

DAYTON PERFORMING ARTS ALLIANCE
(A Nonprofit Organization)
AUDITED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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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, 2021 and 2020, and the related statements of activities, schedules of cost of revenue earned, and statements of operating expenses 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 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.


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, 2021 and 2020, 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.

Emphasis of Matter

As disclosed in Note 16 to the financial statements, the Alliance participates in a multi-employer pension plan to provide pension benefits to contracted musicians. The Plan is currently underfunded, and the Alliance's share of the unfunded benefit obligation has not been determined. Our opinion has not been modified with respect to this matter.



Dayton, Ohio
September 9, 2021

DAYTON PERFORMING ARTS ALLIANCE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 28,477	\$ 87,579
Accounts receivable		
Pledges receivable	1,299,295	1,592,900
Grants receivable	65,951	50,000
Trade and other receivables	31,894	190,029
Prepaid expenses	188,950	201,687
Inventory and supplies	<u>-</u>	<u>24,647</u>
	1,614,567	2,146,842
LONG-TERM PLEDGES RECEIVABLE, NET	1,094,300	1,676,386
PROPERTY AND EQUIPMENT, NET	280,442	363,297
INVESTMENTS	2,296,854	1,576,650
BENEFICIAL INTEREST IN FUNDS HELD AT THE DAYTON FOUNDATION	2,841,698	1,724,987
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	<u>2,408,472</u>	<u>1,981,959</u>
	<u>\$ 10,536,333</u>	<u>\$ 9,470,121</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of credit	\$ -	\$ 300,000
Current portion of long-term debt	1,511	-
Accounts payable and accrued expenses	106,723	189,436
Deferred revenue	<u>37,439</u>	<u>1,377,312</u>
	145,673	1,866,748
LONG-TERM DEBT, NET OF CURRENT PORTION	<u>147,489</u>	<u>-</u>
	<u>293,162</u>	<u>1,866,748</u>
NET ASSETS (DEFICIT)		
Without donor restrictions		
Undesignated	83,161	(1,815,670)
With donor restrictions		
Time restrictions	209,910	302,740
Purpose restrictions	2,439,868	2,567,205
Perpetual in nature	<u>7,510,232</u>	<u>6,549,098</u>
	<u>10,243,171</u>	<u>7,603,373</u>
	<u>\$ 10,536,333</u>	<u>\$ 9,470,121</u>

See notes to financial statements.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Performance ticket sales	\$ 217,123	\$ -	\$ 217,123
Performance - other	17,077	-	17,077
Education	193,057	-	193,057
Other operating income	<u>175,933</u>	<u>-</u>	<u>175,933</u>
	<u>603,190</u>	<u>-</u>	<u>603,190</u>
SUPPORT			
Contributions and support	3,436,151	621,016	4,057,167
Paycheck Protection Program Contribution	500,000	-	500,000
One Dayton, One Alliance Campaign	-	118,301	118,301
Government grants	769,776	57,383	827,159
Culture Works	5,636	-	5,636
Bequests	43,301	-	43,301
Contributed services and materials	96,000	-	96,000
Endowment distributions	355,721	-	355,721
Endowment releases	-	(355,721)	(355,721)
Net assets released from restrictions	<u>954,700</u>	<u>(954,700)</u>	<u>-</u>
	<u>6,161,285</u>	<u>(513,721)</u>	<u>5,647,564</u>
Total Revenue and Support	<u>6,764,475</u>	<u>(513,721)</u>	<u>6,250,754</u>
COST OF EARNED REVENUE			
Performances	3,308,376	-	3,308,376
Education	<u>556,703</u>	<u>-</u>	<u>556,703</u>
Total Cost of Earned Revenue	<u>3,865,079</u>	<u>-</u>	<u>3,865,079</u>
CONTRIBUTION MARGIN	<u>2,899,396</u>	<u>(513,721)</u>	<u>2,385,675</u>
OPERATING EXPENSES			
Administration	539,864	-	539,864
Marketing	328,121	-	328,121
Development	<u>395,625</u>	<u>-</u>	<u>395,625</u>
Total Operating Expenses	<u>1,263,610</u>	<u>-</u>	<u>1,263,610</u>
NET OPERATING INCOME (DEFICIT)	<u>1,635,786</u>	<u>(513,721)</u>	<u>1,122,065</u>
NON-OPERATING INCOME			
Net investment return	7,615	8,896	16,511
Realized and unrealized gains	169,273	237,420	406,693
Change in beneficial interest in funds held at The Dayton Foundation	86,157	466,822	552,979
Change in value in beneficial interest in perpetual trusts	<u>-</u>	<u>541,550</u>	<u>541,550</u>
NET NON-OPERATING INCOME	<u>263,045</u>	<u>1,254,688</u>	<u>1,517,733</u>
CHANGE IN NET ASSETS	1,898,831	740,967	2,639,798
NET ASSETS (DEFICIT)			
Beginning of Year	<u>(1,815,670)</u>	<u>9,419,043</u>	<u>7,603,373</u>
End of Year	<u>\$ 83,161</u>	<u>\$ 10,160,010</u>	<u>\$ 10,243,171</u>

See notes to financial statements.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Performance ticket sales	\$ 1,984,235	\$ -	\$ 1,984,235
Performance - other	56,846	-	56,846
Education	289,541	-	289,541
Other operating income	51,378	-	51,378
	<u>2,382,000</u>	<u>-</u>	<u>2,382,000</u>
SUPPORT			
Contributions and support	2,859,848	949,283	3,809,131
Paycheck Protection Program Contribution	825,300	-	825,300
One Dayton, One Alliance Campaign	-	566,270	566,270
Government grants	198,369	39,883	238,252
Culture Works	-	54,261	54,261
Bequests	22,874	-	22,874
Contributed services and materials	215,997	-	215,997
Special events, net	73,305	7,500	80,805
Endowment distributions	345,035	-	345,035
Endowment releases	-	(345,035)	(345,035)
Net assets released from restrictions	1,442,286	(1,442,286)	-
	<u>5,983,014</u>	<u>(170,124)</u>	<u>5,812,890</u>
Total Revenue and Support	<u>8,365,014</u>	<u>(170,124)</u>	<u>8,194,890</u>
COST OF EARNED REVENUE			
Performances	5,435,684	-	5,435,684
Education	748,892	-	748,892
Total Cost of Earned Revenue	<u>6,184,576</u>	<u>-</u>	<u>6,184,576</u>
CONTRIBUTION MARGIN	<u>2,180,438</u>	<u>(170,124)</u>	<u>2,010,314</u>
OPERATING EXPENSES			
Administration	567,385	-	567,385
Marketing	666,207	-	666,207
Development	489,141	-	489,141
Total Operating Expenses	<u>1,722,733</u>	<u>-</u>	<u>1,722,733</u>
NET OPERATING INCOME (DEFICIT)	<u>457,705</u>	<u>(170,124)</u>	<u>287,581</u>
NON-OPERATING INCOME			
Net investment return	13,418	10,065	23,483
Realized and unrealized gains	4,546	20,792	25,338
Change in beneficial interest in funds held at The Dayton Foundation	3,085	30,344	33,429
Change in value in beneficial interest in perpetual trusts	-	46,383	46,383
NET NON-OPERATING INCOME	<u>21,049</u>	<u>107,584</u>	<u>128,633</u>
CHANGE IN NET ASSETS	478,754	(62,540)	416,214
NET ASSETS (DEFICIT)			
Beginning of Year	<u>(2,294,424)</u>	<u>9,481,583</u>	<u>7,187,159</u>
End of Year	<u>\$ (1,815,670)</u>	<u>\$ 9,419,043</u>	<u>\$ 7,603,373</u>

