

DAYTON PERFORMING ARTS ALLIANCE
(A Nonprofit Organization)

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Dayton Performing Arts Alliance
Dayton, Ohio

We have audited the accompanying financial statements of the **Dayton Performing Arts Alliance** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to 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.

Auditors' 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 audits 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 auditors' 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 entity's preparation and fair presentation of the 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 entity'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.

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INDEPENDENT AUDITORS' REPORT - CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Dayton Performing Arts Alliance** as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Brady, Ware & Schoenfeld, Inc.

Dayton, Ohio
September 14, 2017

DAYTON PERFORMING ARTS ALLIANCE**STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 40,858	\$ 9,461
Accounts receivable		
Pledges receivable	1,848,654	2,061,992
Grants receivable	248,286	316,097
Trade and other receivables	88,970	41,844
Prepaid expenses	349,792	296,590
Inventory and supplies	<u>38,863</u>	<u>44,883</u>
	2,615,423	2,770,867
LONG-TERM PLEDGES RECEIVABLE, NET	276,550	489,450
PROPERTY AND EQUIPMENT, NET	424,802	413,799
INVESTMENTS	1,749,031	1,621,836
BENEFICIAL INTEREST IN FUNDS HELD AT THE DAYTON FOUNDATION	396,604	362,236
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	<u>2,925,520</u>	<u>2,895,044</u>
	\$ 8,387,930	\$ 8,553,232
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of credit	\$ 262,500	\$ 250,000
Short-term loan, net	32,144	-
Accounts payable and accrued expenses	399,945	496,986
Deferred revenue	<u>1,456,659</u>	<u>1,364,109</u>
	<u>2,151,248</u>	<u>2,111,095</u>
NET ASSETS		
Unrestricted	(1,371,621)	(1,190,734)
Temporarily restricted	3,472,792	3,643,336
Permanently restricted	<u>4,135,511</u>	<u>3,989,535</u>
	<u>6,236,682</u>	<u>6,442,137</u>
	\$ 8,387,930	\$ 8,553,232

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Performance ticket sales	\$ 2,490,684	\$ -	\$ -	\$ 2,490,684
Performance other	40,005	-	-	40,005
Education	374,924	-	-	374,924
Special events	225,168	49,600	-	274,768
Other income	48,830	-	-	48,830
	<u>3,179,611</u>	<u>49,600</u>	<u>-</u>	<u>3,229,211</u>
SUPPORT				
Contributions and support	1,338,599	1,186,214	105,500	2,630,313
Advancing Together Campaign	524,750	118,250	10,000	653,000
Government grants	225,030	49,883	-	274,913
Culture Works	-	105,840	-	105,840
Bequests	490,366	-	-	490,366
Contributed services and materials	413,427	-	-	413,427
Endowment distributions	-	243,400	-	243,400
Endowment releases	(243,400)	-	-	(243,400)
Net assets released from restrictions	2,454,747	(2,057,358)	(397,389)	-
	<u>5,203,519</u>	<u>(353,771)</u>	<u>(281,889)</u>	<u>4,567,859</u>
Total Revenue and Support	<u>8,383,130</u>	<u>(304,171)</u>	<u>(281,889)</u>	<u>7,797,070</u>
COST OF EARNED REVENUE				
Performances	5,194,899	-	-	5,194,899
Education	984,623	-	-	984,623
Special events	95,912	-	-	95,912
Contributed services and materials	413,427	-	-	413,427
	<u>6,688,861</u>	<u>-</u>	<u>-</u>	<u>6,688,861</u>
Total Cost of Earned Revenue	<u>6,688,861</u>	<u>-</u>	<u>-</u>	<u>6,688,861</u>
CONTRIBUTION MARGIN	<u>1,694,269</u>	<u>(304,171)</u>	<u>(281,889)</u>	<u>1,108,209</u>
OPERATING EXPENSES				
Marketing	875,857	-	-	875,857
Administration	522,032	-	-	522,032
Development	470,298	-	-	470,298
Strategic planning	36,487	-	-	36,487
Depreciation	68,822	-	-	68,822
	<u>1,973,496</u>	<u>-</u>	<u>-</u>	<u>1,973,496</u>
Total Operating Expenses	<u>1,973,496</u>	<u>-</u>	<u>-</u>	<u>1,973,496</u>
NET OPERATING DEFICIT	<u>(279,227)</u>	<u>(304,171)</u>	<u>(281,889)</u>	<u>(865,287)</u>
NON-OPERATING INCOME (EXPENSES)				
Interest and dividend	5,384	33,127	-	38,511
Investment management fees	(2,577)	(12,320)	-	(14,897)
Realized/unrealized gains	63,239	105,946	-	169,185
Change in beneficial interest in funds held at The Dayton Foundation	32,294	6,874	-	39,168
Change in value in beneficial interest in perpetual trusts	-	-	427,865	427,865
	<u>98,340</u>	<u>133,627</u>	<u>427,865</u>	<u>659,832</u>
NET NON-OPERATING INCOME	<u>98,340</u>	<u>133,627</u>	<u>427,865</u>	<u>659,832</u>
CHANGE IN NET ASSETS	<u>(180,887)</u>	<u>(170,544)</u>	<u>145,976</u>	<u>(205,455)</u>
NET ASSETS (DEFICIT)				
Beginning of Year	<u>(1,190,734)</u>	<u>3,643,336</u>	<u>3,989,535</u>	<u>6,442,137</u>
End of Year	<u>\$ (1,371,621)</u>	<u>\$ 3,472,792</u>	<u>\$ 4,135,511</u>	<u>\$ 6,236,682</u>

