

**2013 LODGING TAX SERVICES AGREEMENT
BETWEEN KITTITAS COUNTY AND SPIRIT OF THE WEST COWBOY GATHERING**

This Contract, dated January 23, 2013 is made and entered into by and between KITTITAS COUNTY ("County") and SPIRIT OF THE WEST COWBOY GATHERING ("Contractor").

WHEREAS, the purpose of this Agreement is to provide for activities and expenditures designed to increase tourism,

NOW THEREFORE, in consideration of the terms and conditions contained herein, or attached and incorporated and made a part hereof, the County and the Contractor mutually agree as follows:

Section 1. Scope of Work.

- a. Contractor shall provide the services and staff described in its **Application for Lodging Tax Funds** submitted to the Lodging Tax Advisory Committee, attached hereto as **Exhibit "A."**
- b. Except as otherwise specifically provided in this Agreement, Contractor shall furnish the following as required to perform the services, described in Paragraph (a) above, in accordance with this Agreement: Personnel, labor and supervision; technical, professional and other services. All such services, property and other items furnished or required to be furnished, together with all other obligations performed, or required to be performed, by Contractor under this Agreement are collectively referred to herein as "Services."
- c. In relation to facilities operations, Contractor warrants that after June 30, 2013, the lodging tax funds shall be used only for the operation of facilities in which the County or applicable city has an ownership interest.
- d. Contractor warrants that after June 30, 2013, the lodging tax funds shall be confined to the actual marketing of special events and festivals designed to attract tourists.
- e. Contractor shall commence, perform and complete such Services in accordance with any and all attachments to this Agreement.

Section 2. Payment.

- a. As full compensation for satisfactory performance of the Contractor's Services, the County agrees to pay Contractor the sum of ten thousand dollars (\$10,000).
- b. Additional payment terms: The County will make payment to the Contractor only on a reimbursement basis, as receipts for any items including marketing and/or advertising are submitted to the County, not to exceed the sum of ten thousand dollars (\$10,000).
- c. Funds under this Contract which are disbursed for operations as opposed to marketing of special events and/or festivals designed to attract tourists, or used for the support of the operations and capital expenditures of tourism-related facilities owned by non-profit

organizations, shall be completed and the Contractor's request for reimbursement completed and received by the County on or before June 15, 2013 in order to receive reimbursement on or before June 30, 2013.

Section 3. Performance by Contractor.

- a. Contractor shall not (by contract, operation of law or otherwise) delegate or subcontract performance of any Services to any other person or entity without the prior written consent of the County. Any such delegation or subcontracting without the County's prior written consent shall be voidable at the County's option.
- b. Contractor shall at all times be an independent contractor and not an agent or representative of the County with regard to performing the Services. Contractor shall not represent that it is, or hold itself out as, an agent or representative of the County. In no event shall Contractor be authorized to enter into any Agreement or undertaking for or on behalf of the County. It is understood that the Contractor and the Contractor's staff and employees are not employees of the County and are not, therefore, entitled to any benefits provided employees of the County.
- c. Contractor shall comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits, and other requirements, now or hereafter in effect, of any governmental authority (including, but not limited to, such requirements as may be imposed upon the County and applicable to Services). Contractor shall furnish such documents as may be required to effect or evidence such compliance. All laws, ordinances, rules, and orders required to be incorporated into agreements of this character are incorporated into this Agreement by this reference. Contractor agrees to obtain all required licenses and permits, and further agrees to keep them in full force and effect during the term of this Agreement.
- d. The County and the Contractor agree that in fulfilling the terms and conditions of this Agreement neither shall discriminate on the basis of race, creed, color, national origin, age, sex, marital status, or the presence of a physical, sensory, or mental handicap.
- e. The Services shall at all times be subject to inspection by and approval of the County, but the County's making (or failure or delay in making) such inspection or approval shall not relieve Contractor of its responsibility to perform the Services in accord with this Agreement, notwithstanding the County's knowledge of defective or non-complying performance, or the substantiality or ease of discovering the same. Contractor shall provide the County with sufficient, safe, and proper facilities and equipment for such inspection and free access to such facilities.
- f. This contract is subject to review by any Federal or State auditor. Contractor shall promptly furnish the County or its designee, or such Federal or State auditor with such information related to the Services as may be requested by the applicable governmental entity. Contractor shall preserve and maintain all financial records and records relating to performance of Services under this Agreement for six (6) years after contract termination. For such duration after the County makes final payment of compensation due hereunder, Contractor shall provide the County access to (and the County shall have the right to examine, audit and copy, with or without notice) all of Contractor's books, documents, papers and records related to the Services or this Agreement.

- g. Contractor understands and acknowledges that Contractor is solely responsible for its own reporting and accounting of all state, federal, social security, and local taxes, of every nature, arising from Contractor's performance of this Agreement. All compensation received by the Contractor will be reported to the Internal Revenue Service at the end of the calendar year in accord with the applicable IRS regulations.

Section 4. Release, Indemnity, and Hold Harmless.

The County assumes no liability for the Contractor's actions under this Agreement. Contractor releases and shall defend, indemnify, and hold harmless the County, its officers and employees, agents, representatives, attorneys and/or volunteers, from and against all claims, costs, liabilities, damages, and expenses, (including, but not limited to, reasonable attorney fees) which arise or may arise or be alleged to arise out of or by reason of this Agreement including:

- Any fault, negligence, strict liability or product liability of Contractor in connection with the Services for this Agreement;
- Any lien asserted upon any property of the County in connection with the Services for this Agreement;
- Any failure of Contractor, or of the Services, to comply with any applicable law, ordinance, rule, regulation, order, license, permit and other requirement, now or hereafter in effect, of any governmental authority; or
- Any breach of or default under this Agreement by Contractor.

Section 5. Compliance with Public Records Law.