DAYTON PERFORMING ARTS ALLIANCE

SCHEDULE OF COST OF EARNED REVENUE

YEAR ENDED JUNE 30, 2021

	<u>Dayton Ballet</u>	<u>Dayton Opera</u>	<u>Dayton Philharmonic</u>	<u>Total Performances</u>	<u>Education</u>	<u>Total</u>
Salaries and benefits	\$ 361,743	\$ 282,369	\$ 1,342,770	\$ 1,986,882	\$ 442,756	\$ 2,429,638
Professional fees	65,234	212,186	146,495	423,915	24,374	448,289
Production expenses	95,819	78,804	406,863	581,486	55,455	636,941
Gifts in-kind	16,320	24,000	55,680	96,000	-	96,000
Occupancy	56,637	6,913	17,889	81,439	20,370	101,809
Supplies	1,261	24	50	1,335	3,018	4,353
Postage	407	101	247	755	42	797
Advertising and promotion	-	-	-	-	1,082	1,082
Bank and other fees	130	-	-	130	4,411	4,541
Copier and postage leases	-	-	4,725	4,725	4,575	9,300
Donor benefits and cultivation	21	-	900	921	-	921
Meals and travel	-	2,104	83	2,187	-	2,187
Insurance	7,500	2,500	-	10,000	-	10,000
Depreciation	47,335	11,952	28,506	87,793	-	87,793
Miscellaneous	25,258	-	5,550	30,808	620	31,428
Total expenses by function	<u>\$ 677,665</u>	<u>\$ 620,953</u>	<u>\$ 2,009,758</u>	<u>\$ 3,308,376</u>	<u>\$ 556,703</u>	<u>\$ 3,865,079</u>

See notes to financial statements.

DAYTON PERFORMING ARTS ALLIANCE

SCHEDULE OF COST OF EARNED REVENUE

YEAR ENDED JUNE 30, 2020

	<u>Dayton Ballet</u>	<u>Dayton Opera</u>	<u>Dayton Philharmonic</u>	<u>Total Performances</u>	<u>Education</u>	<u>Total</u>
Salaries and benefits	\$ 636,338	\$ 328,679	\$ 1,995,332	\$ 2,960,349	\$ 640,880	\$ 3,601,229
Professional fees	162,007	273,678	554,719	990,404	34,740	1,025,144
Production expenses	146,987	107,852	579,892	834,731	36,828	871,559
Telemarketing	73,222	23,536	164,749	261,507	-	261,507
Gifts in-kind	8,780	39,156	168,060	215,996	-	215,996
Occupancy	54,497	6,000	15,339	75,836	26,024	101,860
Supplies	599	52	763	1,414	1,346	2,760
Postage	162	683	44	889	612	1,501
Printing	98	-	-	98	2,072	2,170
Advertising and promotion	677	-	-	677	506	1,183
Copier and postage leases	-	-	4,937	4,937	4,451	9,388
Donor benefits and cultivation	-	672	1,221	1,893	-	1,893
Meals and travel	-	2,000	3,347	5,347	472	5,819
Insurance	7,000	-	-	7,000	-	7,000
Depreciation	44,646	12,750	12,881	70,277	-	70,277
Miscellaneous	33	1,448	2,848	4,329	961	5,290
Total expenses by function	<u>\$ 1,135,046</u>	<u>\$ 796,506</u>	<u>\$ 3,504,132</u>	<u>\$ 5,435,684</u>	<u>\$ 748,892</u>	<u>\$ 6,184,576</u>

See notes to financial statements.

DAYTON PERFORMING ARTS ALLIANCE
STATEMENT OF OPERATING EXPENSES
YEAR ENDED JUNE 30, 2021

	<u>Administration</u>	<u>Marketing</u>	<u>Development</u>	<u>Total</u>
Salaries and benefits	\$ 272,368	\$ 199,578	\$ 300,685	\$ 772,631
Professional fees	-	43,761	-	43,761
Production expenses	7	-	-	7
Occupancy	40,174	350	18	40,542
Supplies	6,278	-	445	6,723
Postage	833	2,359	8,341	11,533
Printing	-	14,224	43,480	57,704
Telemarketing	-	7,965	-	7,965
Advertising and promotion	-	54,262	12,000	66,262
Bank and other fees	81,992	-	20,021	102,013
Benefit administration	30,887	-	-	30,887
Copier and postage leases	9,085	4,575	4,575	18,235
Donor benefits and cultivation	500	-	1,432	1,932
Meals and travel	1,286	-	15	1,301
Bad debt expense	-	-	1,346	1,346
Interest	3,297	-	-	3,297
Insurance	15,744	-	-	15,744
Depreciation	12,718	-	-	12,718
Miscellaneous	64,695	1,047	3,267	69,009
Total expenses by function	<u>\$ 539,864</u>	<u>\$ 328,121</u>	<u>\$ 395,625</u>	<u>\$ 1,263,610</u>

See notes to financial statements.

DAYTON PERFORMING ARTS ALLIANCE
STATEMENT OF OPERATING EXPENSES
YEAR ENDED JUNE 30, 2020

	<u>Administration</u>	<u>Marketing</u>	<u>Development</u>	<u>Total</u>
Salaries and benefits	\$ 330,444	\$ 228,859	\$ 353,829	\$ 913,132
Professional fees	-	171,452	1,049	172,501
Production expenses	326	185	3,109	3,620
Occupancy	40,781	3,609	-	44,390
Supplies	7,165	-	2,670	9,835
Postage	1,835	71,367	9,037	82,239
Printing	-	89,121	34,917	124,038
Advertising and promotion	-	96,769	19	96,788
Bank and other fees	77,678	-	15,213	92,891
Benefit administration	33,950	-	-	33,950
Copier and postage leases	8,962	4,096	4,451	17,509
Donor benefits and cultivation	-	-	31,408	31,408
Meals and travel	2,135	-	1,367	3,502
Bad debt expense	-	-	24,829	24,829
Interest	24,982	-	-	24,982
Insurance	17,407	-	-	17,407
Depreciation	10,293	-	-	10,293
Miscellaneous	11,427	749	7,243	19,419
Total expenses by function	<u>\$ 567,385</u>	<u>\$ 666,207</u>	<u>\$ 489,141</u>	<u>\$ 1,722,733</u>

See notes to financial statements.

