:</b>				
Contributions – non-operating	-	-	841,944	841,944
Endowment investment return in excess of (less than) amounts designated for current operations	529,206	237,008	-	766,214
Change in value of split-interest agreements, perpetual trusts and split-interest obligations	-	-	2,121	2,121
<b>Change in net assets</b>	<b>810,865</b>	<b>452,960</b>	<b>844,065</b>	<b>2,107,890</b>
<b>Net assets (deficit):</b>				
Beginning	259,408	4,127,847	13,545,876	17,933,131
Ending	\$ 1,070,273	\$ 4,580,807	\$ 14,389,941	\$ 20,041,021

See notes to consolidated financial statements.

2016				
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
\$ 4,523,133	\$ -	\$ -	\$	4,523,133
4,273,304	360,000	-		4,633,304
6,643,165	1,333,791	-		7,976,956
571,982	-	350,000		921,982
177,173	552,543	-		729,716
-	2,732	-		2,732
76,932	-	-		76,932
2,984,963	(2,984,963)	-		-
19,250,652	(735,897)	350,000		18,864,755
10,247,631	-	-		10,247,631
93,260	-	-		93,260
1,499,791	-	-		1,499,791
998,797	-	-		998,797
2,163,506	-	-		2,163,506
15,002,985	-	-		15,002,985
4,247,667	(735,897)	350,000		3,861,770
-	-	2,437,228		2,437,228
(327,795)	(447,800)	-		(775,595)
-	-	(3,693)		(3,693)
3,919,872	(1,183,697)	2,783,535		5,519,710
(3,660,464)	5,311,544	10,762,341		12,413,421
\$ 259,408	\$ 4,127,847	\$ 13,545,876	\$	17,933,131

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Consolidated Statements of Cash Flows  
Years Ended June 30, 2017 and 2016**

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 2,107,890	\$ 5,519,710
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	62,881	60,996
Uncollectible pledges	15,810	282,224
Contributions restricted for long-term purposes	(841,944)	(2,437,228)
Contribution of historical treasures	-	(350,000)
Realized and unrealized (gains) losses on investments	(1,103,442)	435,925
Change in value of split-interest agreements, perpetual trusts and split-interest obligations	19,908	(29,740)
Change in cash value of life insurance	(726)	(3,295)
(Increase) decrease in:		
Contributions receivable	756,239	625,781
Other receivables	2,820	1,067
Prepaid expenses	(92,446)	(6,438)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(241,813)	(40,491)
Deferred revenue	30,755	(71,580)
<b>Net cash provided by operating activities</b>	<b>715,932</b>	<b>3,986,931</b>
Cash flows from investing activities:		
Purchase of equipment and leasehold improvements	(17,949)	(40,829)
Purchase of investments	(19,139,099)	(16,630,361)
Proceeds from sales of investments	18,430,091	12,486,936
Receipt of funds from charitable lead trust	200,000	200,000
<b>Net cash used in investing activities</b>	<b>(526,957)</b>	<b>(3,984,254)</b>
Cash flows from financing activities:		
Contributions restricted for long-term purposes	841,944	2,437,228
Payments on capital lease obligations	(5,255)	(5,255)
Payments to donors of charitable remainder trusts and annuitants	(10,863)	(10,789)
Borrowings on line of credit	7,987,301	8,568,786
Issuance of note payable	3,509	-
Principal payments on line of credit	(9,184,211)	(8,703,131)
Principal payments on note payable	(817,690)	(151,288)
<b>Net cash (used in) provided by financing activities</b>	<b>(1,185,265)</b>	<b>2,135,551</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(996,290)</b>	<b>2,138,228</b>

(Continued)

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Consolidated Statements of Cash Flows (Continued)  
Years Ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
Cash and cash equivalents:		
Beginning	<u><b>\$ 2,384,933</b></u>	<u><b>\$ 246,705</b></u>
Ending	<u><b>\$ 1,388,643</b></u>	<u><b>\$ 2,384,933</b></u>
Supplemental disclosure of cash flow information:		
Cash payments for interest	<u><b>\$ 68,971</b></u>	<u><b>\$ 85,130</b></u>
Supplemental schedule of noncash operating activities:		
Donated services and facilities	<u><b>\$ 651,920</b></u>	<u><b>\$ 571,982</b></u>
Supplemental disclosure of noncash investing and financing activities:		
Donated historical treasures	<u><b>\$ -</b></u>	<u><b>\$ 350,000</b></u>

See notes to consolidated financial statements.



**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Activities and Significant Accounting Policies**

**Nature of activities:** North Carolina Symphony Society, Inc. (the Society) and North Carolina Symphony Foundation (the Foundation) are nonprofit corporations organized under the laws of the State of North Carolina and are collectively referred to herein as the Symphony. The Society exists for the sole purpose of promoting and fostering musical culture and education to the communities of North Carolina. The Foundation exists for the sole purpose of providing support to the Society and to solicit additions to its endowment for the exclusive use and benefit of the Society. While the Society and the Foundation are separate legal entities with separate boards of trustees, the entities operate as one organization, with daily operations controlled by one management team, with all facilities shared and with common accounting for all fiscal matters.

A summary of the Symphony's significant accounting policies follows:

**Principles of consolidation:** As a result of formal affiliation and economic interdependency between the Society and the Foundation, consolidated financial statements are presented. The consolidated financial statements include the accounts of the Society and the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Basis of presentation:** Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, net assets of the Symphony and changes therein are classified and reported as follows:

**Unrestricted net assets:** Net assets not subject to donor-imposed stipulations.

**Temporarily restricted net assets:** Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Symphony and/or by the passage of time.