- a. In compliance with Washington's public records law, the County will retain copies of any documents associated with this Agreement, which may be required by law unless legally exempt from such retention, for any applicable legally required retention period.
- b. In the event a public records request is made to the County for documents created in relation to this Agreement, should legal uncertainty arise regarding the disclosability of any documents under federal or state public records laws, the County shall provide notice to Contractor pursuant to Washington's public records act, chapter 42.56 RCW, to allow Contractor to seek a court injunction.
- c. The County specifically shall not be liable to Contractor for the County's release under public records laws of any documents not protected by trademark, copyright or other law.

Section 6. Industrial Insurance Waiver.

With respect to performance of this Agreement and as to any claims against the County, its Additional Insureds, officers, agents and employees, the Contractor expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to Contractor's employees and agrees that the obligations to indemnify, defend and hold harmless provided in this Agreement

extend to any claim brought by or on behalf of any employee of the Contractor. **This waiver is mutually negotiated by the parties to this Agreement.**

Section 7. Insurance and Endorsements.

- a. The County may require through a request in writing that the Contractor provide the County with a certificate, binder, or policy of liability insurance, acceptable to the County in an amount specified by the County.
- b. Such liability insurance shall be such as will protect Contractor, its employees, agents and representatives, from all claims, losses, harm, costs, liabilities, damages and expenses arising out of personal injury (including death) or property damage that may result from performance of the Services or this Agreement, whether such performance is by Contractor or any of its employees, agents or representatives.
- c. Should the County require such liability insurance, the Contractor agrees to provide proof of insurance prior to commencing performance of this Agreement.
- d. Copies of the County's written request and the insurance documents provided by Contractor shall be attached to this Agreement and by this reference will be made part hereof.
- e. Where insurance is requested by the County, all liability insurance policies shall be endorsed to include the County as an Additional Insured and shall stipulate that the insurance afforded by the policies shall be primary insurance, and that any insurance, self-insured retention, deductibles, or risk retention trusts maintained or participated in by the Parties shall be excess and not contributory to any other insurance maintained by the County. Contractor shall furnish the County a certificate of insurance with Endorsement as evidence that the required policies are in full force and effect.

Section 8. Termination.

The County may, by written notice thereof to Contractor, terminate this Agreement as to all or any portion of the Services not yet performed, whether or not Contractor is in breach or default. Upon receiving such notice of termination, Contractor shall, except as otherwise directed by the County, immediately stop performing the Services to the extent specified in the notice. In the event the County terminates the Contractor's Services, the Contractor is obligated and hereby agrees to refund to the County all monies paid for Services not yet rendered by the Contractor, if any, as of the date of the notice of termination.

Section 9. Miscellaneous.

- a. Contractor shall not (by contract, operation of law or otherwise) assign this Agreement or any right or interest in this Agreement without the County's prior written consent.
- b. This Agreement embodies the entire Agreement between the County and Contractor, and supersedes any and all prior oral or written communications, proposals, conditions, promises, representations, or understandings regarding the Services. No change, amendment or

modification of any provision of this Agreement shall be valid unless set forth in a written amendment to the Agreement signed by both parties.

- c. Notice for any purpose under this Agreement, except service of process, shall be given by the Contractor to the Kittitas County Commissioners and the Kittitas County Auditor, 205 W 5th Ave, Suites 108 and 105, Ellensburg, WA 98926. For all purposes under this Agreement, any notice by the County to the Contractor shall be given to the Contractor's address provided on the signature page. Notice may be given by delivery or by depositing in the U.S. Mail, first class, postage prepaid, certified mail, return receipt requested.
- d. The section and paragraph headings of this Agreement are for reference convenience only and are not intended to restrict, affect or be of any weight in interpreting or construing the provisions of such sections or paragraphs.
- e. This Agreement may be executed in one or more counterparts and by facsimile, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- f. Contractor warrants to the County that the individual signing on Contractor's behalf has the requisite power and authority to enter into and to perform Contractor's obligations under this Agreement. Contractor further warrants to the County that Contractor has made no misrepresentation or misleading statement in connection with this Agreement, and is not in violation of any applicable law, ordinance, or regulation the consequence of which will or may materially affect Contractor's ability to perform its obligations under this Agreement.
- g. If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect the other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.
- h. The exclusive venue for any action brought to enforce this Agreement or any of its terms shall be in Kittitas County, State of Washington.

KITTITAS COUNTY

BOARD OF COUNTY COMMISSIONERS

Chair

Vice Chair

Commissioner

ATTEST: _____
Julie Kjorsvik, Clerk of the Board

CONTRACTOR

[Print Name]

[Address]

[Telephone]

APPROVED AS TO FORM:

Deputy Prosecuting Attorney

50

RECEIVED

OCT -2 2012


 1st _____ 2nd _____ 3rd _____
 KITTITAS COUNTY BOARD OF COMMISSIONERS

Kittitas County – Hotel Motel Funds

When submitting for reimbursement, please complete the following information to accompany your invoices.

Please send requests to:

Kittitas County Auditor
 Attn: Accounting Department
 205 West 5th – Suite 105
 Ellensburg WA 98926

Date	October 2nd, 2012
Name & Address of Organization Requesting Reimbursement	Spirit of the West Cowboy Gathering
Name of Person submitting Request Contact number	Mitch Williams
Project Name	Spirit of the West Cowboy Gathering
Amount of Reimbursement	\$25,000

Auditor's Office use only

Total Authorized	\$
Amount of this request	\$
Previous amount requested this year	\$
Balance Left	\$
Entered into Spreadsheet - initials	
Auditing Officer initials	

SPIRIT OF THE WEST

COWBOY GATHERING

A celebration of music, poetry, and art in Ellensburg WA

RE: Request for Funding From Hotel/Motel Tax October 2, 2012

To Whom it Concerns,

The board of directors for the Spirit of the West respectfully wishes the committee to consider additional funding be granted for this community event. This past February was our 8th annual event which hosted a broad spectrum of visitors from out of town as well as our local patrons.