DAYTON PERFORMING ARTS ALLIANCE**STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 2,639,798	\$ 416,214
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	100,511	80,570
Change in beneficial interest in funds held at The Dayton Foundation	(552,979)	(33,429)
Change in beneficial interest in perpetual trusts	(541,550)	(46,383)
Change in discount for net present value of pledges	(78,214)	(42,000)
Net realized (gain) loss on investments	(21,394)	3,802
Net unrealized gain on investments	(385,299)	(29,140)
	<u>1,160,873</u>	349,634
Changes in operating assets and liabilities:		
Accounts receivable	435,789	269,609
Prepaid expenses	12,737	95,155
Inventory and supplies	24,647	31,461
Long-term pledges receivable	660,300	244,550
Accounts payable and accrued expenses	(82,713)	(241,670)
Deferred revenue	(1,339,873)	(114,135)
	<u>871,760</u>	<u>634,604</u>
Net Cash Provided by Operating Activities		
INVESTING ACTIVITIES		
Purchases of property and equipment	(17,656)	(26,591)
Proceeds from sale of investments	207,143	421,120
Purchases of investments	(520,654)	(334,603)
Transfers of assets from beneficial interest in funds held at The Dayton Foundation	49,431	35,871
Transfers of assets to beneficial interest in funds held at The Dayton Foundation	(613,163)	(729,170)
Distributions from beneficial interest in perpetual trusts	115,037	286,074
	<u>(779,862)</u>	<u>(347,299)</u>
Net Cash Used by Investing Activities		
FINANCING ACTIVITIES		
Net payments on line of credit	(300,000)	(225,000)
Borrowings on long-term debt	150,000	-
Principal payments on long-term debt	(1,000)	-
	<u>(151,000)</u>	<u>(225,000)</u>
Net Cash Used by Financing Activities		
NET INCREASE (DECREASE) IN CASH	(59,102)	62,305
CASH		
Beginning of year	<u>87,579</u>	<u>25,274</u>
End of year	<u>\$ 28,477</u>	<u>\$ 87,579</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 - Management has determined that the majority of the Alliance's net assets meet the definition of endowment under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Alliance is governed subject to the governing documents for the Alliance, and most contributions are subject to the terms of the governing documents. Certain contributions are received subject to other gift instruments or are subject to specific agreements with the Alliance. Under the terms of the governing documents, the Board of Trustees has the ability to distribute a portion of the corpus of some specific endowment funds, or separate gift, devise, bequest, or fund, as the Board in its sole discretion shall determine. In accordance with UPMIFA, the Alliance considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Foundation and the donor-restricted endowment funds.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Alliance.
7. The investment policies of the Alliance.

As a result of the ability to distribute corpus from some specific endowment funds, the Board of Trustees has determined that these contributions received subject to the governing document, and subject to UPMIFA, are classified as net assets with donor restrictions until appropriated, at which time the appropriation is reclassified to net assets without donor restrictions. Contributions that are subject to other gift instruments may be recorded as with or without donor restrictions, depending on the specific terms of the agreement.

Generally, if the corpus of a contribution will, at some future time, become available for spending, it is recorded as with donor restrictions. In addition, contributions that are promised to be given in a future period are presented as with donor restrictions. If the corpus never becomes available for spending, it will be reported as net assets with donor restrictions which are perpetual in nature. Net assets with donor restrictions that are perpetual in nature represent the beneficial interests in perpetual trusts and funds held at The Dayton Foundation, which are reflected at the fair value of the underlying trust assets.

Net assets without donor restrictions include unrestricted resources, including donations, gifts, and bequests available for the use of the Alliance, over which the Board of Trustees has discretionary control. The bylaws of the Alliance include a variance provision on the income of endowed gifts, giving the Board of Trustees the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose, or to a specified organization if, in its sole judgment, the Board determines that the restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 support with or without donor restrictions, 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 net assets without donor restrictions. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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 contributions without donor restrictions.

Contributed Services and Materials ("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, 2021 and 2020 was on deposit in several financial institutions which, at various times throughout the year, were in excess of FDIC insurance limits of \$250,000.

Functional Allocation of Expenses - The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The main expenses that are allocated include telemarketing, which are allocated on the basis of each art form's ticket sales.

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 has established an allowance for doubtful accounts of \$5,000 at June 30, 2021 and 2020.

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

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 net assets with donor restrictions that are perpetual in nature.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Endowment Investment and Spending Policies - The Alliance has adopted investment and spending policies for endowment 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.

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, 2021 and 2020.

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 is 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, 2021.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Advertising Expense - Advertising costs are expensed in the same year as the performance in which they relate. Advertising expense was \$67,344 and \$97,971 for the years 2021 and 2020. Advertising costs for future performances are recorded as prepaid expenses. There was no prepaid advertising at June 30, 2021 and 2020.

Donated advertising is recorded separately from advertising expense and totaled \$96,000 and \$157,784 for the years 2021 and 2020.

Recently Issued Accounting Standards Not Yet Adopted - In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, which will require the recognition of right-to-use assets and lease liabilities for leases previously classified as operating leases by lessees. Since the issuance of this standard, there have been several additional standards issued relative to this topic. These standards will be effective for the fiscal year ending June 30, 2023. Early application will be permitted. The Alliance is currently in the process of evaluating the impact of adoption of these standards on the financial statements.

Reclassifications - Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation.

Subsequent Events - In preparing these financial statements, the Alliance has evaluated events and transactions for potential recognition or disclosure through September 9, 2021, the date the financial statements were available to be issued.

NOTE 2 - REVENUE RECOGNITION

The FASB issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification ("ASC"). Topic 606 replaced most existing revenue recognition guidance in U.S. GAAP, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Topic 606 does not apply to public support received by the Alliance or to return on investments.

The Alliance adopted the requirements of the new guidance as of July 1, 2020, utilizing the modified retrospective method of transition. Adoption of the new guidance did not require any changes to the Alliance's accounting policies for revenue recognition, trade and other receivables, contract costs, contract liabilities, or deferred costs. Accordingly, there has been no adjustments to net assets or any other statement of financial position accounts as of July 1, 2020, to reflect adoption of the new guidance.

The Alliance derives its revenue primarily from performance ticket sales, education programming, public support, government grants, and investment income. Revenue subject to ASC Topic 606 includes performance ticket sales and education programming. For performance ticket sales and education programming, revenue is recognized when the service has been provided to the customer, which is when the performance has taken place or education programming has been provided, in an amount that reflects the consideration the Alliance expects to be entitled to in exchange for those services. Performance ticket sales are recorded as deferred revenue until the performance has taken place, at which time revenue is recognized. Incidental items that are immaterial in the context of the contract are recognized as expense. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year. The nature of the Alliance's business does not give rise to variable consideration. The Alliance does not have any significant financing components.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - REVENUE RECOGNITION - CONTINUED

Revenue from performance obligations satisfied at a point in time consists of single performance ticket sales and education programming. Revenue from performance obligations satisfied over time consists of subscription performance ticket sales.