See notes to financial statements.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE				
Performance ticket sales	\$ 2,757,242	\$ -	\$ -	\$ 2,757,242
Performance other	42,743	7,500	-	50,243
Education	364,003	-	-	364,003
Special events	207,373	41,000	-	248,373
Other income	47,530	-	-	47,530
	<u>3,418,891</u>	<u>48,500</u>	<u>-</u>	<u>3,467,391</u>
SUPPORT				
Contributions and support	1,841,260	1,117,465	2,700	2,961,425
Advancing Together Campaign	737,566	361,000	-	1,098,566
Government grants	220,031	39,871	-	259,902
Culture Works	4,787	185,472	-	190,259
Bequests	48,964	-	-	48,964
Contributed services and materials	468,450	-	-	468,450
Endowment distributions	276,869	175,000	-	451,869
Endowment releases	(451,869)	-	-	(451,869)
Net assets released from restrictions	2,321,222	(1,980,082)	(341,140)	-
	<u>5,467,280</u>	<u>(101,274)</u>	<u>(338,440)</u>	<u>5,027,566</u>
Total Revenue and Support	<u>8,886,171</u>	<u>(52,774)</u>	<u>(338,440)</u>	<u>8,494,957</u>
COST OF EARNED REVENUE				
Performances	5,767,221	-	-	5,767,221
Education	918,085	-	-	918,085
Special events	96,655	-	-	96,655
Contributed services and materials	455,540	-	-	455,540
	<u>7,237,501</u>	<u>-</u>	<u>-</u>	<u>7,237,501</u>
Total Cost of Earned Revenue	<u>7,237,501</u>	<u>-</u>	<u>-</u>	<u>7,237,501</u>
CONTRIBUTION MARGIN	<u>1,648,670</u>	<u>(52,774)</u>	<u>(338,440)</u>	<u>1,257,456</u>
OPERATING EXPENSES				
Marketing	919,526	-	-	919,526
Administration	547,830	-	-	547,830
Development	566,181	-	-	566,181
Strategic planning	40,000	-	-	40,000
Depreciation	74,076	-	-	74,076
Contributed services and materials	12,910	-	-	12,910
	<u>2,160,523</u>	<u>-</u>	<u>-</u>	<u>2,160,523</u>
Total Operating Expenses	<u>2,160,523</u>	<u>-</u>	<u>-</u>	<u>2,160,523</u>
NET OPERATING DEFICIT	<u>(511,853)</u>	<u>(52,774)</u>	<u>(338,440)</u>	<u>(903,067)</u>
NON-OPERATING INCOME (EXPENSES)				
Interest and dividend	203	47,381	-	47,584
Investment management fees	(190)	(13,320)	-	(13,510)
Realized/unrealized losses	(25,227)	(11,261)	-	(36,488)
Change in beneficial interest in funds held at The Dayton Foundation	(19,399)	(11)	-	(19,410)
Change in value in beneficial interest in perpetual trusts	-	-	(163,605)	(163,605)
	<u>(44,613)</u>	<u>22,789</u>	<u>(163,605)</u>	<u>(185,429)</u>
NET NON-OPERATING INCOME (DEFICIT)	<u>(44,613)</u>	<u>22,789</u>	<u>(163,605)</u>	<u>(185,429)</u>
CHANGE IN NET ASSETS	<u>(556,466)</u>	<u>(29,985)</u>	<u>(502,045)</u>	<u>(1,088,496)</u>
NET ASSETS (DEFICIT)				
Beginning of Year	<u>(634,268)</u>	<u>3,673,321</u>	<u>4,491,580</u>	<u>7,530,633</u>
End of Year	<u>\$ (1,190,734)</u>	<u>\$ 3,643,336</u>	<u>\$ 3,989,535</u>	<u>\$ 6,442,137</u>

See notes to financial statements.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (205,455)	\$ (1,088,496)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	68,822	74,076
Change in beneficial interest in funds held at The Dayton Foundation	(39,168)	19,410
Change in beneficial interest in perpetual trusts	(427,865)	163,605
Change in discount for net present value of pledges	(22,500)	(2,700)
Net realized gain on investments	(45,347)	(8,445)
Net unrealized (gain) loss on investments	<u>(123,834)</u>	<u>44,933</u>
	<u>(795,347)</u>	<u>(797,617)</u>
Changes in operating assets and liabilities:		
Accounts receivable	234,023	(402,928)
Prepaid expenses	(53,202)	90,654
Inventory and supplies	6,020	1,324
Long-term pledges receivable	235,400	337,350
Accounts payable and accrued expenses	(97,041)	174,869
Deferred revenue	<u>92,550</u>	<u>(48,721)</u>
Net Cash Used by Operating Activities	<u>(377,597)</u>	<u>(645,069)</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(79,825)	(98,229)
Proceeds from sale of investments	918,137	1,289,188
Purchases of investments	(876,151)	(1,149,355)
Transfers of assets from beneficial interest in funds held at The Dayton Foundation	4,800	15,265
Distributions from beneficial interest in perpetual trusts	<u>397,389</u>	<u>341,140</u>
Net Cash Provided by Investing Activities	<u>364,350</u>	<u>398,009</u>
FINANCING ACTIVITIES		
Net borrowings on line of credit	12,500	250,000
Borrowing on short-term loan	<u>32,144</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>44,644</u>	<u>250,000</u>
NET INCREASE IN CASH	31,397	2,940
CASH		
Beginning of year	<u>9,461</u>	<u>6,521</u>
End of year	<u>\$ 40,858</u>	<u>\$ 9,461</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of accounting policies of the **Dayton Performing Arts Alliance** (the "Alliance") is presented to assist in understanding the Alliance's financial statements.

The Dayton Performing Arts Alliance was formed July 1, 2012, as a result of a groundbreaking and innovative merger between The Dayton Ballet Association, The Dayton Opera, and The Dayton Philharmonic Orchestra. Together it is the largest performing arts organization in the community, offering a tremendous variety of performance and education programs and setting a new standard for artistic excellence.