The event this year introduced a new concert series held on Thursday evening. This is the first of what we hope to be an annual tradition entitled. "America – The West". This featured the CWU Symphony Orchestra conducted by Dr. Nikolas Caoile, along with the CWU Men's choir under the direction of Dr. Gary Weidenaar. The reviews for this event were both exciting and gratifying. With approximately 100 student musicians on stage along with their attending parents, family and friends expanded the events appeal to audiences from around the region that might otherwise not be inclined to attend. Conversely our traditional audience got an opportunity to experience both the CWU symphony and the men's choir. This is a win-win.

We would like very much the opportunity to expand our marketing reach. We believe this blend of music, Americana history through the sounds of the symphony, cowboy poetry and all the related events provides us an opportunity to promote new visitors to our event and our community.

This year's ticket sales reached levels above 1,450. We still have additional capacity in our venues as demonstrated by our "America-The West" event and the success it had. Additionally the Board would like to seek a major headliner act for the next venue and financial support with this request enables us to achieve this goal. The board of directors determined that it is necessary to suspend at this time the event auction due to the perception of "auction fatigue". There is substantial number of community events which rely almost exclusively on auctions for their financial support. Our auction has generated approx. \$20,000 in operating revenue. We believe it is appropriate to suspend our competing auction with other events in this economic climate and rely more on other revenue sources available to us such as the Hotel/Motel Tax Fund. The Board of Directors, the Event Committee and the many volunteers wish to thank you for your support of 'The Spirit of the West'.

Sincerely,



Mitch Williams, Board Member

P.O. Box 553, Ellensburg, WA 98926

EllensburgCowboyGathering.com



Kittitas County
Event or Facility Lodging Tax Expenditure Report Form for
Festivals, Events and Tourism-Related Facilities Operated by Nonprofit Organizations or
Owned or Sponsored by Local Jurisdictions
For the Year 2012

Agency Name: Spirit of the West Cowboy Gathering

WHO SHOULD FILL OUT THE LODGING TAX REPORT FORM

Local jurisdictions that used lodging tax revenues during the previous calendar year must submit an annual economic impact report on expenditures by the jurisdiction or eligible 501(c)(3) or 501(c)(6) non-profit organizations for tourism promotion purposes. This report also covers expenditures on festivals, special events, or tourism facilities sponsored or owned by the local jurisdiction or 501(c)(3) or 501(c)(6) non-profit organization that received the funds. Reporting must begin with calendar year 2008. The worksheet below may be used to document the figures used in the Lodging Tax Report form that is sent to the Tourism Office. Use a separate worksheet for each event or facility.

WHAT THE INFORMATION IS USED FOR

Each government jurisdiction in Washington that provides lodging tax funds for local events, festivals or for tourism-related facilities owned by an eligible non-profit organization is required to report how these funds are used and list the economic benefits these funds generate. Each jurisdiction is responsible for collecting information and reporting on the total lodging tax revenue that they receive and the list of events and organizations and tourism-related facilities to which all or a portion of it is allocated. Jurisdiction staff will prepare the remainder of the required report on the basis of information collected from each recipient of these funds.

INSTRUCTIONS FOR FILLING OUT THE LODGING TAX REPORT FORM

If you have used or received lodging tax funds to support an event, festival or tourism facility, please provide the following information:

- Estimated number of tourists attending each event or tourism facility
- Estimated number of persons traveling over 50 miles to the destination and number of persons staying at the destination overnight as a result of the event or tourism facility
- Estimated room nights generated by the event, festival or tourism-related facility owned or sponsored by a non-profit organization or local jurisdiction
- Any other data that demonstrates the impact of the increased tourism attributable to the festival, event or tourism-related facility.

The attached form should be used to report this information. In the case of a special event or festival, fill out the form after the event is over. Use a separate line in the form for each event. For a tourism-related facility owned by a non-profit organization or owned or sponsored by a local jurisdiction, fill out the report after the end of the calendar year in which the facility operated, providing information that covers the entire year.

We suggest you use the worksheet below (page 3) to provide a description of the methodology used to determine number of tourists, lodging stays, visitors traveling to the event, festival or using the tourism-related facility, or other data as appropriate.



Kittitas County

Event or Tourism Facility Lodging Tax Expenditure Report Worksheet

Festivals, special events and tourism-related facilities owned by
Local Jurisdictions or Non-profit Organizations

Official Report Form is due: March 31

Return completed form to

Kittitas County Auditor
Attn: Judy Pless
205 West 5th Ave - Suite 105
Ellensburg WA 98926

1. Organization: Spirit of the West Cowoby Gathering
2. This report covers:
Event Name: Date: February 14th - 17th 2013
Tourism Facility: Dates: _____
3. Total Lodging Tax funds allocated to this event or facility \$ 25,000
4. Estimated total event attendance or user count for the facility: 2,226
Describe methodology used to determine this figure
Count of total tickets sold
5. Estimated percentage of total attendance for event or facility by (list separately) 1) tourists;
2) people who traveled more than 50 miles; or 3) people who stayed overnight:
1. Tourists 65 %
2. Traveled 50 %
3. Overnight 22 %
Describe methodology used to determine this figure
Analyzed sales by customer and their location for multiple day activities and distance of
travel for estimation of overnight stay
6. Estimated total room nights generated 275-325
Describe methodology used to determine this figure
According to information reported from 4 hotels rooms attributed with two nights stay on average equalled
322 rooms. Based on area codes of attendees from greater than 60miles travel with ticket sales over a two day
period it is estimated that 490 attendees needed lodgeing in Ellensburg. This figure supports the estimates
of approx. 300-325 rooms.
7. Any other information that demonstrates the impacts of the festival, event or tourism-related
facility owned by a non-profit organization or local jurisdiction (please describe):

According to data prepared by Dr. Richard Mack, and Dr. Timothy Dittmer, CWU school of economics, in
2006 their reporting data on direct tourism spending is estimated at \$138 per day. Based on event duration
a factor of 2.5 days was used to estimate direct revenue of \$787,970 for the weekend event.
Further the CWU economic impacts study defines the Kittitas county mulitiplier at 1.15. This would expand
the net result of direct spending on total economic impacts to equal an overall contribution of \$883,165.