**Permanently restricted net assets:** Net assets subject to donor-imposed stipulations that they be maintained permanently by the Symphony. Generally, the donors of these assets permit the Symphony to use all or part of the earnings on related investments for general or specific purposes.

**Use of estimates:** The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents and concentration of credit risk:** For purposes of reporting cash flows, the Symphony considers all highly liquid debt instruments, excluding donor-restricted funds held for long-term purposes, purchased with an original maturity of three months or less to be cash equivalents. At times, the Symphony maintains deposits with a financial institution that may be in excess of federal insurance limits. The Symphony believes that such deposits pose no significant risk. Temporarily restricted cash at June 30, 2017 and 2016, was \$539,765 and \$73,293, respectively.

**Contributions receivable:** Contributions receivable are recognized as revenues at their fair values when they become unconditional. Contributions with donor-imposed restrictions are recorded as temporarily restricted net assets until the restrictions are met or as permanently restricted net assets. At the time temporary restrictions are met, they are reported as net assets released from restrictions. Contributions received with donor-imposed restrictions are reported as unrestricted when the donor-imposed restrictions are satisfied in the same reporting period as the receipt of the contributions.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows after an allowance for estimated uncollectible contributions is provided. Management estimates the allowance based on a review of all outstanding amounts, knowledge of troubled donors and using historical experience. Unconditional promises to give are written off when deemed uncollectible. Any recoveries of unconditional promises to give previously written off are recorded when received. The discounts on those amounts are computed using a risk-adjusted interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

**Investments:** Investments (including those held in charitable remainder trusts) are stated at fair value. See Note 9 for further information related to fair value measurements. Unrealized appreciation (depreciation), as well as realized gains and losses, are included in change in net assets in the consolidated statements of activities.

**Equipment and leasehold improvements:** Expenditures for the purchase of equipment and leasehold improvements are recorded at cost. Donated equipment is capitalized and recorded at its fair value at date of gift. Depreciation of equipment is computed by the straight-line method over the estimated useful lives of the assets, which range from 3 to 20 years. Amortization of leasehold improvements is based on the shorter of the expected lease term or the estimated useful life of the leasehold improvements and is included with depreciation expense.

The Symphony reviews the carrying value of equipment and leasehold improvements for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In the event such cash flows are not expected to be sufficient to recover the carrying value of the assets, the assets are written down to their estimated fair value.

**Historical treasures:** Historical treasures include donated musical instruments with historical significance. Donated historical treasures are capitalized at their appraised or estimated fair value on the date received. Historical treasures are not depreciated.

**Cash value of life insurance:** Certain donors contribute beneficiary interests in life insurance policies to the Symphony. The Symphony is the owner of these policies. These gifts are recorded at current cash values net of policy loans.

**Deferred revenue:** Deferred revenue consists of ticket sales, which are recognized as concert revenue in the period in which the performance is given.

**Operating and non-operating activities:** The consolidated statements of activities report the changes in net assets from operating and non-operating activities. Operating activities consist of all the activities of the Symphony except for certain items specifically considered to be non-operating activities. Non-operating activities include donor-restricted endowed contributions; investment income on temporarily and permanently restricted funds not available to support current operations; change in the value of split-interest agreements, perpetual trusts and split-interest obligations; and significant items of an unusual or non-recurring nature.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

**Grants received:** Substantially all federal, state and local grants have stipulations that require such funds be spent for their intended purposes. Federal grants are treated as exchange transactions and therefore revenues from these grants are recognized when the specified services have been provided. State and local grants are generally considered to be contributions and are reported as unrestricted revenues when the restrictions are met in the same reporting period.

**In-kind contributions:** Certain donors contribute specialized services, materials and use of facilities to the Symphony. These contributions are recorded as revenue and expense on the basis of their fair values.

**Commissions:** Commissions for the sales of concert tickets are recognized as expense when the concert is conducted and the related revenue is recognized. The amount of sales commissions not yet recognized as expense is included in prepaid expenses.

**Advertising:** The Symphony expenses advertising costs as incurred or the first time the advertising takes place in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 720. Advertising expense was \$1,094,832 and \$1,086,505 for the years ended June 30, 2017 and 2016, respectively.

**Income taxes:** The Symphony is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and the applicable state tax statutes. Therefore, no provision for income taxes has been reflected in the accompanying consolidated financial statements.

Management has evaluated the Symphony's tax positions and concluded that the Symphony had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of the *Income Taxes* Topic of the FASB.

**Functional expense allocation:** The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and accordingly, certain costs have been allocated among the programs and services benefited.

**Reclassifications:** Certain amounts presented in the fiscal 2016 consolidated financial statements have been reclassified to conform to classifications in fiscal 2017 without affecting the previously reported change in net assets or net assets.

**Subsequent events:** The Symphony has evaluated its subsequent events (events occurring after June 30, 2016) through October 24, 2017, which represents the date the consolidated financial statements were available to be issued.

**Recently issued but not yet effective accounting pronouncements:** In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. In addition, the amendments supersede the cost guidance in Subtopic 605-35, *Revenue Recognition-Construction-Type and Production-Type Contracts*, and create new Subtopic 340-40, *Other Assets and Deferred Costs-Contracts with Customers*. The core principle of Topic 606 is that an entity recognized revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this update, as amended by subsequently issued ASUs, will be effective for the Symphony's 2020 fiscal year with early adoption permitted with certain restrictions. Management has not evaluated the impact of this update on its consolidated financial statements.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019. The Symphony is currently evaluating the impact of this ASU on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. The amendments in this ASU make improvements to the information provided in the financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier applicable is permitted. The changes in the ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. The Symphony has not yet evaluated the impact of this ASU on its consolidated financial statements.