Nature of Business - The Alliance is a not-for-profit corporation primarily engaged in performing classical and contemporary dance works, producing opera performances, performing classical orchestral music, presenting educational and popular music programs, and sponsoring guest artists. The Alliance's concert revenue and ticket receivables are primarily generated from subscribers in metropolitan Dayton, Ohio. The Alliance also obtains the majority of its contributions from patrons in the Dayton area.

Net Asset Classification - Accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The accounting standards also improve disclosures about an organization's endowment funds, both donor-restricted endowment funds and board-designated endowment funds, whether or not the organization is subject to UPMIFA.

The State of Ohio adopted UPMIFA effective June 1, 2009. As part of the merger of the organization, the Alliance has evaluated its temporarily and permanently restricted net assets, including amounts reported as endowment funds that are subject to UPMIFA and determined that balances are in conformance with accounting principles generally accepted in the United States of America and the provisions of UPMIFA.

Temporarily restricted net assets consist of the remaining portion of donor-restricted funds that are not classified as permanently restricted net assets as well as the unexpended net investments earnings allocated on permanently restricted net assets available to satisfy donor-imposed purpose restrictions on the monies earned on those funds. When donor restrictions are satisfied, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Permanently restricted net assets represent the original fair value of gifts received that are to be retained in perpetuity.

Financial Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Donated Materials and Services ("In-Kind") - Significant services and materials are donated to the Alliance by various individuals and companies. Donated materials are recorded at fair market value at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased by the Alliance. In addition to the recorded contributions, a substantial number of volunteers have donated significant amounts of their time to the Alliance's program services and fundraising activities. Since these services do not meet the requirements for recognition, the value thereof is not reflected in the accompanying financial statements.

Concentrations - The Alliance's cash as of June 30, 2017 and 2016 was on deposit in several financial institutions which, at various times throughout the year, were in excess of FDIC insurance limits of \$250,000.

Pledges Receivable - Unconditional pledges receivable in less than one year are recorded at net realizable value. Unconditional pledges receivable expected to be received in one or more years are discounted to net realizable value.

Other Receivables - Receivable balances have been adjusted for all known uncollectible accounts. Accounts are written off when management determines that probability of collection is remote. The Alliance believes other receivables amounts will be collected and, therefore, does not consider an allowance for doubtful accounts necessary at June 30, 2017 and 2016.

Inventory and Supplies - Balance consists of merchandise available for sale and dancers' shoes and equipment. Items are stated at the lower of cost or market.

Investments - The Alliance's investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position.

It is the Alliance's intention to designate a portion of its long-term investments in an amount equal to the underlying carrying value of its permanently restricted net assets.

Endowment Investment and Spending Policies - The Alliance has adopted investment and spending policies for endowment assets for those assets held by a trustee.

For those assets held by a trustee, the trustee's investment policy has the objective of being a balanced investor. The balanced investor wants to preserve assets and achieve a balance between income and growth. The focus is on long-term returns, while allowing for some shorter-term volatility.

The Board of Trustees has established that the targeted annual spending rate for the funds is 4%, calculated as a percentage of the 12-quarter average market value of the funds as of the beginning of each fiscal year. The Board of Trustees, however, in its sole discretion, may increase or decrease disbursements from the funds should circumstance warrant a change.

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original corpus of the funds the donor requires to be held in perpetuity. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no material deficiencies as of June 30, 2017 and 2016.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment - Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of receipt. In general, items capitalized are those with a cost or fair market value at time of donation of \$500 or greater. Depreciation of property and equipment is provided over the estimated useful lives of the assets using the straight-line method. Routine maintenance and repairs are charged to expense as incurred.

The Alliance reviews for impairment of long-lived assets in accordance with accounting standards. These standards require companies to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at June 30, 2017 and 2016.

Deferred Revenue - Sales of season ticket subscriptions for programs to be performed the following fiscal year are recorded as deferred revenue. Revenue from such sales are recognized during the fiscal year the programs are presented.

Income Taxes - The Alliance is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements. However, any income from certain activities not directly related to the Alliance's tax-exempt purpose may be subject to taxation as unrelated business income.

Accounting for Uncertainty in Income Taxes - The Alliance has adopted accounting rules that prescribe when to recognize, and how to measure the financial statement effects of income tax positions taken, or expected to be taken, on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, the Alliance only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses.

Based on its review, management does not believe the Alliance has taken any material uncertain tax positions, including any position that would place the Alliance's exempt status in jeopardy as of June 30, 2017.

Advertising Expense - Advertising costs are expensed in the same year as the performance in which they relate. Advertising expense was \$156,698 and \$166,857 for the years 2017 and 2016. Advertising costs for future performances are recorded as prepaid expenses. Prepaid advertising was \$80,724 and \$77,998 at June 30, 2017 and 2016.

Donated advertising is recorded separately from advertising expense and totaled \$289,488 and \$266,731 for the years 2017 and 2016.

Subsequent Events - In preparing these financial statements, the Alliance has evaluated events and transactions for potential recognition or disclosure through September 14, 2017, the date the financial statements were available to be issued.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - PLEDGES RECEIVABLE

	<u>2017</u>	<u>2016</u>
Pledges		
Due in less than one year	\$ 1,848,654	\$ 2,061,992
Due in one to five years	<u>328,250</u>	<u>563,650</u>
	2,176,904	2,625,642
Less discount to net present value	<u>51,700</u>	<u>74,200</u>
	<u>\$ 2,125,204</u>	<u>\$ 2,551,442</u>

A discount rate of 5.25% was applied to contributions due in more than one year for the years 2017 and 2016.

The Alliance receives contributions from members of its Board of Trustees and employees who work for the Alliance. Total contributions from these parties were \$399,939 and \$530,130 for the years 2017 and 2016. Outstanding pledges receivable from these parties were \$315,525 and \$33,252 as of June 30, 2017 and 2016.