Performance Obligations

For performance obligations related to single performance ticket sales and education programming, control transfers to the customer at a point in time. Most sales occur prior to the performance taking place, and as such, the Alliance records deferred revenue for these sales. Revenue from single performance ticket sales and education programming is recognized when the service is provided, which is when the performance or education programming is experienced by the end customer.

For performance obligations related to subscription performance ticket sales, control transfers to the customer over time. Subscription performance ticket sales provide the customer access to multiple performances throughout the Alliance's season. Most sales occur prior to the performance taking place, and as such, the Alliance records deferred revenue for these sales. Revenue from subscription performance ticket sales is recognized when the service is provided, which is over the period when the season's performances are experienced by the customer.

Revenue

Revenue recognized from performance obligations satisfied at a point in time and over time for 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Performance obligations satisfied at a point in time	\$ 522,558	\$ 1,429,768
Performance obligations satisfied over time	<u>80,632</u>	<u>952,232</u>
	<u>\$ 603,190</u>	<u>\$ 2,382,000</u>

NOTE 3 - PLEDGES RECEIVABLE

	<u>2021</u>	<u>2020</u>
Pledges		
Due in less than one year	\$ 1,299,295	\$ 1,592,900
Due in one to five years	<u>1,221,300</u>	<u>1,881,600</u>
	<u>2,520,595</u>	3,474,500
Less discount to net present value	<u>127,000</u>	<u>205,214</u>
	<u>\$ 2,393,595</u>	<u>\$ 3,269,286</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - PLEDGES RECEIVABLE - CONTINUED

At June 30, 2021 and 2020, the present value of the pledges receivable have been determined using a discount rate ranging between 3.25% and 5.50%.

The Alliance receives contributions from members of its Board of Trustees and employees who work for the Alliance. Total contributions from these parties were \$193,581 and \$186,493 for the years 2021 and 2020. Outstanding pledges receivable from these parties were \$45,920 and \$72,719 as of June 30, 2021 and 2020.

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 4 - INVESTMENTS

The following reflects the cost and estimated fair values of marketable securities held at June 30, 2021 and 2020. In addition, gross unrealized gains and unrealized losses are disclosed for the years 2021 and 2020.

	2021			
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Money market funds	\$ 279,026	\$ -	\$ -	\$ 279,026
Mutual funds	591,241	80,510	-	671,751
Equity securities	<u>856,549</u>	<u>489,528</u>	-	<u>1,346,077</u>
	<u>\$ 1,726,816</u>	<u>\$ 570,038</u>	<u>\$ -</u>	<u>\$ 2,296,854</u>
	2020			
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Money market funds	\$ 225,199	\$ -	\$ -	\$ 225,199
Mutual funds	424,820	25,286	-	450,106
Equity securities	<u>741,892</u>	<u>159,453</u>	-	<u>901,345</u>
	<u>\$ 1,391,911</u>	<u>\$ 184,739</u>	<u>\$ -</u>	<u>\$ 1,576,650</u>

Unrealized gains of \$385,299, and realized gains of \$21,394 from sales of investments, are included in the statement of activities for the year 2021. Unrealized gains of \$29,140, and realized losses of \$3,802 from sales of investments, are included in the statement of activities for the year 2020. Gross investment return for the years 2021 and 2020 totaled \$32,871 and \$37,505, and is netted with investment management fees of \$16,360 and \$14,022 in net investment return in the statements of activities for the years 2021 and 2020.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - FAIR VALUE MEASUREMENTS

Accounting standards define fair value, outline a framework for measuring fair value and detail the required disclosures about fair value measurements. The standards require that certain non-financial assets and liabilities be recognized or disclosed at fair value. At the present time, the Alliance does not have any non-financial assets or liabilities that would require fair value recognition or disclosures under these standards.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. The Alliance uses a fair value hierarchy that has three levels of inputs, both observable and unobservable, with use of the lowest possible level of input to determine fair value. Level 1 inputs include quoted market prices in an active market or the price of an identical asset or liability. Level 2 inputs are market data, other than Level 1, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data. Level 3 inputs are unobservable and corroborated by little or no market data. The Alliance uses valuation techniques in a consistent manner from year-to-year.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair values of the Alliance's financial assets measured on a recurring basis at June 30, 2021 and 2020 are as follows:

	2021			
	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	\$ 279,026	\$ 279,026	\$ -	\$ -
Mutual funds	671,751	671,751	-	-
Equity securities	1,346,077	1,346,077	-	-
Beneficial interest in funds held at The Dayton Foundation	2,841,698	-	-	2,841,698
Beneficial interest in perpetual trusts	2,408,472	-	-	2,408,472
	\$ 7,547,024	\$ 2,296,854	\$ -	\$ 5,250,170

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - FAIR VALUE MEASUREMENTS - CONTINUED

	2020			
	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	\$ 225,199	\$ 225,199	\$ -	\$ -
Mutual funds	450,106	450,106	-	-
Equity securities	901,345	901,345	-	-
Beneficial interest in funds held at The Dayton Foundation	1,724,987	-	-	1,724,987
Beneficial interest in perpetual trust	<u>1,981,959</u>	<u>-</u>	<u>-</u>	<u>1,981,959</u>
	<u>\$ 5,283,596</u>	<u>\$ 1,576,650</u>	<u>\$ -</u>	<u>\$ 3,706,946</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, 2021 and 2020.

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

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, 2021 and 2020.

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, 2021 and 2020.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Alliance believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth a summary of changes in the fair value of the Alliance's Level 3 assets for the years 2021 and 2020:

	2021	
	Beneficial Interest in Funds Held at The Dayton Foundation	Beneficial Interest in Perpetual Trusts
Value at the beginning of the year	\$ 1,724,987	\$ 1,981,959
Transfer of assets from beneficial interest	(49,431)	(115,037)
Contributions and support	613,163	-
Change in fair value	<u>552,979</u>	<u>541,550</u>
Value at the end of the year	<u>\$ 2,841,698</u>	<u>\$ 2,408,472</u>

DAYTON PERFORMING ARTS ALLIANCE**NOTES TO FINANCIAL STATEMENTS****NOTE 5 - FAIR VALUE MEASUREMENTS - CONTINUED**

	2020	
	Beneficial Interest in Funds Held at The Dayton Foundation	Beneficial Interest in Perpetual Trust
Value at the beginning of the year	\$ 998,259	\$ 2,221,650
Transfer of assets from beneficial interest	(35,871)	(286,074)
Contributions and support	729,170	-
Change in fair value	<u>33,429</u>	<u>46,383</u>
Value at the end of the year	<u>\$ 1,724,987</u>	<u>\$ 1,981,959</u>

There were no transfers between Levels 1, 2, or 3 investments for the years ended June 30, 2021 and 2020. The only change that occurred during the years ended June 30, 2021 and 2020 was the change in fair value.