**Note 2. Contributions Receivable**

Unconditional promises to give are included in the consolidated financial statements as contributions receivable and revenue of the appropriate net asset category. Contributions expected to be received in periods greater than one year are recorded at the discounted present value of the estimated future cash flows using an appropriate risk-adjusted discount rate.

Unconditional promises to give as of June 30, 2017 and 2016, are expected to be realized in the following periods:

	2017	2016
In one year or less	\$ 1,462,212	\$ 2,095,461
Between one year and five years	160,610	336,174
Between five years and ten years	17,158	90
	1,639,980	2,431,725
Less allowance for uncollectible contributions	150,000	150,000
Less unamortized discount	33,814	53,510
	<u>\$ 1,456,166</u>	<u>\$ 2,228,215</u>

The discount rates used for contributions receivable ranged from 1.14% to 4.49%.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

**Note 3. Investments**

Investments, which are primarily assets of the Foundation, consist of the following at June 30, 2017 and 2016:

	2017		
	Cost	Unrealized Appreciation	Fair Value
Money market funds	\$ 837,789	\$ -	\$ 837,789
Mutual funds	5,864,502	376,592	6,241,094
Exchange-traded funds	9,190,783	319,717	9,510,500
	<u>\$ 15,893,074</u>	<u>\$ 696,309</u>	<u>\$ 16,589,383</u>
	2016		
	Cost	Unrealized Appreciation	Fair Value
Money market funds	\$ 1,534,578	\$ -	\$ 1,534,578
Mutual funds	9,624,920	88,542	9,713,462
Exchange-traded funds	3,195,002	333,891	3,528,893
	<u>\$ 14,354,500</u>	<u>\$ 422,433</u>	<u>\$ 14,776,933</u>

The Symphony invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, any significant changes in risks in the near term could materially affect the Symphony's investment balance reported in the consolidated statements of financial position.

The following schedule summarizes investment return in the consolidated statements of activities for the years ended June 30, 2017 and 2016:

	2017	2016
Dividends and interest, net of fees	\$ 444,298	\$ 390,046
Net realized and unrealized gains (losses)	1,103,442	(435,925)
Total return (loss) on investments	1,547,740	(45,879)
Less investment return designated for current operations	781,526	729,716
Investment return less than amounts designated for current operations	<u>\$ 766,214</u>	<u>\$ (775,595)</u>

Investment fees were approximately \$84,000 and \$74,000 for the years ended June 30, 2017 and 2016, respectively.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

**Note 4. Assets Held in Charitable Remainder Trusts**

The Symphony has been named as a beneficiary in charitable remainder trusts in which the Symphony is the trustee. When the Symphony receives assets in connection with a trust, the assets are recorded at fair value and the liability under the trust agreement is recorded at the present value of the expected future payments to be made to the beneficiary. The discount rate and actuarial assumptions used in determining the present value of the expected future payments are based on applicable discount rates and life expectancy assumptions. Amortization of the related discount is recognized as a change in value of split-interest agreements, perpetual trusts and split-interest obligations.

Assets held in charitable remainder trusts at June 30, 2017 and 2016, consist of the following:

	2017		
	Cost	Unrealized Appreciation (Depreciation)	Fair Value
Money market funds	\$ 2,983	\$ -	\$ 2,983
Fixed income mutual funds	29,433	(206)	29,227
Common stock mutual funds	29,634	4,209	33,843
	<u>\$ 62,050</u>	<u>\$ 4,003</u>	<u>\$ 66,053</u>
	2016		
	Cost	Unrealized Appreciation (Depreciation)	Fair Value
Money market funds	\$ 3,894	\$ -	\$ 3,894
Fixed income mutual funds	28,785	(62)	28,723
Common stock mutual funds	34,125	234	34,359
	<u>\$ 66,804</u>	<u>\$ 172</u>	<u>\$ 66,976</u>

Obligations under split-interest agreements were \$130,999 and \$142,294 at June 30, 2017 and 2016, respectively.

**Note 5. Split-Interest Agreements and Beneficial Interests in Perpetual Trusts**

The Symphony has been named as a beneficiary in several charitable remainder trusts and a charitable lead trust in which the Symphony is not the trustee. When the Symphony is notified of the existence of an irrevocable trust in which it is named as a beneficiary, an asset and contribution revenue are recorded at the present value of the estimated future net cash receipts, determined based on applicable Internal Revenue Service discount rates and life expectancy assumptions. Amortization of the related discount and revaluation of the expected cash flows based on actuarial changes are recognized as changes in the value of split-interest agreements, perpetual trusts and split-interest obligations in the year in which the change occurs. In accordance with U.S. GAAP, the Symphony does not record an asset for amounts receivable from remainder trusts or lead trusts if the trust is revocable or if the donor retains the unilateral right to change beneficiaries.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

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**Note 5. Split-Interest Agreements and Beneficial Interests in Perpetual Trusts (Continued)**

The Symphony is also the beneficiary of a perpetual trust, the assets of which are also not in possession of the Symphony. The Symphony has legally enforceable rights or claims to such assets, including the right to income therefrom. Revaluations of the fair value of the assets held in the perpetual trust are recognized as changes in the value of perpetual trusts.

Split-interest agreements and beneficial interests in perpetual trusts at June 30, 2017 and 2016, were \$1,718,347 and \$1,937,764, respectively. The Foundation received no contributions from split-interest agreements during 2017 and 2016.