In addition to the above pledges, the Alliance has been informed by various individuals of their intentions to give to the Alliance in the future. Such communications are not unconditional promises to give because the individuals have not stipulated how or when they will give. Therefore, such intentions have not been recorded in the accompanying financial statements.

NOTE 3 - INVESTMENTS

The following reflects the cost and estimated fair values of marketable securities held at June 30, 2017 and 2016. In addition, gross unrealized gains and unrealized losses are disclosed for the years 2017 and 2016.

	<u>2017</u>			
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Money market funds	\$ 246,870	\$ -	\$ -	\$ 246,870
Fixed income	149	-	(38)	111
Mutual funds	504,221	11,315	-	515,536
Hedge funds	24,044	3,403	-	27,447
Equity securities	<u>775,107</u>	<u>183,960</u>	<u>-</u>	<u>959,067</u>
	<u>\$ 1,550,391</u>	<u>\$ 198,678</u>	<u>\$ (38)</u>	<u>\$ 1,749,031</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS - continued

	2016			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Money market funds	\$ 85,922	\$ -	\$ -	\$ 85,922
Fixed income	1,128	-	(145)	983
Mutual funds	548,943	-	(16,897)	532,046
Hedge funds	59,506	4,241	-	63,747
Equity securities	842,837	96,301	-	939,138
	<u>\$ 1,538,336</u>	<u>\$ 100,542</u>	<u>\$ (17,042)</u>	<u>\$ 1,621,836</u>

Unrealized gains (losses) of \$123,834 and \$(44,933), and realized gains of \$45,347 and \$8,445 from sales of investments, are included in the Statements of Activities for the years 2017 and 2016.

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair values of the Alliance's financial assets measured on a recurring basis at June 30, 2017 and 2016 are as follows:

	2017			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Money market funds	\$ 246,870	\$ 246,870	\$ -	\$ -
Fixed income	111	111	-	-
Mutual funds	515,536	515,536	-	-
Hedge funds	27,447	-	-	27,447
Equity securities	959,067	959,067	-	-
Beneficial interest in funds held at The Dayton Foundation	396,604	-	-	396,604
Beneficial interest in perpetual trusts	<u>2,925,520</u>	<u>-</u>	<u>-</u>	<u>2,925,520</u>
	<u>\$ 5,071,155</u>	<u>\$ 1,721,584</u>	<u>\$ -</u>	<u>\$ 3,349,571</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - FAIR VALUE MEASUREMENTS - continued

	2016			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Money market funds	\$ 85,922	\$ 85,922	\$ -	\$ -
Fixed income	983	983	-	-
Mutual funds	532,046	532,046	-	-
Hedge Funds	63,747	-	-	63,747
Equity securities	939,138	939,138	-	-
Beneficial interest in funds held at The Dayton Foundation	362,236	-	-	362,236
Beneficial interest in perpetual trust	<u>2,895,044</u>	<u>-</u>	<u>-</u>	<u>2,895,044</u>
	<u>\$ 4,879,116</u>	<u>\$ 1,558,089</u>	<u>\$ -</u>	<u>\$ 3,321,027</u>

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at June 30, 2017 and 2016.

Money market, fixed income, mutual funds and equity securities: Value based on quoted prices in active markets.

Hedge funds: Value determined based on estimated portfolio values provided by the fund managers. The fair values reported by the fund managers are based on quoted market prices, if available, or other valuation methods.

Beneficial interest in funds held at The Dayton Foundation: Value determined based on the fair value of the underlying trust assets, which is estimated to approximate the present value of future cash flow of the funds held and the fair market value of the underlying assets at June 30, 2017 and 2016.

Beneficial interest in perpetual trusts: Value determined based on the fair value of the underlying trust assets, which is estimated to approximate the present value of the future cash flow of the trust distributions and the fair market value of the underlying assets at June 30, 2017 and 2016.

The following table sets forth a summary of changes in the fair value of the Alliance's Level 3 assets for the years 2017 and 2016:

	2017		
	Hedge Funds	Beneficial Interest in Funds Held at The Dayton Foundation	Beneficial Interest in Perpetual Trusts
Value at the beginning of the year	\$ 63,747	\$ 362,236	\$ 2,895,044
Transfer of assets from beneficial interest	-	(4,800)	-
Distributions	(38,483)	-	(397,389)
Change in fair value	<u>2,183</u>	<u>39,168</u>	<u>427,865</u>
Value at the end of the year	<u>\$ 27,447</u>	<u>\$ 396,604</u>	<u>\$ 2,925,520</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - FAIR VALUE MEASUREMENTS - continued

	2016		
	<u>Hedge Funds</u>	<u>Beneficial Interest in Funds Held at The Dayton Foundation</u>	<u>Beneficial Interest in Perpetual Trust</u>
Value at the beginning of the year	\$ 224,784	\$ 396,911	\$ 3,399,789
Transfer of assets from beneficial interest	-	(15,265)	-
Distributions	(150,910)	-	(341,140)
Change in fair value	<u>(10,127)</u>	<u>(19,410)</u>	<u>(163,605)</u>
Value at the end of the year	<u>\$ 63,747</u>	<u>\$ 362,236</u>	<u>\$ 2,895,044</u>

NOTE 5 - PROPERTY AND EQUIPMENT

	<u>2017</u>	<u>2016</u>
Equipment, sets and costumes	\$ 962,236	\$ 889,810
Furniture and fixtures	435,908	435,908
Musical instruments and production equipment	388,247	384,902
Music library	173,288	169,234
Leasehold improvements	<u>91,521</u>	<u>91,521</u>
	2,051,200	1,971,375
Less accumulated depreciation	<u>1,626,398</u>	<u>1,557,576</u>
	<u>\$ 424,802</u>	<u>\$ 413,799</u>

NOTE 6 - LINE OF CREDIT

The Alliance has available a line of credit with a borrowing limit of \$262,500 that expires on May 31, 2018. The agreement was entered into with PNC Bank in May 2016 and renewed in April 2017. The line of credit is secured by assets held at PNC Bank, and bears interest at the Daily LIBOR plus 2.50%. The Daily LIBOR at June 30, 2017 and 2016 was 1.162% and 0.412%. Interest expense for the line of credit was \$6,976 and \$717 for the years 2017 and 2016. The line of credit balance was \$262,500 and \$250,000 at June 30, 2017 and 2016.