Submitted by: Mitch Williams

Email or Phone number mittch@mfwilliams.net

Date: October 2nd, 2012

Keep a copy for your Records

Section 5 – Application

Organization Name: Spirit of the West Cowboy Gathering

I.R.S. status: 501c (3) 26-3426668 Other

How long has Organization been in existence?: 9 years

Organization's Mailing Address: PO Box 553, Ellensburg, WA 98926

Phone: 509-899-0477

Organization's Billing Address: PO Box 553, Ellensburg, WA 98926

Organization Email Address: mitch@mfwilliams.net

Primary Contact Person: Mitch Williams

Title: Board Member

Primary Mission: To promote music, poetry, western cultural values and winter tourism in Kittitas Co

Project Name: Spirit of the West Cowboy Gathering

Describe project: 4 days of music, poetry gear sale, youth fiddlers, chuck wagon cookoff, and other related venues

Geographic area served: Greater WA State

Anticipated project period: Annual event in February

Amount of contribution requested from the Hotel/Motel Fund: \$25,000

Other funding sources for this project: Ticket Sales, auctions, donations

Source/Commitments To Date	Amt.	Other Sources Applied to for this Project (include other lodging tax funds from the Cities of Ellensburg, Cle Elum, South Cle Elum, and Roslyn)	Amt.
Corporate Sponsors	\$16,500	City of Ellensburg	\$5,000
Cash Donations	\$2,000		

Has your organization received funding from the Kittitas County
Hotel/Motel Tax in the past for this specific project? Yes X No

If Yes, please list the year(s) and amount(s) for funding received:

2010 - \$4,000, 2011 - \$5,000, 2012 - \$5,000

Authorizing Signature: 

Name: Mitch Williams Date: October 2nd, 2012

October 2nd 2012

Kittitas County Lodging Tax Grant Funds Application

For: Spirit of the West Cowboy Gathering

Section 5; Application; Questions 1 – 9

1. Project Description- Please describe in detail the including specifically how Lodging Tax funds will be utilized.

Answer: Spirit of the West is adding new events with each passing year and creating additional expansion within the existing events. Our youth fiddler's completion is growing with more participants each year thus far. This year's chuck wagon cook-off will feature 5 plus wagons as currently determined. Our efforts are to expand this with additional promotion. Last year featured the first Ranch Roping competition held in Bloom Pavilion. At times the spectator section was completely full. Additional promotion of this event is planned. Last year we featured "America the West" on our first Thursday evening performance. The CWU Symphony Orchestra conducted by Nikolas Caoile featured music both historic and nostalgic. From the Civil War era to Western Americana. Introductions and Vignettes by CWU President James Gaudi no. We market this event across the state bringing visitors to Ellensburg during the winter season through radio, print media and electronic media.

2. Is this project part of a cooperative effort between organizations and/or multiple jurisdictions within Kittitas County? Explain

Answer: Kittitas County Event Center; Ellensburg Downtown Business Association.

What kind of local monetary support exist for this project?

Answer: Business sponsorship along with donations are an important source of revenue. In addition we have relied on community support through our auctions, volunteers and in kind services. The Rodeo, Cattleman Association, Western Art Association, Central WA University all contribute to the success of our event.

3. Relevance to the total County-How will this project help with promoting tourism county-wide?

Answer: The proclamation from the Governor to set aside the "Week of the Cowboy" before and during Presidents Day in February further sets the stage for state wide promotion for the Spirit of the West. The event showcases the "Cowboy" and the cultural values instilled in the genre of music, poetry, cultural heritage, along with the important values instilled in the "Code of the West". We are also promoting our event through "Miss Spirit of the West" with travel to rodeo's and parades throughout Washington.

4. Please describe the target market for this event or project-who are you trying to attract?

Answer: Our target marketing is anyone who likes Western Heritage. The age bracket is from children in elementary school and their parents as promoted through the day of the cowboy in Ellensburg elementary schools to retired citizen looking back on the heritage that form the foundation of many rural elements of our county. Family groups who value the equestrian lifestyle and are exposed to our community through the Rodeo or the Washington State Horse Park find our event program fitting to their interest. Gear show attendance and family eating at the Chuck Wagon Cook-off appeal to all kinds of demographics. Agricultural interest find the program identifies with their sense of western values. University students through the strong support of the music department and the symphony involvement open up markets for our university populations.

5. Need- What are the problems/challenges that this project will address?

Answer: Ongoing marketing to NW populations to continue to introduce new attendees to our event and to continue to remind those that have supported us why this event is important to our winter calendar of tourism when Kittitas County has underutilized capacity for "heads in beds".

6. Will the project increase occupancy in hotels, motels, RV parks and campgrounds within Kittitas County? Please include projections complete with a detailed explanation of how the estimate was achieved.

Answer: The event now spans over 4 calendar days with the introduction of our Thursday night America the West, CWU symphony event. According to our internal data which is supported by our "Pay-Pal" ticket sales of the 3,000 ticket sales 60% of the attendees are from travel distances of at least 50 miles with many from the Puget Sound region. In information provided by the Ellensburg Chamber of Commerce Ellensburg has in round numbers 600 beds available for overnight lodging at any given night. According to information reported to the Spirit of the West from 4 hotels, Holiday Inn express with 66 beds sold out, Best Western Lincoln Suites with 55 beds sold out, Super 8 with 101 beds sold out and the Quality Inn with 106 beds reported 95% (100)sold out. Without consideration of additional lodging from other facilities this represent over 50% of the beds available sold out during our event. With evening events an important part of the ticketed sales activity this pattern of demand for "heads in beds" will remain.

7. Will the project increase sales tax revenue to the county? Please provide projections. Include evidence for your projections.

Answer: Yes, the Spirit of the West does increase sales tax revenue to the county. Based on the reporting data that we have currently available the following summary applies: In question 6 we identified that greater than 50% of the reporting hotels had overnight stays for two nights per room of approximately 322 rooms. This does not account for other facilities to which we do not have reporting data. With a conservative estimate of \$100 per night per room the total hotel revenue from reporting facilities would be approximately \$64,000. It is highly probable that this is a low estimate base on our Pay-Pal reporting of nearly 2000 visitors from greater than 50 miles based on zip code. There presently is no reporting formula for calculating the direct sales tax generated beyond the rate attached per room. It is certainly obvious that these visitors to our event purchased meals, fuel, products from our vendors, and other items from a variety of local

merchants. In short while we do not have a direct calculation available for the answer to this question it is obviously a YES answer to increase tax revenue generated by the Spirit of the West.