**Note 6. Equipment and Leasehold Improvements**

Equipment and leasehold improvements as of June 30, 2017 and 2016, consist of the following:

	2017	2016
Furniture, fixtures and equipment	\$ 146,966	\$ 146,966
Motor vehicles	138,759	138,759
Software	119,348	105,898
Leasehold improvements	87,726	87,726
Equipment	373,849	369,350
	866,648	848,699
Less accumulated depreciation	777,316	714,435
	<u>\$ 89,332</u>	<u>\$ 134,264</u>

**Note 7. Line of Credit**

The Society has an agreement with a commercial bank for a line of credit, which is secured by the Symphony's contributions receivable and is guaranteed by the Foundation. The agreement was amended on November 18, 2016, to provide the Symphony with a maximum credit line of \$3,500,000 through December 5, 2018. The maximum amount available under the credit line is also limited to 75% of cash, investments, cash value of life insurance and certain receivables. Interest is payable monthly and is assessed at one-month London Interbank Offered Bank (1.06% at June 30, 2017) plus 2.875%.

There was \$11,190 and \$1,208,100 outstanding under this line of credit at June 30, 2017 and 2016, respectively.

**Note 8. Notes Payable**

In January 2015, the Symphony entered into a \$1,000,000 promissory note agreement with a commercial bank with 36 monthly principal and interest payments of \$10,000 starting on February 5, 2015, and annual principal payments of \$250,000 starting on January 5, 2016. In December 2015, the Symphony amended the promissory note agreement reducing the number of monthly principal and interest payments to 24 payments of \$20,832 starting on January 5, 2016, and annual principal payments of \$250,000 starting on January 5, 2017, with one final payment of all remaining principal and accrued interest due on January 5, 2018. During fiscal 2017, the Symphony fully repaid the promissory note.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

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**Note 8. Notes Payable (Continued)**

Total interest expense, including amounts on the line of credit, was \$68,971 and \$76,771 in 2017 and 2016, respectively.

**Note 9. Fair Value Measurements**

Fair value measurements apply to all financial assets and liabilities that are being measured and reported on a fair value basis. FASB ASC 820 established a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability at the measurement date. The fair value hierarchy is as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

**Level 2:** Inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, discount values, volatilities, prepayment spreads, credit risks, etc.), or inputs that are derived principally from or corroborated by market data correlation or other means.

**Level 3:** Unobservable inputs for determining the fair values of assets or liabilities that would reflect an entity's own determination about the assumptions that market participants would use in pricing the assets or liabilities.

In determining fair value, the Symphony uses various valuation approaches within the FASB ASC 820 fair value measurement framework. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the hierarchy.

**Investments:**

**Money market funds:** Money market funds are composed of cash equivalents and a treasury fund. Cash equivalents are in active markets and are classified within Level 1 of the valuation hierarchy. The treasury fund is valued at the last sales price or inputs that are derived principally from or corroborated by market data correlation or other means. Because the treasury fund is closed to new investors, it is not considered actively traded and is classified as Level 2 of the valuation hierarchy.



**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

**Note 9. Fair Value Measurements (Continued)**

**Mutual funds and exchange-traded funds:** Mutual funds and exchange-traded funds are composed of equity and fixed income mutual funds and exchange-traded funds listed on national markets or exchanges and are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy.

**Assets held in charitable remainder trusts:** Assets held in charitable remainder trusts are composed of money market funds, fixed income mutual funds and common stock mutual funds. The funds are in active markets and classified within Level 1 of the valuation hierarchy.

**Split-interest agreements and beneficial interests in perpetual trusts:** The Symphony has been named as a beneficiary in various split-interest agreements and a perpetual trust for which the Symphony is not the trustee. Amounts reported approximate fair value. Under the guidelines set forth in the FASB ASC 820 fair value hierarchy, the trust assets are classified as Level 3 inputs due to the nature of the discounts used to determine present value of estimated future cash flows.

The following tables summarize financial assets measured at fair value by classification within the fair value hierarchy as of June 30, 2017 and 2016:

	2017			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Assets:</b>				
Investments:				
Money market funds	\$ 1,713	\$ 836,076	\$ -	\$ 837,789
Mutual funds:				
Multistrategy alternative funds	1,582,550	-	-	1,582,550
Short-term bond funds	102,270	-	-	102,270
Intermediate-term bond funds	532,248	-	-	532,248
Other bond funds	1,716,062	-	-	1,716,062
International equity funds	713,603	-	-	713,603
Other equity funds	1,594,361	-	-	1,594,361
Exchange-traded funds:				
Foreign large blend fund	5,438,419	-	-	5,438,419
Large value equity	4,072,081	-	-	4,072,081
Total investments	15,753,307	836,076	-	16,589,383
Assets held in charitable remainder trusts	66,053	-	-	66,053
Split-interest agreements and beneficial interests in perpetual trusts	-	-	1,718,347	1,718,347
Total financial assets	\$ 15,819,360	\$ 836,076	\$ 1,718,347	\$ 18,373,783