NOTE 7 - SHORT-TERM LOAN, NET

The Alliance has a short-term loan of \$100,000 that matured on July 31, 2017. The agreement was entered into May 2017 with a related party. The loan is interest-free and was paid in full in July 2017. The short-term loan balance is shown net of related party pledges of \$67,856 for a net balance of \$32,144 at June 30, 2017.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS

Temporary restrictions on assets are released by incurring expenses that satisfy the intended purpose or the occurrence of events specified by donors.

	<u>2017</u>	<u>2016</u>
Time and purpose restriction - support for completed performances and general operations	<u>\$ 2,454,747</u>	<u>\$ 2,321,222</u>

NOTE 9 - NET ASSETS

	<u>2017</u>	<u>2016</u>
Unrestricted		
Unrestricted Fund	<u>\$ (1,371,621)</u>	<u>\$ (1,190,734)</u>
Temporarily Restricted		
Future Programming	2,445,414	2,681,540
Olive Kettering Endowment Fund	925,258	849,164
Other funds	<u>102,120</u>	<u>112,632</u>
	<u>3,472,792</u>	<u>3,643,336</u>
Permanently Restricted		
Catterton Endowment Opera Fund	1,298,031	1,290,251
Catterton Endowment Philharmonic Fund	1,244,655	1,253,300
National Endowment for the Arts Fund	400,000	400,000
Ballet Arts and Cultural Development Fund	382,833	351,493
Dayton Philharmonic Endowment Fund	327,001	312,000
Dayton Opera Endowment Fund	250,000	250,000
Q the Music Endowment Fund	100,000	-
Planned gift	60,900	60,400
Other Funds	<u>72,091</u>	<u>72,091</u>
	<u>4,135,511</u>	<u>3,989,535</u>
	<u>\$ 6,236,682</u>	<u>\$ 6,442,137</u>

Temporarily Restricted

Olive Kettering Endowment Fund

This fund was established by a gift from the Kettering Fund which specified that the income from the fund be used by the Alliance for the purpose of annually underwriting the fee for a performance of a recognized guest artist in connection with the regular series concerts. The donor also provides that if the stated purpose becomes impractical at any time in the future, the funds shall be used by the Alliance for its general musical and cultural purposes.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - NET ASSETS - continued

Permanently Restricted

Catterton Endowment Funds

The Dayton Opera Trust Fund and the Dayton Philharmonic Trust Fund were established through a bequest from Hampton W. and Erma R. Catterton and consists of a beneficial interest in a perpetual trust. The Trust permits interest and dividend income to be distributed annually to the Alliance for its unrestricted use. As described in Note 11, state law also allows additional amounts to be distributed to the Alliance.

National Endowment for the Arts Fund

This fund was established to meet a requirement set by the National Endowment for the Arts regarding a challenge grant received by the Alliance. This fund represents the aggregate amount of the challenge grant plus the required matching funds received by the Alliance.

Ballet Arts and Cultural Development Fund

This fund was established at The Dayton Foundation for the exclusive purpose of accepting undesignated and designated gifts and encouraging planned and deferred giving to enhance the arts in the Miami Valley.

Endowment Funds

These funds were established to account for endowment contributions whose corpus was required by the donors to be held in perpetuity. Earnings from these funds are unrestricted or temporarily restricted determined by the intent of the donor.

Other Funds

Other Funds consist of the following:

Dr. Charles and Patricia Demirjian Fund

Contributions to endow chamber concert series or similar programs.

Musician Dinner Fund

This fund was established by a contribution from Solomon Rosenthal to provide an annual dinner for the orchestra's musicians.

Horine Memorial Endowment Fund

This fund was established by contributions from individuals in memory of David M. Horine, a former Dayton Philharmonic Orchestra member. Earnings from this fund are used to provide scholarships to Dayton Philharmonic Orchestra members for musical study.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - NET ASSETS - continued

David L. Pierson Young Musicians Competition Fund

This fund was established to fund cash prizes for the Pierson Competition.

Dr. David DiChiera and Thomas Bankston Fund for Emerging Artists

Fund established to provide support of the cultivation and training of emerging opera singers.

Q the Music Endowment Fund

This fund was established to provide support for the Q the Music after school orchestra elementary education program.

NOTE 10 - ENDOWMENT FUNDS AND NET ASSETS

The following is a summary of changes in endowment net assets for the year ended June 30, 2017.

	2017			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of period	\$ (19,874)	\$ 23,379	\$ 1,094,491	\$ 1,097,996
Change in value in beneficial interest in funds held at The Dayton Foundation	32,295	-	-	32,295
Net investment income	33,180	49,620	-	82,800
Contributions to endowment fund	-	57,000	115,500	172,500
Amounts appropriated for expenditure	<u>(2,000)</u>	<u>(105,400)</u>	<u>-</u>	<u>(107,400)</u>
Endowment net assets, end of period	<u>\$ 43,601</u>	<u>\$ 24,599</u>	<u>\$ 1,209,991</u>	<u>\$ 1,278,191</u>

The following is a summary of all Alliance net assets as of June 30, 2017:

	2017			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment funds	\$ 43,601	\$ 24,599	\$ 1,209,991	\$ 1,278,191
Non-endowment funds:				
Operating	(1,415,222)	-	-	(1,415,222)
Beneficial interest in perpetual trust - Catterton	-	-	2,542,687	2,542,687
Beneficial interest in perpetual trust - Ballet Fund	-	-	382,833	382,833
Time and purpose restrictions	<u>-</u>	<u>3,448,193</u>	<u>-</u>	<u>3,448,193</u>
	<u>\$ (1,371,621)</u>	<u>\$ 3,472,792</u>	<u>\$ 4,135,511</u>	<u>\$ 6,236,682</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - ENDOWMENT FUNDS AND NET ASSETS - continued

The following is a summary of changes in endowment net assets for the year ended June 30, 2016:

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of period	\$ 6,507	\$ 21,101	\$ 1,091,791	\$ 1,119,399
Change in value in beneficial interest in funds held at The Dayton Foundation	(15,913)	-	-	(15,913)
Net investment income	1,969	2,678	-	4,647
Contributions to endowment fund	-	-	2,700	2,700
Amounts appropriated for expenditure	(12,437)	(400)	-	(12,837)
Endowment net assets, end of period	<u>\$ (19,874)</u>	<u>\$ 23,379</u>	<u>\$ 1,094,491</u>	<u>\$ 1,097,996</u>

The following is a summary of all Alliance net assets as of June 30, 2016:

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment funds	\$ (19,874)	\$ 23,379	\$ 1,094,491	\$ 1,097,996
Non-endowment funds:				
Operating	(1,170,860)	-	-	(1,170,860)
Beneficial interest in perpetual trust - Catterton	-	-	2,543,550	2,543,550
Beneficial interest in perpetual trust - Ballet Fund	-	-	351,494	351,494
Time and purpose restrictions	-	3,619,957	-	3,619,957
	<u>\$ (1,190,734)</u>	<u>\$ 3,643,336</u>	<u>\$ 3,989,535</u>	<u>\$ 6,442,137</u>

NOTE 11 - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Alliance has a Beneficial Interest in a Perpetual Trust of the "The Dayton Opera Trust Fund" and "The Dayton Philharmonic Trust Fund", trust arrangements established by the Hampden W. and Erma R. Catterton Charitable Trust Fund. The assets of the trust are not in the possession of the Alliance and are administered by an outside trustee, J.P. Morgan. Under the terms of the trust, the Alliance has the irrevocable right to receive the income earned on the trust assets in perpetuity. The Alliance's Board of Trustees may request, under certain circumstances, that the trustee make a distribution of some portion of the trust principal. However, the right to receive any of the trust principal is conditional, based on approved request, which is at the sole and absolute discretion of the outside trustee. Accordingly, the Alliance will only recognize any future distribution of trust principal when received from the trust. There were income distributions from the trusts in the amounts of \$192,870 and \$189,936 for the Opera and Philharmonic trusts, respectively, for year ended June 30, 2017. There were income distributions from the trusts in the amounts of \$149,311 and \$177,651 for the Opera and Philharmonic trusts, respectively, for year ended June 30, 2016.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - BENEFICIAL INTEREST IN PERPETUAL TRUST - continued

Accounting principles generally accepted in the United States of America require the Alliance to record a permanently restricted net asset entitled "Beneficial Interest in a Perpetual Trust", representing the present value of the expected future cash flows of income from the trust. At June 30, 2017, the present value of the expected future cash flows of income from the trust was equal to the fair market value of the assets held in the trust and amounted to \$1,298,031 and \$1,244,655 for the Opera and Philharmonic trusts, respectively. At June 30, 2016, the present value of the expected future cash flows of income from the trust was equal to the fair market value of the assets held in the trust and amounted to \$1,290,251 and \$1,253,300 for the Opera and Philharmonic trusts, respectively. The adjustment to fair market value is recognized as permanently restricted gains or losses. Annual distributions from the trust are reported as investment income that increases unrestricted net assets.

The Alliance is an income beneficiary of another perpetual trust. The assets of this trust are maintained by The Dayton Foundation, a local charitable foundation, and are not under the control of the Alliance. The trust provides that the Alliance has the irrevocable right to receive the income earned on the trust assets in perpetuity. The Alliance has recorded a permanently restricted net asset entitled "Beneficial interest in a perpetual trust", representing the present value of the expected future cash flows of income from the trust. At June 30, 2017 and 2016, the present value of the expected future cash flows of income from the trust was equal to the fair market value of the assets held in the trust and amounted to \$382,834 and \$351,493. Income distributions for the years 2017 and 2016 were \$14,583 and \$14,178.

NOTE 12 - CONTRIBUTIONS OF MATERIALS AND SERVICES

	<u>2017</u>	<u>2016</u>
Printing, publicity, promotion	\$ 289,488	\$ 266,731
Hotels and airfare, use of facilities	86,426	86,111
Professional services	13,302	52,910
Goods and materials	<u>24,211</u>	<u>62,698</u>
	<u>\$ 413,427</u>	<u>\$ 468,450</u>

NOTE 13 - MULTI-EMPLOYER PENSION PLAN

Effective September 1, 2014, the Alliance entered into a collective bargaining agreement which expired on August 31, 2017. As of the date of the accompanying financial statements, a new agreement had not yet been executed.

The Alliance provides pension benefits to contracted musicians under a multi-employer defined benefit plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and requires payments of 5% of certain components of participants' wages by the Alliance. Total payments made to the Plan for the years 2017 and 2016 were \$78,858 and \$83,701.

The risks in participating in a multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to the employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Alliance chooses to stop participating in the plan, it may be required to pay a withdrawal liability to the plan. The Alliance has no plans to withdraw from its multi-employer pension plan.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 13 - MULTI-EMPLOYER PENSION PLAN - continued

The Alliance's participation in the Plan is outlined in the table below. The most recent Pension Protection Act ("PPA") zone status available in 2017 and 2016 is for the Plan's years ended March 31, 2017 and 2016. The Plan is in critical status (red zone) under the Pension Protection Act of 2006, meaning the funded status is less than 65%. A red zone status requires a rehabilitation plan ("RP") to improve the financial health of the Plan.