8. Time Frame- Please explain steps you will take to implement this project and the dates on which you expect to accomplish each step.

Answer: This is the 9th event for the Spirit of the West. President's weekend is the scheduled event beginning with our Feb. 14 evening performance at CWU music hall. Our current marketing and ticket sales activities are ongoing throughout the calendar year. Promotional materials are determined months in advance for print media outlet. Radio advertising and target marketing prior to the event are specific expenditures that occur just prior to the February date. Our calendar is marked for application processing to specific parades and rodeo activities for Miss Spirit of the West attendance. Regular board meetings provide guidance for schedule priorities.

9. Can your organization demonstrate the ability to sustain operational capacity subsequent to completion of and separate from this project? If no, please explain why, if yes please provide proof.

Answer: We do believe based on our financial information provided as part of this application that evidence of self sustaining capacity exists in the future. Largely our organization has seen a growth rate of between 15 -20 percent growth rates over last year with a corresponding increase of slightly less in the previous years. This is evidenced by the financial reporting data. Additionally ticket sales and fairground events saw significant increased attendance this past event. We believe this event merits continued community support to provide the best opportunity for long term success.

10. Accomplishment- How will you measure the success of this project? Please be specific as to performance indicators that will be used to measure your success.

Answer: Community involvement in the Spirit of the West is demonstrated to have been successful already. By way of example we can first review the financial data to determine the increase revenue from ticket sales, sponsor and our largest attended auction to date. Additionally Pay-Pal records and other ticket sales reporting data show increased ticket sales. Attendance from reporting of our gear sale vendors is acceptable to strong. We have vendors which travel from several states away to show their products to our attendees. The Ellensburg school district has supported our Code of the West through their day of the cowboy as demonstrate by the Lincoln Elementary school assembly coordinated with the Spirit of the West. CWU students are being exposed each year to this event with the support of the symphony orchestra and their director Nikolas Caoile who is a board member with the Spirit of the West. On all levels we believe we have an inspired event that has demonstrate success to date worthy of continued support.

11. Future Support-Please explain what plans exist to allow this project to become self-sustaining. Include any plans for ticket sales, event sponsors and other cost-recovery models.

Answer: As outlined in various previous questions the Spirit of the West has a model for success. First is our event, this is outlined in the target market question within the report in question 4. We believe this market has considerable depth as this event matures from year to year. Our

continued financial success as outlined in the answer to question 9. This growth rate despite our overall economic condition state wide and nationally is an encouraging indicator of future success. Involving the youth of our communities within the county is a priority for our event. This can be seen from our involvement with the Ellensburg School district, the CWU music department, and our Miss Spirit of the West. These youth represent the future of any sustained event much like many of us remember the Ellensburg Rodeo from our youth. It begins there supported and nurtured by like minded volunteers and supporters. All of these measures are indicators of our measure of success.

12. Does your organization have a legally constituted Board of Directors?

Answer: Yes, we are organized as a 501 C 3 with an active board of directors with monthly meetings. Minutes are recorded and formal board proceedings are in effect.

13. Attachments-

Answer; Current financial information is attached.

14. Does your organization have evidence of independent financial review?

Answer: Joe Hubbard with Grebb, Johnson, Reed & Wachsmith CPA firm in Ellensburg performs our annual review and tax preparation. We have not had a formal financial audit since 2008. This information is available on request in addition to the financial data attached as part of this application.