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

**Note 9. Fair Value Measurements (Continued)**

	2016			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Assets:</b>				
Investments:				
Money market funds	\$ 40,517	\$ 1,494,061	\$ -	\$ 1,534,578
Mutual funds:				
Multistrategy alternative funds	2,016,754	-	-	2,016,754
Short-term bond funds	102,872	-	-	102,872
Intermediate-term bond funds	1,643,091	-	-	1,643,091
Other bond funds	2,640,476	-	-	2,640,476
International equity funds	719,610	-	-	719,610
Other equity funds	1,469,330	-	-	1,469,330
Managed futures fund	1,121,329	-	-	1,121,329
Exchange-traded funds:				
Foreign large blend fund	561,877	-	-	561,877
Large value equity	2,967,016	-	-	2,967,016
Total investments	13,282,872	1,494,061	-	14,776,933
Assets held in charitable remainder trusts	66,976	-	-	66,976
Split-interest agreements and beneficial interests in perpetual trusts	-	-	1,937,764	1,937,764
Total financial assets	\$ 13,349,848	\$ 1,494,061	\$ 1,937,764	\$ 16,781,673

The following table reconciles the beginning and ending balances of financial assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended June 30, 2017 and 2016:

	Split-Interest Agreements and Beneficial Interests in Perpetual Trusts
Balance, June 30, 2015	\$ 2,066,326
Receipt of funds from charitable lead trust	(200,000)
Change in value	71,438
Balance, June 30, 2016	1,937,764
Receipt of funds from charitable lead trust	(200,000)
Change in value	(19,417)
Balance, June 30, 2017	\$ 1,718,347

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

**Note 10. Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30, 2017 and 2016, are available for the following purposes:

	2017	2016
Society Current and Major Gifts Program Funds	\$ 775,426	\$ 307,371
Future periods, Society Current Fund	1,214,739	1,288,998
Future periods, Major Gifts Program	126,230	304,074
Designated for endowment purposes, not yet appropriated	2,464,412	2,227,404
	<u>\$ 4,580,807</u>	<u>\$ 4,127,847</u>

**Note 11. Permanently Restricted Net Assets**

Permanently restricted net assets as of June 30, 2017 and 2016, are restricted to:

	2017	2016
Operating activities, including guest artist activities	\$ 12,671,594	\$ 11,608,112
Future benefits from split-interest agreements and remainder trusts, to become investments in perpetuity at the death of the donor, the income of which will be expendable for operations	1,603,842	1,824,578
Future benefits from perpetual trusts	114,505	113,186
	<u>\$ 14,389,941</u>	<u>\$ 13,545,876</u>

**Note 12. Net Assets Released From Donor Restrictions**

During 2017 and 2016, net assets of \$4,424,531 and \$2,984,963, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

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**Note 13. Endowment Funds**

The Symphony's endowment funds consist of several gifts donated for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds, including any funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Symphony's Board of Trustees has interpreted the North Carolina enacted version of the Uniform Prudent Management of Institutional Funds Act (NCUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Symphony classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Symphony in a manner consistent with the standard of prudence prescribed by NCUPMIFA. In accordance with NCUPMIFA, the Symphony considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Symphony and the endowment fund
- Price level trends and general economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Symphony
- The investment policy of the Symphony

The overall investment objective of the Foundation is to provide support for the Symphony. The long-term goal is to preserve the inflation-adjusted purchasing power of the Foundation, while providing a predictable, stable and consistent stream of real returns to support the Symphony's operating needs.

The overall performance objective, measured over a seven-year time horizon, for the total funds is the Foundation's spending policy plus inflation, as measured by the Consumer Price Index (CPI). To achieve this return, the Foundation must assume a moderate level of risk with a considerable exposure in equity securities.

The Foundation's spending and investment policies establish an achievable return objective through diversification of asset classes allocated in a manner that is intended to provide long-term stable return in line with the performance objective. Investment returns are achieved through both capital appreciation (realized and unrealized) and current income (dividends and interest). Returns are measured against a weighted average of nationally recognized benchmark indices, such as the Russell 1000 Growth Index and the MSCI EAFE, appropriate for each asset style.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

**Note 13. Endowment Funds (Continued)**

The Board of Trustees' current general spending policy is to distribute an amount equal to 4.5% of a rolling 12-quarter average fund balance. This spending policy is consistent with the average long-term return expectation, providing ongoing support of donors' charitable interests and additional growth to the endowment funds. Appropriations from endowment funds are approved by the Symphony's Board of Trustees.

From time to time, the fair value of assets associated with the donor-restricted endowment funds may fall below the level that the donor or NCUPMIFA requires the Symphony to retain as a fund of perpetual duration. At June 30, 2017 and 2016, these deficiencies totaled \$692,291 and \$818,187, respectively, and are due to unfavorable market fluctuations and continued appropriation of endowment assets which was deemed prudent by the Board of Trustees. During the years ended June 30, 2017 and 2016, appropriations of \$208,851 and \$173,658, respectively, were made from funds with deficiencies.

During 2015, the Symphony was the recipient of a term endowment of \$1,953,857 for which the withdrawn funds are to be used to pay for guest artist fees. The term endowment will be for 25 years with no more than 6% of the funds used each year. At the end of the endowment term, any remaining endowment funds are released from any donor-imposed restrictions and are available for any of the charitable or educational purposes of the Society as determined by its Board. This term endowment is included within the following tables.

During 2016, the Symphony was the recipient of an unrestricted contribution of \$2,000,000, of which \$1,900,000 was designated as a guest artist endowment and thus is included in board-designated endowment funds in the tables below.

During 2017, there were no funds designated by the board as endowments.