NOTE 6 - PROPERTY AND EQUIPMENT

	<u>2021</u>	<u>2020</u>
Equipment, sets and costumes	\$ 1,084,795	\$ 1,084,795
Office and computer equipment	480,673	471,108
Musical instruments and production equipment	407,900	399,809
Music library	179,786	179,786
Leasehold improvements	<u>91,521</u>	<u>91,521</u>
	2,244,675	2,227,019
Less accumulated depreciation	<u>1,964,233</u>	<u>1,863,722</u>
	<u>\$ 280,442</u>	<u>\$ 363,297</u>

NOTE 7 - LINE OF CREDIT

The Alliance has available a line of credit with a borrowing limit of \$525,000 that expires on May 31, 2022. The agreement was entered into with PNC Bank in May 2016. The line of credit was renewed in May 2021. 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, 2021 and 2020 was 0.087% and 0.081%. Interest expense for the line of credit was \$2,101 and \$20,397 for the years 2021 and 2020. The line of credit balance was \$300,000 at June 30, 2020. There was no line of credit balance at June 30, 2021.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - SMALL BUSINESS ADMINISTRATION FUNDING

The Alliance was granted a \$825,300 loan in April 2020 under the Paycheck Protection Program (“PPP”) which was established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). PPP loans and accrued interest are forgivable after a “covered period” as long as the borrower meets certain criteria. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Alliance applied for forgiveness within the required time allowed which is 10 months after the end of the covered period. The Alliance initially recorded the loan as a refundable advance and subsequently recognized contribution revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Alliance recognized \$825,300 as contribution revenue for the year ended June 30, 2020. In August 2021, the Alliance received notification of forgiveness of the loan.

As part of the Consolidated Appropriations Act, 2021 signed into law on December 27, 2020, Congress approved a second round of funding under the Paycheck Protection Program. The Alliance applied for and received a loan totaling \$500,000 under this program. This second round of funding under the PPP has terms similar to those described above. The Alliance intends to apply for forgiveness of this loan after its covered period and has recorded \$500,000 as contribution revenue for the year ended June 30, 2021.

The Alliance applied for and received a loan through the Small Business Administration (“SBA”) for \$150,000 in August 2020. The loan is meant to assist the Alliance with operating expenses as a result of the COVID-19 pandemic. The balance and terms of this loan are summarized in the table below. The terms of the loan require monthly payments beginning in August 2021, including interest at 2.75%, through July 2051. Certain assets of the Alliance are pledged as collateral against the loan.

	<u>2021</u>
SBA loan, monthly payments beginning in August 2021, including interest at 2.75%, through July 2051. Certain assets of the Alliance are pledged as collateral against the loan.	\$ 149,000
Less current maturity	<u>1,511</u>
	<u>\$ 147,489</u>

NOTE 9 - 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>2021</u>	<u>2020</u>
Time and purpose restrictions - support for completed performances and general operations	<u>\$ 954,700</u>	<u>\$ 1,442,286</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - NET ASSETS

	<u>2021</u>	<u>2020</u>
Without Donor Restrictions		
Undesignated Fund	<u>\$ 83,161</u>	<u>\$ (1,815,670)</u>
With Donor Restrictions		
Time Restricted	209,910	302,740
Purpose Restricted		
Investment returns on donor-restricted endowments	1,330,268	1,047,632
Future performances	902,600	1,249,883
Education programs	<u>207,000</u>	<u>269,690</u>
	<u>2,439,868</u>	<u>2,567,205</u>
	<u>2,649,778</u>	<u>2,869,945</u>
Perpetual in Nature		
One Dayton, One Alliance Campaign	3,875,870	3,342,750
Catterton Endowment Opera Fund	1,032,945	845,650
Catterton Endowment Philharmonic Fund	906,905	746,975
Ballet Arts and Cultural Development Fund	468,622	389,333
National Endowment for the Arts Fund	400,000	400,000
Dayton Philharmonic Endowment Fund	337,000	337,000
Dayton Opera Endowment Fund	250,000	250,000
Q the Music Endowment Fund	100,000	100,000
Planned gift	66,800	65,300
Other funds	<u>72,090</u>	<u>72,090</u>
	<u>7,510,232</u>	<u>6,549,098</u>
	<u>\$ 10,243,171</u>	<u>\$ 7,603,373</u>

Time and Purpose 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 and any other expenses related to the 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.

Perpetual in Nature

One Dayton, One Alliance Campaign

The Dayton Performing Arts Alliance has established funds at The Dayton Foundation as permanently restricted endowment funds. Only the earnings from these funds will be used to support the programming and mission of the Alliance. The funds can be restricted for Dayton Ballet, Dayton Opera, Dayton Philharmonic, education programming, or the general mission of the Dayton Performing Arts Alliance.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - NET ASSETS - CONTINUED

Perpetual in Nature - continued

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 13, state law also allows additional amounts to be distributed to 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.

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.

Q the Music Endowment Fund

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

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:

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 10 - NET ASSETS - CONTINUED

Other Funds - 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

This fund was established to provide support of the cultivation and training of emerging opera singers.

NOTE 11 - ENDOWMENT FUNDS AND NET ASSETS

The following is a summary of changes in endowment net assets for the year ended June 30, 2021.

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
	Undesignated	Time and Purpose Restrictions	Perpetual in Nature	
Endowment net assets, beginning of period	\$ 80,014	\$ 34,865	\$ 4,567,139	\$ 4,682,018
Change in value in beneficial interest in funds held at The Dayton Foundation	86,153	-	-	86,153
Net investment income (realized and unrealized)	176,889	36,589	-	213,478
Contributions to endowment fund	-	-	73,301	73,301
Net change in endowment fund	-	-	495,251	495,251
Amounts appropriated for expenditure	<u>(36,750)</u>	<u>(4,000)</u>	<u>(33,931)</u>	<u>(74,681)</u>
Endowment net assets, end of period	<u>\$ 306,306</u>	<u>\$ 67,454</u>	<u>\$ 5,101,760</u>	<u>\$ 5,475,520</u>

The following is a summary of all Alliance net assets as of June 30, 2021:

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
	Undesignated	Time and Purpose Restrictions	Perpetual in Nature	
Endowment funds	\$ 306,306	\$ 67,454	\$ 5,101,760	\$ 5,475,520
Non-endowment funds:				
Operating	(223,145)	-	-	(223,145)
Beneficial interest in perpetual trust - Catterton	-	-	1,939,850	1,939,850
Beneficial interest in perpetual trust - Ballet Fund	-	-	468,622	468,622
Time and purpose restrictions	<u>-</u>	<u>2,582,324</u>	<u>-</u>	<u>2,582,324</u>
	<u>\$ 83,161</u>	<u>\$ 2,649,778</u>	<u>\$ 7,510,232</u>	<u>\$ 10,243,171</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED

The following is a summary of changes in endowment net assets for the year ended June 30, 2020:

	2020			
	Without Donor Restrictions	With Donor Restrictions		Total
	Undesignated	Time and Purpose Restrictions	Perpetual in Nature	
Endowment net assets, beginning of period	\$ 92,219	\$ 30,159	\$ 3,986,056	\$ 4,108,434
Change in value in beneficial interest in funds held at The Dayton Foundation	(259)	-	-	(259)
Net investment income (realized and unrealized)	17,964	9,456	-	27,420
Contributions to endowment fund	-	-	561,270	561,270
Net change in endowment fund	-	-	39,976	39,976
Amounts appropriated for expenditure	<u>(29,910)</u>	<u>(4,750)</u>	<u>(20,163)</u>	<u>(54,823)</u>
Endowment net assets, end of period	<u>\$ 80,014</u>	<u>\$ 34,865</u>	<u>\$ 4,567,139</u>	<u>\$ 4,682,018</u>

The following is a summary of all Alliance net assets as of June 30, 2020:

	2020			
	Without Donor Restrictions	With Donor Restrictions		Total
	Undesignated	Time and Purpose Restrictions	Perpetual in Nature	
Endowment funds	\$ 80,014	\$ 34,865	\$ 4,567,139	\$ 4,682,018
Non-endowment funds:				
Operating	(1,895,684)	-	-	(1,895,684)
Beneficial interest in perpetual trust - Catterton	-	-	1,592,626	1,592,626
Beneficial interest in perpetual trust - Ballet Fund	-	-	389,333	389,333
Time and purpose restrictions	<u>-</u>	<u>2,835,080</u>	<u>-</u>	<u>2,835,080</u>
	<u>\$ (1,815,670)</u>	<u>\$ 2,869,945</u>	<u>\$ 6,549,098</u>	<u>\$ 7,603,373</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 12 - BENEFICIAL INTEREST IN FUNDS HELD AT THE DAYTON FOUNDATION

The Alliance has a beneficial interest in several funds held at The Dayton Foundation, a community foundation that invests and manages donors' charitable funds. The Dayton Foundation manages these funds for the benefit of the Alliance. The funds were established with The Dayton Foundation to provide income and support to the Alliance. Net income from the funds shall be distributed not less than annually. Additionally, should an extraordinary need arise in an area consistent with the purpose of the fund, the Alliance, after the approval of its Board, may request from The Dayton Foundation an additional distribution, subject to the approval of The Dayton Foundation's Governing Board. The Alliance records the beneficial interest in these funds at fair market value. The fair market value of these funds was \$2,841,698 and \$1,724,987 at June 30, 2021 and 2020.

The Alliance is also the beneficiary of several funds held at The Dayton Foundation. Donors established these funds with The Dayton Foundation to provide annual income and support to the Alliance in accordance with The Dayton Foundation spending policies.

The fair market value of these funds at June 30, 2021 was:

Performing Arts Field of Interest Fund	\$ 2,039,023
Performing Arts Field of Interest Fund Pledge Receivable	250,000
Jesse Phillips Opera Fund	330,854
Beverly E. Cowden Opera Endowment Fund	313,252
S. Fiorita Memorial Scholarship	<u>29,778</u>
	<u>\$ 2,962,907</u>

NOTE 13 - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Alliance has two Beneficial Interest in a Perpetual Trust arrangements established by the Hampton W. and Erma R. Catterton Charitable Trust Fund, The Dayton Opera Trust Fund and The Dayton Philharmonic 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 \$50,000 for both the Opera and Philharmonic trusts for year ended June 30, 2021. There were income distributions from the trusts in the amounts of \$137,749 and \$133,378 for the Opera and Philharmonic trusts, respectively, for year ended June 30, 2020.

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, 2021, 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 \$1,032,946 and \$906,904 for the Opera and Philharmonic trusts, respectively. At June 30, 2020, 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 \$845,651 and \$746,975 for the Opera and Philharmonic trusts, respectively. The adjustment to fair market value is recognized as gains or losses in net assets with donor restrictions perpetual in nature. Annual distributions from the trust are reported as investment income that increases net assets without donor restrictions.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 13 - BENEFICIAL INTEREST IN PERPETUAL TRUST - CONTINUED

The Alliance is an income beneficiary of another perpetual trust from the Ballet Arts and Cultural Development Fund. 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, 2021 and 2020, 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 \$468,622 and \$389,333. Income distributions for the years 2021 and 2020 were \$15,037 and \$14,947.

NOTE 14 - CONTRIBUTED SERVICES AND MATERIALS

	<u>2021</u>	<u>2020</u>
Printing, publicity, and promotion	\$ 96,000	\$ 157,784
Hotels and airfare, use of facilities	-	47,696
Goods and materials	-	10,516
	<u>\$ 96,000</u>	<u>\$ 215,996</u>

NOTE 15 - LIQUIDITY AND AVAILABILITY

The following reflects the Alliance's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of donor-imposed restrictions or internal designations. Financial assets are considered unavailable when not convertible to cash within one year such as endowments which include board designated endowments, which could be drawn upon if the Board of Trustees approves that action.

	<u>2021</u>	<u>2020</u>
Cash	\$ 28,477	\$ 87,579
Pledges receivable, net	2,393,595	3,269,286
Grants receivable	65,951	50,000
Trade and other receivables	31,894	190,029
Investments	2,296,854	1,576,650
Beneficial interest in funds held at The Dayton Foundation	2,841,698	1,724,987
Beneficial interest in perpetual trusts	<u>2,408,472</u>	<u>1,981,959</u>
Total financial assets	10,066,941	8,880,490
Less those unavailable for general expenditure within one year due to:		
Purpose restricted - investment returns on donor restricted net assets	(1,330,268)	(1,047,632)
Purpose restricted - performances and programs	(1,109,600)	(1,519,573)
Plus: purpose restrictions expected to be met within one year	979,600	976,959
Assets restricted in perpetuity for One Dayton, One Alliance endowment	(3,875,870)	(3,342,750)
Net assets with donor restrictions - perpetual in nature	(3,634,362)	(3,206,348)
Plus: next year's approved draws	254,000	208,500
Pledges receivable collectible beyond one year	<u>(15,000)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,335,441</u>	<u>\$ 949,646</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 15 - LIQUIDITY AND AVAILABILITY - CONTINUED

In addition to financial assets available to meet general expenditures within one year, the Alliance anticipates funding its general expenditures by collecting public support and earned revenue, utilizing donor-restricted resources from current gifts and appropriating the return on its investment portfolio. The Alliance also has available a line of credit with a borrowing limit of \$525,000 as described in Note 7.

Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use and the Alliance's mission. Donor-restricted endowment funds are not available for general expenditure.