Name of Pension Fund	EIN and Plan Number	Pension Protection Act Zone Status		FIP/RP Status	Contributions for the Year Ended June 30		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2017	2016		2017	2016		
American Federation of Musicians and Employers' Pension Plan	51-6120204 Plan No. 001	Red	Red	Implemented	<u>\$ 78,858</u>	<u>\$ 83,701</u>	No	8/31/2021

For the Plan years ended March 31, 2016 and 2015, the Company was not listed in the American Federation of Musicians and Employers' Pension Plan Form 5500 as providing more than 5% of the total contributions for the Plan. At the date these financial statements were issued, Form 5500 was not available for the Plan year ended March 31, 2017.

NOTE 14 - RETIREMENT PLAN

The Alliance maintains a 403(b)(7) retirement plan for any employee who is not covered under a collectively bargained union agreement. This plan is funded entirely by employees contributing a portion of their salary to this plan. No contributions were made to this plan by the Alliance during 2017 and 2016.

NOTE 15 - LEASE COMMITMENTS

The Alliance leases office space, studios and warehouse storage expiring at various times through 2022. The lessor and lessee share maintenance responsibilities, depending on the nature of the repair. The lessor is responsible for all real estate taxes and insurance, with the exception of liability insurance, which is the responsibility of the lessee. Rental expense under the lease for the years 2017 and 2016 was \$154,243 and \$171,774.

The Alliance leases various office equipment expiring at various times through 2020. Rental expense under these leases for the years 2017 and 2016 was \$28,309 and \$27,038.

Future minimum lease payments over the next five years are as follows:

2018	\$ 271,336
2019	42,422
2020	19,725
2021	18,576
2022	<u>10,836</u>
	<u>\$ 362,895</u>



BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
Dayton Performing Arts Alliance
Dayton, Ohio

We have audited the financial statements of **Dayton Performing Arts Alliance** as of and for the years ended June 30, 2017 and 2016, and our report thereon dated September 14, 2017, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The following schedules are presented for purposes of additional analysis 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 information has 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.

Brady, Ware & Schoenfeld, Inc.

Dayton, Ohio
September 14, 2017

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DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - INVESTMENTS

JUNE 30, 2017

	Olive Kettering Endowment Fund	National Endowment for the Arts Fund	Dayton Philharmonic Endowment Fund	Dr. Charles and Patricia Demirjian Fund	Musician Dinner Fund	Horine Memorial Endowment Fund	David L. Pierson Young Musicians Competition Fund	Lovetta & Bertram Blanke Fund	Q the Music Endowment Fund	Total
Net assets, beginning of year	\$ 849,164	\$ 402,599	\$ 306,606	\$ 20,490	\$ 20,778	\$ 10,693	\$ 6,045	\$ 5,461	\$ -	\$ 1,621,836
Contributions and support	-	57,000	15,000	-	-	-	-	-	25,000	97,000
Released from restrictions	(32,000)	(82,000)	(23,000)	(20,000)	-	(400)	(200)	(5,000)	-	(162,600)
Withdrawals	-	-	-	-	-	-	-	-	-	-
Investment income, net	<u>108,094</u>	<u>37,609</u>	<u>40,924</u>	<u>995</u>	<u>2,810</u>	<u>1,410</u>	<u>799</u>	<u>154</u>	<u>-</u>	<u>192,795</u>
Net assets, end of year	<u>\$ 925,258</u>	<u>\$ 415,208</u>	<u>\$ 339,530</u>	<u>\$ 1,485</u>	<u>\$ 23,588</u>	<u>\$ 11,703</u>	<u>\$ 6,644</u>	<u>\$ 615</u>	<u>\$ 25,000</u>	<u>\$ 1,749,031</u>
Net Assets										
Unrestricted	\$ -	\$ 15,208	\$ 12,529	\$ -	\$ -	\$ -	\$ -	\$ 615	\$ -	\$ 28,352
Temporarily restricted	925,258	-	-	1,485	8,588	2,612	6,644	-	-	944,587
Permanently restricted	<u>-</u>	<u>400,000</u>	<u>327,001</u>	<u>-</u>	<u>15,000</u>	<u>9,091</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>776,092</u>
	<u>\$ 925,258</u>	<u>\$ 415,208</u>	<u>\$ 339,530</u>	<u>\$ 1,485</u>	<u>\$ 23,588</u>	<u>\$ 11,703</u>	<u>\$ 6,644</u>	<u>\$ 615</u>	<u>\$ 25,000</u>	<u>\$ 1,749,031</u>

See independent auditors' report on supplementary information.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - INVESTMENTS