The following table summarizes changes in endowment net assets for the years ended June 30, 2017 and 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2015	\$ (229,369)	\$ 2,675,204	\$ 8,523,316	\$ 10,969,151
Contributions	1,900,000	-	2,444,478	4,344,478
Receipt of funds from charitable lead trust	-	-	200,000	200,000
Interest and other investment income, net of fees	71,325	245,078	-	316,403
Realized and unrealized gains (losses)	(296,092)	(140,335)	-	(436,427)
Appropriations of endowment assets for expenditure	(177,173)	(552,543)	-	(729,716)
Endowment net assets, June 30, 2016	1,268,691	2,227,404	11,167,794	14,663,889
Contributions	-	-	938,871	938,871
Receipt of funds from charitable lead trust	-	-	200,000	200,000
Interest and other investment income, net of fees	77,042	283,287	-	360,329
Realized and unrealized losses	554,914	548,066	-	1,102,980
Appropriations of endowment assets for expenditure	(187,181)	(594,345)	-	(781,526)
Endowment net assets, June 30, 2017	\$ 1,713,466	\$ 2,464,412	\$ 12,306,665	\$ 16,484,543

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

**Note 13. Endowment Funds (Continued)**

The following tables summarize the composition of endowment net assets by fund type as of June 30, 2017 and 2016:

2017				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds:				
Guest artist activities	\$ -	\$ 1,767,774	\$ -	\$ 1,767,774
Any activities of the Symphony	(692,291)	696,638	12,306,665	12,311,012
Board-designated endowment funds	2,405,757	-	-	2,405,757
Total endowment net assets	\$ 1,713,466	\$ 2,464,412	\$ 12,306,665	\$ 16,484,543

2016				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds:				
Guest artist activities	\$ -	\$ 1,812,576	\$ -	\$ 1,812,576
Any activities of the Symphony	(818,187)	414,828	11,167,794	10,764,435
Board-designated endowment funds	2,086,878	-	-	2,086,878
Total endowment net assets	\$ 1,268,691	\$ 2,227,404	\$ 11,167,794	\$ 14,663,889

**Note 14. Significant Revenue Sources and Concentrations**

Approximately \$4.3 million and \$4.2 million of the Symphony's total revenue, gains and other support for the years ended June 30, 2017 and 2016, respectively, is derived from funding received from the State of North Carolina, passed through the North Carolina Department of Cultural Resources and the North Carolina Office of State Budget and Management.

Of the \$4.3 million and \$4.2 million in funding received from the State of North Carolina in fiscal 2017 and 2016, respectively, \$2.0 million was from a Challenge Grant in both fiscal 2017 and 2016. Under the terms of the grant, the Symphony receives funding if targets for non-state funding were achieved. In fiscal 2017 and 2016, all targets were achieved and the Symphony received the maximum amount of funding available under the terms of the grant.

The funding from the State of North Carolina has a significant and ongoing effect on the Symphony's programming. If a substantial portion of the Symphony's funding from the State were discontinued, the Symphony's existing programs and services might be curtailed.

During fiscal 2016, the Symphony was the recipient of an unrestricted contribution of \$2,000,000, of which \$1,900,000 was designated as a guest artist endowment. See Note 13 for further details. This contribution represented 19% of total contributions received during the year ended June 30, 2016.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

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**Note 14. Significant Revenue Sources and Concentrations (Continued)**

During fiscal 2016, the Symphony received two unrestricted contributions totaling \$2,650,000. The two contributions represented 26% of total contributions received during the year ended June 30, 2016. Additionally, during 2016, the Symphony was the recipient of endowed contributions from an estate totaling \$2,037,000. This contribution represented 20% of the total contributions received during the year ended June 30, 2016.

During fiscal 2017, the Symphony received three contributions totaling approximately \$1,768,000. These contributions represented approximately 32% of total contributions received during the year ended June 30, 2017.

**Note 15. Commitments**

The Symphony has agreed to pay several guest artists for performances during the 2017-2018 season through various contracts. Such amounts are charged to operations when the performances occur. The total amounts committed for future performance of these contracts at June 30, 2017, was \$168,500.

**Note 16. Retirement Plan**

Certain non-musician employees of the Symphony are participants in a retirement annuity plan which is administered by the Teachers Insurance and Annuity Association. Only elective employee deferrals can currently be contributed into the retirement plan for non-musician employees. The Symphony also sponsors a separate retirement plan for musicians. Under the plan, the Symphony contributes 9% of the musician's base pay based on a 39-week contract year. Musicians can also make elective deferrals to be contributed into this plan. Expenses associated with this plan amounted to \$299,937 and \$357,359 in 2017 and 2016, respectively.

**Note 17. Lease Commitments**

**Operating leases:** In June 2010, the Symphony entered into a noncancelable operating lease agreement that provides for the Symphony's office space. This lease agreement was renewed on March 13, 2017, with an expiration date of May 31, 2022. The lease also provides for additional rent based on increases in operating costs, taxes and insurance costs. The future minimum lease payments at June 30, 2017, totaled \$942,630.

Future minimum lease commitments under the above lease are as follows:

Year ending June 30:	
2018	\$ 175,864
2019	188,825
2020	193,546
2021	198,384
2022	186,011
	<u>\$ 942,630</u>

Total rent expense in 2017 and 2016 associated with operating leases was \$166,130 and \$158,940, respectively.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Consolidated Financial Statements**

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**Note 17. Lease Commitments (Continued)**

**Capital leases:** The Symphony also leases certain equipment under leasing agreements that have been classified as capital leases. The present value of the net minimum lease payments (excluding interest payments) is \$7,571 scheduled to be repaid through the fiscal year ending June 30, 2018, and is considered insignificant. As of June 30, 2017, the cost and accumulated amortization of the equipment acquired under capital leases is \$28,953 and \$21,382, respectively. As of June 30, 2016, the cost and accumulated amortization of the equipment acquired under capital leases is \$28,953 and \$16,127, respectively.