The Alliance, as necessary, can request additional distributions from its beneficial interest in perpetual trusts for general expenditures. Additionally, the Alliance can request unrestricted earnings from beneficial interests in funds held at The Dayton Foundation. No request is planned for 2022 in excess of The Dayton Foundation's investment distribution policy.

Purpose restrictions expected to be met within one year represent net assets restricted by donors to support performances and educational programs that are expected to be released within one year. Due to the uncertainty related to the COVID-19 pandemic (see Note 19), it is possible actual net assets released to support performances and educational programs could differ from expectations.

As part of the Consolidated Appropriations Act, 2021, which was signed into law on December 27, 2020, Congress established the Shuttered Venue Operators Grant ("SVOG") program. The SVOG program provides funding to assist entities whose ability to host in-person events was adversely impacted by the COVID-19 pandemic. Awards made through this program are not required to be repaid, provided that the recipient uses the proceeds to cover certain expenses, as specified in the grant agreement. Subsequent to year-end, the Alliance received \$1,163,809 from the Small Business Administration ("SBA") through the SVOG program. The Alliance intends to use these funds in compliance with the program's requirements in order to support its operating expenses during 2022.

NOTE 16 - MULTI-EMPLOYER PENSION PLAN

Effective September 1, 2017, the Alliance entered into a collective bargaining agreement with its contracted musicians which was originally set to expire on August 31, 2021. On July 31, 2021, the agreement was extended through August 31, 2022.

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 2021 and 2020 were \$45,509 and \$76,726.

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.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 16 - 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") status available for the Plan is critical and declining (red zone) under the Pension Protection Act of 2006. As of March 31, 2021, the Plan had \$1.7 billion in assets and approximately \$3.3 billion in liabilities, which represents the present value of all benefits earned by plan participants payable in the future. As a result, the Plan was underfunded by approximately \$1.6 billion at March 31, 2021. For the purpose of determining the potential obligation to employers should they withdraw from the Plan, underfunding is determined on a different basis and is approximately \$3.6 billion.

Given underfunding will continue to grow over time, the Plan is projected to become insolvent during the Plan year ending March 31, 2035. In January 2020, Plan Trustees filed an application with the U.S. Treasury to reduce participant benefits under the Multiemployer Pension Reform Act of 2014 ("MPRA") to protect the solvency of the Plan. The U.S. Treasury denied the Plan's initial application in August 2020. The Plan Trustees have indicated they intend to file an updated application to reduce participant benefits under MPRA. The Plan also intends to apply for assistance under the American Rescue Plan Act ("ARPA") in order to obtain relief through the federal Pension Benefit Guaranty Corporation ("PBGC"). This relief, if provided, will grant the Plan the amount required to pay all benefits due over the next 30 years. The Plan has stated its intention to submit its application before the 2026 deadline.

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
		2021	2020		2021	2020		
American Federation of Musicians and Employers' Pension Plan	51-6120204 Plan No. 001	Red	Red	Implemented	<u>\$ 45,509</u>	<u>\$ 76,726</u>	No	8/31/2022

For the Plan years ended March 31, 2020 and 2019, 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, 2021.

The Alliance has no plans to withdraw from the multi-employer pension plan. As of the date of the accompanying financial statements, the Alliance's share of the unfunded benefit obligation has not been determined and no liability has been reflected in the accompanying financial statements.

NOTE 17 - 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 2021 and 2020.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE 18 - LEASE COMMITMENTS

The Alliance leases office space, studios and warehouse storage expiring at various times through 2023. 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 2021 and 2020 was \$127,519 per year.

The Alliance leases various office equipment expiring at various times through 2024. Rental expense under these leases for the years 2021 and 2020 was \$25,655.

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

2022	\$	160,449
2023		54,745
2024		<u>10,650</u>
	\$	<u>225,844</u>

NOTE 19 - UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in early 2020, is having a substantial impact on the economy and the normal operations of many businesses. During this time, the United States and global stock markets have also experienced significant volatility. As a result of the pandemic, the Alliance's revenues and operations were adversely impacted mainly due to the inability to host in-person events for most of the year ended June 30, 2021. The in-person shows which the Alliance was able to hold during the year had a limited capacity due to social distancing requirements.

The extent of the future impact of COVID-19 on the Alliance's operations, financial performance and financial condition will depend on certain developments, including successful vaccination efforts and the duration and spread of the outbreak, which at present cannot be determined.



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, 2021 and 2020, and our report thereon dated September 9, 2021, 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 basic financial statements. The net asset information in the accompanying schedules presents the balance and classification of the net assets associated with the funds presented and is not intended to be a complete presentation of total net assets.

The accompanying 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 audits 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 9, 2021

3601 Rigby Road • Suite 400 • Dayton, Ohio • 45342-4981
1 Woodside Drive • Richmond, Indiana • 47374-2630
3 Easton Oval • Suite 300 • Columbus, Ohio • 43219-6011
11175 Cicero Drive • Suite 300 • Alpharetta, Georgia • 30022-1166

www.bradyware.com

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - INVESTMENTS

JUNE 30, 2021

	Olive Kettering Endowment Fund	National Endowment for the Arts Fund	Dayton Philharmonic Endowment Fund	Musician Dinner Fund	Horine Memorial Endowment Fund	David L. Pierson Young Musicians Competition Fund	Dermot Burke Premier Fund	Q the Music Endowment Fund	Total
Net assets, beginning of year	\$ 634,408	\$ 413,650	\$ 375,831	\$ 26,584	\$ 12,773	\$ 7,205	\$ -	\$ 106,199	\$ 1,576,650
Contributions and support	300,000	-	-	-	-	-	25,000	-	325,000
Released from restrictions	-	(10,000)	(14,000)	-	-	-	-	(4,000)	(28,000)
Net investment income and transfers	<u>207,880</u>	<u>88,184</u>	<u>88,705</u>	<u>6,813</u>	<u>3,273</u>	<u>1,847</u>	<u>-</u>	<u>26,502</u>	<u>423,204</u>
Net assets, end of year	<u>\$ 1,142,288</u>	<u>\$ 491,834</u>	<u>\$ 450,536</u>	<u>\$ 33,397</u>	<u>\$ 16,046</u>	<u>\$ 9,052</u>	<u>\$ 25,000</u>	<u>\$ 128,701</u>	<u>\$ 2,296,854</u>
Net Assets									
Undesignated	\$ -	\$ 91,834	\$ 113,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,417
Time and purpose restrictions	1,142,288	-	-	18,397	6,956	9,052	25,000	28,701	1,230,394
Perpetual in nature	<u>-</u>	<u>400,000</u>	<u>336,953</u>	<u>15,000</u>	<u>9,090</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>861,043</u>
	<u>\$ 1,142,288</u>	<u>\$ 491,834</u>	<u>\$ 450,536</u>	<u>\$ 33,397</u>	<u>\$ 16,046</u>	<u>\$ 9,052</u>	<u>\$ 25,000</u>	<u>\$ 128,701</u>	<u>\$ 2,296,854</u>