8:59 PM

10/01/12

Accrual Basis

Spirit Of The West Cowboy Gathering Custom Transaction Detail Report

January 2011 through February 2012

Type	Date	Num	Name	Memo	Account	Debit	Credit	Balance
Jan '11 - Feb 12								
Bill	1/3/2011	65162	KXLE	Dec 17 - 24 2010	Advertising - TV/Radio	202.00		202.00
Bill	1/3/2011	28351	Daily Record	Display ad	Advertising - Magazine/...	233.10		435.10
Bill	1/4/2011	1-201...	Methow Valley News	Jan/Feb 2nd 2011 ads	Advertising - Magazine/...	291.00		726.10
Bill	1/10/2011	60445	Wenatchee World	Jan 27 & Feb 3 2011	Advertising - Magazine/...	548.00		1,274.10
Bill	1/11/2011	KP01...	Washington Cattle...	January 2011 Ketch Pen	Advertising - Magazine/...	250.00		1,524.10
Bill	1/24/2011	6887	The Entertainer	February Issue 1/4 page	Advertising - Magazine/...	269.10		1,793.20
Bill	2/18/2011	23375	Yakima Herald Rep...	1/28/2011 ad	Advertising - Magazine/...	251.50		2,044.70
Bill	2/18/2011	65162	KXLE	Jan 31 2011 inv.	Advertising - TV/Radio	1,250.00		3,294.70
Bill	2/18/2011	28351	Daily Record	January ads	Advertising - Magazine/...	275.00		3,569.70
Bill	2/28/2011	63037	Issaquah Press, Inc.	Feb advertising 2011	Advertising - Magazine/...	390.00		3,959.70
Bill	2/28/2011	23375	Yakima Herald Rep...	February 2011 ads	Advertising - Magazine/...	251.50		4,211.20
Bill	2/28/2011	65162	KXLE	Feb 2011 radio	Advertising - TV/Radio	500.00		4,711.20
Bill	2/28/2011	4064	Ida Vend Broadcast...	KRLC-AM radio Feb ad...	Advertising - TV/Radio	293.04		5,004.24
Bill	2/28/2011	28351	Daily Record	Feb 2011 advertising	Advertising - TV/Radio	707.50		5,711.74
Bill	2/28/2011	SUET	Target Media North...	Nickel Saver ad 2011	Advertising - Magazine/...	366.00		6,077.74
Bill	5/18/2011	115096	Abbott's Printing, Inc	500 18x24 2012 Posters	Advertising - Posters	884.42		6,962.16
Bill	5/18/2011	115097	Abbott's Printing, Inc	1000 11x17 2011 Posters	Advertising - Posters	436.63		7,398.79
Check	5/20/2011	2511	Peter X. O'Brien	2012 Poster Award Artist	Advertising - Posters	300.00		7,698.79
Bill	5/31/2011	28351	Daily Record	Chamber Directory	Advertising - Magazine/...	400.00		8,098.79
Bill	8/1/2011	2472	CopyDog	Rack Cards for booth at...	Advertising - Rack Card	239.22		8,338.01
Bill	6/22/2011	13051	Kittitas County Cha...	2011 Visitors Guide	Advertising - Magazine/...	280.25		8,618.26
Bill	6/30/2011	BJ77...	Basin Business Jou...	Rodeo Guide	Advertising - Magazine/...	209.00		8,827.26
Bill	8/1/2011	13111	Kittitas County Cha...	Ad space in Chamber M...	Advertising - Banners	403.75		9,231.01
Bill	8/31/2011	28351	Daily Record	2011 Rodeo and Fair Pr...	Advertising - Magazine/...	900.00		10,131.01
Bill	10/6/2011	062872	Back Country Hors...	1/4 page Trailhead New...	Advertising - Magazine/...	120.00		10,251.01
Bill	10/7/2011	953321	Ruralite Services Inc	1/4 page January issue	Advertising - Magazine/...	1,850.00		12,101.01
Bill	10/26/2011		Andrea Paris Grap...	True West N/D issue ...	Advertising - Magazine/...	302.40		12,403.41
Bill	10/26/2011	1655...	American Cowboy	Dec 2011/Jan 2012	Advertising - Magazine/...	1,003.00		13,406.41
Bill	10/28/2011		Western Music Ass...	Winter Western Way 20...	Advertising - Magazine/...	400.00		13,806.41
Bill	10/31/2011	1011...	Daily Record	2011 All Things Winter	Advertising - Magazine/...	335.00		14,141.41
Bill	11/1/2011	1001...	Western Horseman	1/4 pg Horizon - Full/Pr...	Advertising - Magazine/...	1,165.75		15,327.16
Check	11/14/2011	2563	Western Music Ass...	VOID:	Advertising - Magazine/...	0.00		15,327.16
Check	12/5/2011	2574	Claire Lucke.	Reimbursement	Advertising - Brochures	75.64		15,402.80
Check	12/19/2011	2578	Daily Record	2011 Holiday gift guide ...	Advertising - Magazine/...	240.30		15,643.10
Check	1/9/2012	2579	Abbott's Printing, Inc	Inv #119230 -Spirit of th...	Advertising - Brochures	1,544.22		17,187.32
Bill	1/9/2012	33581	The Nugget Newsp...	2 ads in the Nugget	Advertising - Magazine/...	199.80		17,387.12
Check	1/13/2012	2584	KXLE	Dec radio advertising	Advertising - TV/Radio	400.00		17,787.12
Check	1/13/2012	2585	Rocky Mountain Ri...	Invoice #6129, ad in jan...	Advertising - Magazine/...	30.40		17,817.52
Check	1/13/2012	2586	Yakima Herald Rep...	Invoice #166702, 3 ad l...	Advertising - Magazine/...	745.30		18,562.82
Check	1/17/2012	2587	The Growers' Guide	Display ad in classified ...	Advertising - Magazine/...	170.00		18,732.82
Check	1/17/2012	2588	Northern Kittitas Co...	Holiday Gift Guide - PO ...	Advertising - Magazine/...	80.00		18,812.82
Bill	1/27/2012	2131...	Columbia Basin He...	January ads	Advertising - Magazine/...	120.00		18,932.82
Bill	1/27/2012	111214	Wenatchee World	PO #475914 - full color ...	Advertising - Magazine/...	281.53		19,214.35
Check	1/30/2012	2594	Claire Lucke.	Reimbursement for mail...	Advertising - Brochures	126.55		19,340.90
Bill	1/31/2012	2835...	Daily Record	January ads	Advertising - Magazine/...	835.25		20,176.15
Bill	1/31/2012	KP01...	Washington Cattle...	January 2011 Ketch Pen	Advertising - Magazine/...	250.00		20,426.15
Bill	2/2/2012	2422...	Target Media North...	full page ad in the nick...	Advertising - Magazine/...	375.00		20,801.15
Bill	2/2/2012	72145	Northern Kittitas Co...	5x4 color ad	Advertising - Magazine/...	382.25		21,183.40
Bill	2/7/2012	13011	The Quincy Valley ...	Ad in the Shopper	Advertising - Magazine/...	64.00		21,247.40
Bill	2/9/2012	6682...	KXLE	January 2012 radio AM ...	Advertising - TV/Radio	750.00		21,997.40
Bill	2/10/2012	2131...	Columbia Basin He...	PO 4752916	Advertising - Magazine/...	240.00		22,237.40
Bill	2/17/2012	Reim...	Shelley Kessler	Reimburse Poster frames	Advertising - Posters	25.94		22,263.34
Bill	2/18/2012	121338	Abbott's Printing, Inc	Brochure printing	Advertising - Brochures	645.58		22,908.92
Bill	2/29/2012	PO #...	Issaquah Press, Inc.	2x5 B&W ads in two iss...	Advertising - Magazine/...	370.00		23,278.92
Bill	2/29/2012	7397	The Entertainer	PO #475908	Advertising - Magazine/...	258.10		23,537.02
Bill	2/29/2012	PO #...	Methow Valley News	Inv #Jan12-130 & Feb1...	Advertising - Magazine/...	528.00		24,065.02
Bill	2/29/2012	020212	Northern Kittitas Co...	PO #475911	Advertising - Magazine/...	500.50		24,565.52
Bill	2/29/2012	5818	The Field Group	PO #475925 - radio spo...	Advertising - TV/Radio	225.00		24,790.52
Bill	2/29/2012	2/29 ...	Wenatchee World	PO #475914 - full color ...	Advertising - Magazine/...	285.75		25,076.27
Bill	2/29/2012	00112	McGowan Marketin...	Produce & Air TV spol	Advertising - Banners	810.00		25,886.27
Bill	2/29/2012	603561	Daily Record	Display ads for entertai...	Advertising - Magazine/...	426.00		26,312.27
Bill	2/29/2012	66971	KXLE	Feb monthly advertising...	Advertising - TV/Radio	300.00		26,612.27
Bill	2/29/2012	66972	KXLE	Feb monthly advertising...	Advertising - TV/Radio	300.00		26,912.27
Jan '11 - Feb 12						26,912.27	0.00	26,912.27