**Note 18. Related Party Transactions**

The Symphony receives contributions from Board members. Contribution revenue from current Board members was approximately \$675,000 and \$506,000 for the years ended June 30, 2017 and 2016, respectively. Undiscounted contributions receivable from Board members totaled approximately \$1,750,000 and \$2,152,000 at June 30, 2017 and 2016, respectively. The Society has a board member whose information technology company has provided the Society with services for several years. The Society recorded expenses of approximately \$54,000 and \$84,000 for services performed by this Board member's company during 2017 and 2016, respectively.



## **Section II**

### **Supplementary Information**

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Consolidating Statements of Financial Position (By Fund)  
June 30, 2017 and 2016**

	2017			
	<b>Society Current Fund</b>	<b>Foundation Endowment Fund</b>	<b>Major Gifts Program Fund</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ (143,136)	\$ -	\$ 1,531,779	\$ 1,388,643
Contributions receivable, net	1,214,739	115,197	126,230	1,456,166
Other receivables	17,207	-	-	17,207
Prepaid expenses	372,228	-	-	372,228
Investments	-	12,575,706	4,013,677	16,589,383
Intercompany receivable	458,386	68,185	137,100	*
Assets held in charitable remainder trusts	-	66,053	-	66,053
Split-interest agreements and beneficial interests in perpetual trusts	-	1,718,347	-	1,718,347
Equipment and leasehold improvements, net of accumulated depreciation	89,332	-	-	89,332
Historical treasures	-	350,000	-	350,000
Cash value of life insurance	-	234,804	-	234,804
<b>Total assets</b>	<b>\$ 2,008,756</b>	<b>\$ 15,128,292</b>	<b>\$ 5,808,786</b>	<b>\$ 22,282,163</b>
<b>Liabilities and Net Assets (Deficit)</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 325,089	\$ -	\$ -	\$ 325,089
Line of credit	11,190	-	-	11,190
Deferred revenue	1,766,293	-	-	1,766,293
Intercompany payable	109,475	12,158	542,038	*
Obligations under capital leases	7,571	-	-	7,571
Obligations under split-interest agreements	-	44,528	86,471	130,999
Notes payable	-	-	-	-
<b>Total liabilities</b>	<b>2,219,618</b>	<b>56,686</b>	<b>628,509</b>	<b>2,241,142</b>
<b>Net assets (deficit)</b>	<b>(210,862)</b>	<b>15,071,606</b>	<b>5,180,277</b>	<b>20,041,021</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,008,756</b>	<b>\$ 15,128,292</b>	<b>\$ 5,808,786</b>	<b>\$ 22,282,163</b>

\* Eliminated in consolidation

2016

Society Current Fund	Foundation Endowment Fund	Major Gifts Program Fund	Total
\$ 11,640	\$ -	\$ 2,373,293	\$ 2,384,933
1,788,998	135,143	304,074	2,228,215
20,027	-	-	20,027
279,782	-	-	279,782
-	11,021,428	3,755,505	14,776,933
428,029	127,884	-	*
-	66,976	-	66,976
-	1,937,764	-	1,937,764
134,264	-	-	134,264
-	350,000	-	350,000
-	234,078	-	234,078
\$ 2,662,740	\$ 13,873,273	\$ 6,432,872	\$ 22,412,972

\$ 562,153	\$ -	\$ 4,749	\$ 566,902
1,208,100	-	-	1,208,100
1,735,538	-	-	1,735,538
62,775	-	493,138	*
12,826	-	-	12,826
-	48,562	93,732	142,294
814,181	-	-	814,181
4,395,573	48,562	591,619	4,479,841
(1,732,833)	13,824,711	5,841,253	17,933,131
\$ 2,662,740	\$ 13,873,273	\$ 6,432,872	\$ 22,412,972

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Consolidating Statements of Activities (by Fund)  
Years Ended June 30, 2017 and 2016**

	2017			
	<b>Society Current Fund</b>	<b>Foundation Endowment Fund</b>	<b>Major Gifts Program Fund</b>	<b>Total</b>
Revenues:				
Concert	\$ 4,391,457	\$ -	\$ -	\$ 4,391,457
Other income	98,063	-	-	98,063
	<b>4,489,520</b>	<b>-</b>	<b>-</b>	<b>4,489,520</b>
Costs and expenses:				
Orchestra production	10,237,661	-	-	10,237,661
General and administrative	1,716,194	89,075	26,403	1,831,672
Marketing	1,613,747	-	-	1,613,747
Education	101,485	-	-	101,485
	<b>13,669,087</b>	<b>89,075</b>	<b>26,403</b>	<b>13,784,565</b>
<b>Deficiency of revenues over costs and expenses</b>	<b>(9,179,567)</b>	<b>(89,075)</b>	<b>(26,403)</b>	<b>(9,295,045)</b>
Other resources and costs:				
Donated historical treasures, goods, services and facilities	651,920	-	-	651,920
Contributions – operating	2,969,839	-	1,756,566	4,726,405
Contributions – non-operating	-	841,944	-	841,944
Change in value of split-interest agreements, perpetual trusts and split-interest obligations	-	2,121	-	2,121
Foundation investment gains	-	1,104,107	339,098	1,443,205
Other investment income	-	-	110,669	110,669
Grants:				
State of North Carolina and Federal, appropriation	4,270,879	-	-	4,270,879
Local	400,000	-	-	400,000
Development and fundraising	(829,255)	-	(214,953)	(1,044,208)
	<b>7,463,383</b>	<b>1,948,172</b>	<b>1,991,380</b>	<b>11,402,935</b>
<b>Excess (deficiency) from endeavors before transfers</b>	<b>(1,716,184)</b>	<b>1,859,097</b>	<b>1,964,977</b>	<b>2,107,890</b>
Transfers:				
Release of major gifts funds to current	2,643,810	-	(2,643,810)	-
Transfer of endowment earnings to current	594,345	(425,021)	(169,324)	-
Other transfers	-	(187,181)	187,181	-
	<b>3,238,155</b>	<b>(612,202)</b>	<b>(2,625,953)</b>	<b>-</b>
<b>Change in net assets</b>	<b>\$ 1,521,971</b>	<b>\$ 1,246,895</b>	<b>\$ (660,976)</b>	<b>\$ 2,107,890</b>