JUNE 30, 2016

	Olive Kettering Endowment Fund	National Endowment for the Arts Fund	Dayton Philharmonic Endowment Fund	Dr. Charles and Patricia Demirjian Fund	Musician Dinner Fund	Horine Memorial Endowment Fund	David L. Pierson Young Musicians Competition Fund	Lovetta & Bertram Blanke Fund	Total
Net assets, beginning of year	\$ 878,799	\$ 395,959	\$ 308,677	\$ 46,195	\$ 20,720	\$ 11,070	\$ 6,232	\$ 130,505	\$ 1,798,157
Released from restrictions	(32,000)	-	-	(25,300)	-	(400)	(200)	-	(57,900)
Withdrawals	-	-	-	-	-	-	-	(115,911)	(115,911)
Investment income, net	<u>2,365</u>	<u>6,640</u>	<u>(2,071)</u>	<u>(405)</u>	<u>58</u>	<u>23</u>	<u>13</u>	<u>(9,133)</u>	<u>(2,510)</u>
Net assets, end of year	<u>\$ 849,164</u>	<u>\$ 402,599</u>	<u>\$ 306,606</u>	<u>\$ 20,490</u>	<u>\$ 20,778</u>	<u>\$ 10,693</u>	<u>\$ 6,045</u>	<u>\$ 5,461</u>	<u>\$ 1,621,836</u>
Net Assets									
Unrestricted	\$ -	\$ 2,599	\$ (5,394)	\$ -	\$ -	\$ -	\$ -	\$ 5,461	\$ 2,666
Temporarily restricted	849,164	-	-	20,490	5,778	1,602	6,045	-	883,079
Permanently restricted	<u>-</u>	<u>400,000</u>	<u>312,000</u>	<u>-</u>	<u>15,000</u>	<u>9,091</u>	<u>-</u>	<u>-</u>	<u>736,091</u>
	<u>\$ 849,164</u>	<u>\$ 402,599</u>	<u>\$ 306,606</u>	<u>\$ 20,490</u>	<u>\$ 20,778</u>	<u>\$ 10,693</u>	<u>\$ 6,045</u>	<u>\$ 5,461</u>	<u>\$ 1,621,836</u>

See independent auditors' report on supplementary information.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - BENEFICIAL INTEREST IN FUNDS HELD AT THE DAYTON FOUNDATION

JUNE 30, 2017

	Dayton Opera Endowment Fund	Baritone Trust Investment	Dayton Philharmonic Endowment Fund	Dr. David DiChiera and Thomas Bankston Fund for Emerging Artists	Total
Net assets, beginning of year	\$ 233,512	\$ 65,318	\$ 49,503	\$ 13,903	\$ 362,236
Transfer of assets from beneficial interest	-	(2,800)	(2,000)	-	(4,800)
Change in beneficial interest	<u>25,544</u>	<u>6,874</u>	<u>5,227</u>	<u>1,523</u>	<u>39,168</u>
Net assets, end of year	<u>\$ 259,056</u>	<u>\$ 69,392</u>	<u>\$ 52,730</u>	<u>\$ 15,426</u>	<u>\$ 396,604</u>
Net Assets					
Unrestricted	\$ 9,056	\$ -	\$ 6,331	\$ 426	\$ 15,813
Temporarily restricted	-	69,392	13,399	-	82,791
Permanently restricted	<u>250,000</u>	<u>-</u>	<u>33,000</u>	<u>15,000</u>	<u>298,000</u>
	<u>\$ 259,056</u>	<u>\$ 69,392</u>	<u>\$ 52,730</u>	<u>\$ 15,426</u>	<u>\$ 396,604</u>

See independent auditors' report on supplementary information.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - BENEFICIAL INTEREST IN FUNDS HELD AT THE DAYTON FOUNDATION

JUNE 30, 2016

	Dayton Opera Endowment Fund	Baritone Trust Investment	Dayton Philharmonic Endowment Fund	Dr. David DiChiera and Thomas Bankston Fund for Emerging Artists	Total
Net assets, beginning of year	\$ 256,371	\$ 71,644	\$ 54,272	\$ 14,624	\$ 396,911
Transfer of assets from beneficial interest	(10,312)	(2,829)	(2,124)	-	(15,265)
Change in beneficial interest	<u>(12,547)</u>	<u>(3,497)</u>	<u>(2,645)</u>	<u>(721)</u>	<u>(19,410)</u>
Net assets, end of year	<u>\$ 233,512</u>	<u>\$ 65,318</u>	<u>\$ 49,503</u>	<u>\$ 13,903</u>	<u>\$ 362,236</u>
Net Assets					
Unrestricted	\$ (16,488)	\$ -	\$ 3,104	\$ (1,097)	\$ (14,481)
Temporarily restricted	-	65,318	13,399	-	78,717
Permanently restricted	<u>250,000</u>	<u>-</u>	<u>33,000</u>	<u>15,000</u>	<u>298,000</u>
	<u>\$ 233,512</u>	<u>\$ 65,318</u>	<u>\$ 49,503</u>	<u>\$ 13,903</u>	<u>\$ 362,236</u>

See independent auditors' report on supplementary information.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

JUNE 30, 2017

	Catterton Trust- Opera Fund	Catterton Trust- Philharmonic Fund	Ballet Arts and Cultural Development Fund	Total
Net assets, beginning of year	\$ 1,290,251	\$ 1,253,300	\$ 351,493	\$ 2,895,044
Released from restrictions	(192,870)	(189,936)	(14,583)	(397,389)
Change in beneficial interest	<u>200,650</u>	<u>181,292</u>	<u>45,923</u>	<u>427,865</u>
Net assets, end of year	<u>\$ 1,298,031</u>	<u>\$ 1,244,656</u>	<u>\$ 382,833</u>	<u>\$ 2,925,520</u>
Net Assets				
Permanently restricted	<u>\$ 1,298,031</u>	<u>\$ 1,244,656</u>	<u>\$ 382,833</u>	<u>\$ 2,925,520</u>

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

JUNE 30, 2016

	Catterton Trust- Opera Fund	Catterton Trust- Philharmonic Fund	Ballet Arts and Cultural Development Fund	Total
Net assets, beginning of year	\$ 1,546,082	\$ 1,471,744	\$ 381,963	\$ 3,399,789
Released from restrictions	(177,651)	(149,311)	(14,178)	(341,140)
Change in beneficial interest	<u>(78,180)</u>	<u>(69,133)</u>	<u>(16,292)</u>	<u>(163,605)</u>
Net assets, end of year	<u>\$ 1,290,251</u>	<u>\$ 1,253,300</u>	<u>\$ 351,493</u>	<u>\$ 2,895,044</u>
Net Assets				
Permanently restricted	<u>\$ 1,290,251</u>	<u>\$ 1,253,300</u>	<u>\$ 351,493</u>	<u>\$ 2,895,044</u>