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Accrual Basis

Spirit Of The West Cowboy Gathering
Profit & Loss Budget vs. Actual
 March 2011 through February 2012 as of May14, 2012

	Mar '11 - Feb 12	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
CD Sales Entertainer	9,735.00	8,000.00	1,735.00	121.7%
Chuck Wagon Cook-Off Meals (Chuck ...	5,351.78	2,500.00	2,851.78	214.1%
Donation				
Cash	0.00	2,000.00	-2,000.00	0.0%
Donation - Other	30.00			
Total Donation	30.00	2,000.00	-1,970.00	1.5%
Fundraiser				
Fall Dinner Auction	31,126.00	27,500.00	3,626.00	113.2%
Total Fundraiser	31,126.00	27,500.00	3,626.00	113.2%
Grants				
Lodging Tax - City	5,000.00	5,000.00	0.00	100.0%
Lodging Tax - County	9,325.63	5,000.00	4,325.63	186.5%
Total Grants	14,325.63	10,000.00	4,325.63	143.3%
Harmonica Workshop	4.20			
Merchandise				
Misc SWCG Merchandise	2,331.28	2,000.00	331.28	116.6%
Posters	1,383.00	1,000.00	383.00	138.3%
SWCG Apparel	0.00	3,000.00	-3,000.00	0.0%
SWCG CD Sales	-0.15	1,000.00	-1,000.15	-0.0%
Merchandise - Other	185.00			
Total Merchandise	3,899.13	7,000.00	-3,100.87	55.7%
Ranch Roping Entry Fee	1,028.00	2,500.00	-1,472.00	41.1%
Silent Auction Gear Show	497.70	1,500.00	-1,002.30	33.2%
Sponsorships				
Corporate Sponsor	7,601.50	16,500.00	-8,898.50	46.1%
Cowboy Church Supporter	2,000.00			
Downtown Venue Hosts	800.00	2,500.00	-1,700.00	32.0%
School Programs	5,500.00	5,000.00	500.00	110.0%
Sponsorships - Other	500.00			
Total Sponsorships	16,401.50	24,000.00	-7,598.50	68.3%
Ticket Sales				
Concerts				
Friday Evening Concert	5,915.00	13,000.00	-7,085.00	45.5%
Friday Evening Concert Reserved	2,255.00			
Saturday Concert 1 PM ~ CWU	13,475.00	13,000.00	475.00	103.7%
Saturday Concert 1 PM ~ CWU Res	7,585.00			
Saturday Evening Concert	9,450.00	18,000.00	-8,550.00	52.5%
Saturday Evening Reserved Seat	3,740.00			
Sunday Concert	2,555.00	4,000.00	-1,445.00	63.9%
Sunday Preferred Seating	1,300.00			
Thursday Evening Concert	5,180.00	4,000.00	1,180.00	129.5%
Total Concerts	51,455.00	52,000.00	-545.00	99.0%
Dances				
Saturday Dance	3,825.00			
Dances - Other	0.00	3,000.00	-3,000.00	0.0%
Total Dances	3,825.00	3,000.00	825.00	127.5%
Unknown	580.15			
Total Ticket Sales	55,860.15	55,000.00	860.15	101.6%
Vendor Booth Fees	10,235.00	10,000.00	235.00	102.4%
Total Income	148,494.09	150,000.00	-1,505.91	99.0%
Gross Profit	148,494.09	150,000.00	-1,505.91	99.0%

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Accrual Basis

Spirit Of The West Cowboy Gathering
Profit & Loss Budget vs. Actual
 March 2011 through February 2012 as of May14, 2012

	Mar '11 - Feb 12	Budget	\$ Over Budget	% of Budget
Expense				
Advertising / Promotion				
Advertising				
Magazine/Newspaper	13,367.58			
Media, TV/Radio	1,975.00			
Misc. Advertising	1,213.75			
Miss Spirit of the West	465.95	1,600.00	-1,134.05	29.1%
Advertising - Other	0.00	15,000.00	-15,000.00	0.0%
Total Advertising	17,022.28	16,600.00	422.28	102.5%
Printing	900.34	2,300.00	-1,399.66	39.1%
Promotion				
Brochures	2,391.99			
Posters	1,546.99			
Program	393.98			
Rack Card	239.22			
Promotion - Other	0.00	4,000.00	-4,000.00	0.0%
Total Promotion	4,672.18	4,000.00	672.18	116.8%
Signs and banners	0.00	500.00	-500.00	0.0%
Total Advertising / Promotion	22,594.80	23,400.00	-805.20	96.6%
Booth Setup				
Vendor Booth Setup	1,666.28	1,800.00	-133.72	92.6%
Total Booth Setup	1,666.28	1,800.00	-133.72	92.6%
Catering				
Entertainers Breakfast	236.43	2,000.00	-1,763.57	11.8%
Other catering	0.00	1,000.00	-1,000.00	0.0%
Total Catering	236.43	3,000.00	-2,763.57	7.9%
Chuck Wagon Cook Off	3,267.00	2,000.00	1,267.00	163.4%
Ent. CD Sales Reimbursement	7,788.00	5,000.00	2,788.00	155.8%
Entertainer Travel				
Local Fuel Expense	0.00	150.00	-150.00	0.0%
Total Entertainer Travel	0.00	150.00	-150.00	0.0%
Entertainment Expense				
Entertainers				
Dance Bands	1,400.00	1,400.00	0.00	100.0%
Downtown Venues	1,900.00	2,400.00	-500.00	79.2%
Nonemployee Compensation	28,540.00	28,500.00	40.00	100.1%
Total Entertainers	31,840.00	32,300.00	-460.00	98.6%
Entertainment				
Dutch Oven Cookers	350.00	600.00	-250.00	58.3%
Fiddler Contest	1,183.91	1,700.00	-516.09	69.6%
Total Entertainment	1,533.91	2,300.00	-766.09	66.7%
Other	2,974.35	200.00	2,774.35	1,487.2%
Total Entertainment Expense	36,348.26	34,800.00	1,548.26	104.4%
Event Security	1,420.00	1,500.00	-80.00	94.7%
Facility Rental				
CWU Facility	6,117.45	5,000.00	1,117.45	122.3%
Facility Other	0.00	50.00	-50.00	0.0%
KVEC Facility	3,331.26	2,450.00	881.26	136.0%
RV Space Rental	55.00			
Facility Rental - Other	0.00			
Total Facility Rental	9,503.71	7,500.00	2,003.71	126.7%