2016

Society Current Fund	Foundation Endowment Fund	Major Gifts Program Fund	Total
\$ 4,523,133	\$ -	\$ -	\$ 4,523,133
76,932	-	-	76,932
4,600,065	-	-	4,600,065
10,247,631	-	-	10,247,631
1,785,865	84,518	279,276	2,149,659
1,499,791	-	-	1,499,791
93,260	-	-	93,260
13,626,547	84,518	279,276	13,990,341
(9,026,482)	(84,518)	(279,276)	(9,390,276)
571,982	350,000	-	921,982
3,276,023	-	4,700,933	7,976,956
-	2,437,228	-	2,437,228
-	(3,693)	-	(3,693)
-	(114,398)	(53,558)	(167,956)
-	-	110,962	110,962
4,233,304	-	-	4,233,304
400,000	-	-	400,000
(869,839)	-	(128,958)	(998,797)
7,611,470	2,669,137	4,629,379	14,909,986
(1,415,012)	2,584,619	4,350,103	5,519,710
884,370	-	(884,370)	-
552,543	(386,913)	(165,630)	-
-	(177,173)	177,173	-
1,436,913	(564,086)	(872,827)	-
\$ 21,901	\$ 2,020,533	\$ 3,477,276	\$ 5,519,710

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Consolidating Statements of Changes in Net Assets (Deficit) (by Fund)  
Years Ended June 30, 2017 and 2016**

	Society Current Fund	Foundation Endowment Fund	Major Gifts Program Fund	Total
Net assets (deficit), June 30, 2015	\$ (1,754,734)	\$ 11,804,178	\$ 2,363,977	\$ 12,413,421
Excess (deficiency) from current endeavors before capital additions (deductions)	(1,415,012)	349,600	4,410,914	3,345,502
Capital additions (reductions)	-	2,235,019	(60,811)	2,174,208
Transfers:				
From endowment, allocation of earnings	552,543	(386,913)	(165,630)	-
From foundation endowment	-	(177,173)	177,173	-
From Major Gifts program	884,370	-	(884,370)	-
Net assets (deficit), June 30, 2016	(1,732,833)	13,824,711	5,841,253	17,933,131
Excess (deficiency) from endeavors before transfers	(1,716,184)	1,859,097	1,964,977	2,107,890
Transfers:				
From endowment, allocation of earnings	594,345	(425,021)	(169,324)	-
From foundation endowment	-	(187,181)	187,181	-
From Major Gifts program	2,643,810	-	(2,643,810)	-
<b>Net assets (deficit), June 30, 2017</b>	<b>\$ (210,862)</b>	<b>\$ 15,071,606</b>	<b>\$ 5,180,277</b>	<b>\$ 20,041,021</b>



RSM US LLP

**Independent Auditor's Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With Government Auditing Standards**

To the Boards of Trustees  
North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation  
Raleigh, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of North Carolina Symphony Society, Inc. and North Carolina Symphony Foundation (collectively, the Symphony), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 24, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Symphony's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Symphony's internal control. Accordingly, we do not express an opinion on the effectiveness of the Symphony's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Symphony's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards**

We have audited the consolidated financial statements of the Symphony as of and for the year ended June 30, 2017, and have issued our report thereon dated October 24, 2017, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by North Carolina General Statute 143C-6-23 and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*RSM US LLP*

Raleigh, North Carolina  
October 24, 2017



**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Schedule of Expenditures of Federal and State Awards  
Year Ended June 30, 2017**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
National Endowment for the Humanities:		
Music Unwound	45.164	\$ 20,645
<b>Total federal awards</b>		<u>20,645</u>
State of North Carolina, Department of Cultural Resources and the North Carolina State Office of Budget and Management		
Grant payments	N/A	3,624,691 (1)
Expenses incurred on the Symphony's behalf	N/A	625,543 (1)
<b>Total state awards</b>		<u>4,250,234</u>
<b>Total federal and state awards</b>		<u>\$ 4,270,879</u>

(1) Programs having compliance requirements that could have a direct and material effect on the consolidated financial statements.

See notes to schedule of expenditures of federal and state awards.

**North Carolina Symphony Society, Inc.  
North Carolina Symphony Foundation**

**Notes to Schedule of Expenditures of Federal and State Awards**

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**Note 1. Basis of Presentation**

This schedule includes the grant activity of the Symphony and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of North Carolina General Statute 143C-6-23. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

**Note 2. Grant Activity**

The expenditure of funds received from the State of North Carolina, Department of Cultural Resources and the North Carolina State Office of Budget and Management was for musician salaries and benefits in order to provide statewide service and music education.

**Note 3. Uniform Guidance Federal Requirements**

The amount of federal awards expended during the year ended June 30, 2017, was less than the threshold over which Subpart F of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) involving testing of major programs is required.