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Accrual Basis

Spirit Of The West Cowboy Gathering
Profit & Loss Budget vs. Actual
 March 2011 through February 2012 as of May14, 2012

	Mar '11 - Feb 12	Budget	\$ Over Budget	% of Budget
Fundraisers				
Entertainer Travel	629.99			
Entertainment	550.00			
Fall Dinner Auction	5,816.40	2,500.00	3,316.40	232.7%
Summer Event	2,000.00	2,000.00	0.00	100.0%
Fundraisers - Other	894.50			
Total Fundraisers	9,890.89	4,500.00	5,390.89	219.8%
License & Fees				
City Vendor Fee	-390.00			
License & Fees - Other	320.00	550.00	-230.00	58.2%
Total License & Fees	-70.00	550.00	-620.00	-12.7%
Operations				
Bank Service Charges	286.34			
Bookkeeping	897.50	2,500.00	-1,602.50	35.9%
Credit Card Fees	1,513.17	1,800.00	-286.83	84.1%
Insurance - Liability, D and O	1,100.00	1,100.00	0.00	100.0%
P O Box Rent	70.00	500.00	-430.00	14.0%
Postage, Mailing Service	786.74	1,800.00	-1,013.26	43.7%
Supplies	341.83	700.00	-358.17	48.8%
Telephone, Telecommunications	259.33			
Website Setup & Hosting	1,980.00	2,050.00	-70.00	96.6%
Total Operations	7,234.91	10,450.00	-3,215.09	69.2%
Other Types of Expenses				
Dues & Subscriptions	190.00			
Other	1,201.30			
Other Types of Expenses - Other	1,000.00	1,000.00	0.00	100.0%
Total Other Types of Expenses	2,391.30	1,000.00	1,391.30	239.1%
PayPal Transaction Fee	460.96			
Printing				
Sponsor Packets	0.00	500.00	-500.00	0.0%
Total Printing	0.00	500.00	-500.00	0.0%
Production				
Dance Hall Sound	5,066.00	5,000.00	66.00	101.3%
Green Room	237.00	250.00	-13.00	94.8%
Other Production Exp				
Cowboy Sunday	450.56			
Workshops	17.24	200.00	-182.76	8.6%
Total Other Production Exp	467.80	200.00	267.80	233.9%
Total Production	5,770.80	5,450.00	320.80	105.9%
Professional Fees				
Accounting & Legal Services	550.00	500.00	50.00	110.0%
Total Professional Fees	550.00	500.00	50.00	110.0%
Ranch Roping competition	2,573.46	2,500.00	73.46	102.9%
Reconciliation Discrepancies	0.10			
Rent - Storage Unit	1,020.00			
Resale Merchandise	928.34	1,200.00	-271.66	77.4%
School Programs	4,559.83	5,000.00	-440.17	91.2%
Taxes	1,251.98	1,500.00	-248.02	83.5%
Total Expense	119,387.05	112,300.00	7,087.05	106.3%
Net Ordinary Income	29,107.04	37,700.00	-8,592.96	77.2%

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Accrual Basis

Spirit Of The West Cowboy Gathering
Profit & Loss Budget vs. Actual
 March 2011 through February 2012 as of May14, 2012

	<u>Mar '11 - Feb 12</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Other Income/Expense				
Other Income				
Other Income				
Earned Interest	2,821.80			
Other Income - Other	18,429.67			
Total Other Income	<u>21,251.47</u>			
Total Other Income	21,251.47			
Other Expense				
Other Expense				
Interest Payable	1,410.00			
Make a Wish Foundation	2,500.00			
Total Other Expense	<u>3,910.00</u>			
Total Other Expense	3,910.00			
Net Other Income	<u>17,341.47</u>			
Net Income	<u>46,448.51</u>	<u>37,700.00</u>	<u>8,748.51</u>	<u>123.2%</u>

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Accrual Basis

Spirit Of The West Cowboy Gathering
Balance Sheet
As of May 14, 2012

	<u>May 14, 12</u>
ASSETS	
Current Assets	
Checking/Savings	
Business Checking (Checking Account)	72,079.10
PayPal Checking (Online ticket sales)	<u>18,069.54</u>
Total Checking/Savings	90,148.64
Accounts Receivable	
Accounts Receivable	<u>1,150.00</u>
Total Accounts Receivable	<u>1,150.00</u>
Total Current Assets	<u>91,298.64</u>
TOTAL ASSETS	<u><u>91,298.64</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>1,101.36</u>
Total Accounts Payable	<u>1,101.36</u>
Total Current Liabilities	<u>1,101.36</u>
Total Liabilities	1,101.36
Equity	
Unrestricted Net Assets	93,965.73
Net Income	<u>-3,768.45</u>
Total Equity	<u>90,197.28</u>
TOTAL LIABILITIES & EQUITY	<u><u>91,298.64</u></u>