See independent auditors' report on supplementary information.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - INVESTMENTS

JUNE 30, 2020

	Olive Kettering Endowment Fund	National Endowment for the Arts Fund	Dayton Philharmonic Endowment Fund	Musician Dinner Fund	Horine Memorial Endowment Fund	David L. Pierson Young Musicians Competition Fund	Q the Music Endowment Fund	Total
Net assets, beginning of year	\$ 731,562	\$ 414,606	\$ 368,911	\$ 26,381	\$ 12,237	\$ 6,899	\$ 77,233	\$ 1,637,829
Contributions and support	115,000	-	5,000	-	-	-	25,000	145,000
Released from restrictions	(233,000)	(7,000)	(10,000)	(2,000)	(450)	(250)	(2,300)	(255,000)
Net investment income and transfers	<u>20,846</u>	<u>6,044</u>	<u>11,920</u>	<u>2,203</u>	<u>986</u>	<u>556</u>	<u>6,266</u>	<u>48,821</u>
Net assets, end of year	<u>\$ 634,408</u>	<u>\$ 413,650</u>	<u>\$ 375,831</u>	<u>\$ 26,584</u>	<u>\$ 12,773</u>	<u>\$ 7,205</u>	<u>\$ 106,199</u>	<u>\$ 1,576,650</u>
Net Assets								
Undesignated	\$ -	\$ 13,650	\$ 38,878	\$ -	\$ -	\$ -	\$ -	\$ 52,528
Time and purpose restrictions	634,408	-	-	11,584	3,683	7,205	6,199	663,079
Perpetual in nature	<u>-</u>	<u>400,000</u>	<u>336,953</u>	<u>15,000</u>	<u>9,090</u>	<u>-</u>	<u>100,000</u>	<u>861,043</u>
	<u>\$ 634,408</u>	<u>\$ 413,650</u>	<u>\$ 375,831</u>	<u>\$ 26,584</u>	<u>\$ 12,773</u>	<u>\$ 7,205</u>	<u>\$ 106,199</u>	<u>\$ 1,576,650</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, 2021

	Dayton Opera Endowment Fund	Baritone Trust Investment	Dayton Philharmonic Endowment Fund	Dr. David DiChiera and Thomas Bankston Fund for Emerging Artists	Dayton Performing Arts Alliance Endowment Fund	Dayton Performing Arts Alliance Ballet Endowment Fund	Dayton Performing Arts Alliance Opera Endowment Fund	Dayton Philharmonic Orchestra Endowment Fund	Arts Education Endowment Fund	Total
Net assets, beginning of year	\$ 267,400	\$ 71,154	\$ 54,312	\$ 17,173	\$ 1,273,975	\$ 4,102	\$ 25,404	\$ 10,395	\$ 1,072	\$ 1,724,987
Contributions and support	-	-	-	-	602,895	-	-	10,268	-	613,163
Transfer of assets from beneficial interest	(10,250)	(2,750)	(2,000)	(500)	(32,908)	-	(1,023)	-	-	(49,431)
Change in beneficial interest	<u>67,955</u>	<u>18,071</u>	<u>13,814</u>	<u>4,384</u>	<u>437,662</u>	<u>1,079</u>	<u>6,389</u>	<u>3,338</u>	<u>287</u>	<u>552,979</u>
Net assets, end of year	<u>\$ 325,105</u>	<u>\$ 86,475</u>	<u>\$ 66,126</u>	<u>\$ 21,057</u>	<u>\$ 2,281,624</u>	<u>\$ 5,181</u>	<u>\$ 30,770</u>	<u>\$ 24,001</u>	<u>\$ 1,359</u>	<u>\$ 2,841,698</u>
Net Assets										
Undesignated	\$ 75,105	\$ -	\$ 19,727	\$ 6,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,889
Time and purpose restrictions	-	86,475	13,399	-	-	-	-	-	-	99,874
Perpetual in nature	<u>250,000</u>	<u>-</u>	<u>33,000</u>	<u>15,000</u>	<u>2,281,624</u>	<u>5,181</u>	<u>30,770</u>	<u>24,001</u>	<u>1,359</u>	<u>2,640,935</u>
	<u>\$ 325,105</u>	<u>\$ 86,475</u>	<u>\$ 66,126</u>	<u>\$ 21,057</u>	<u>\$ 2,281,624</u>	<u>\$ 5,181</u>	<u>\$ 30,770</u>	<u>\$ 24,001</u>	<u>\$ 1,359</u>	<u>\$ 2,841,698</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, 2020

	Dayton Opera Endowment Fund	Baritone Trust Investment	Dayton Philharmonic Endowment Fund	Dr. David DiChiera and Thomas Bankston Fund for Emerging Artists	Dayton Performing Arts Alliance Endowment Fund	Dayton Performing Arts Alliance Ballet Endowment Fund	Dayton Performing Arts Alliance Opera Endowment Fund	Dayton Philharmonic Orchestra Endowment Fund	Arts Education Endowment Fund	Total
Net assets, beginning of year	\$ 277,875	\$ 74,040	\$ 56,385	\$ 17,794	\$ 543,586	\$ 2,063	\$ 26,516	\$ -	\$ -	\$ 998,259
Contributions and support	-	-	-	-	716,470	2,000	-	9,700	1,000	729,170
Transfer of assets from beneficial interest	(10,192)	(2,798)	(2,109)	(609)	(19,128)	-	(1,035)	-	-	(35,871)
Change in beneficial interest	<u>(283)</u>	<u>(88)</u>	<u>36</u>	<u>(12)</u>	<u>33,047</u>	<u>39</u>	<u>(77)</u>	<u>695</u>	<u>72</u>	<u>33,429</u>
Net assets, end of year	<u>\$ 267,400</u>	<u>\$ 71,154</u>	<u>\$ 54,312</u>	<u>\$ 17,173</u>	<u>\$ 1,273,975</u>	<u>\$ 4,102</u>	<u>\$ 25,404</u>	<u>\$ 10,395</u>	<u>\$ 1,072</u>	<u>\$ 1,724,987</u>
Net Assets										
Undesignated	\$ 17,400	\$ -	\$ 7,913	\$ 2,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,486
Time and purpose restrictions	-	71,154	13,399	-	-	-	-	-	-	84,553
Perpetual in nature	<u>250,000</u>	<u>-</u>	<u>33,000</u>	<u>15,000</u>	<u>1,273,975</u>	<u>4,102</u>	<u>25,404</u>	<u>10,395</u>	<u>1,072</u>	<u>1,612,948</u>
	<u>\$ 267,400</u>	<u>\$ 71,154</u>	<u>\$ 54,312</u>	<u>\$ 17,173</u>	<u>\$ 1,273,975</u>	<u>\$ 4,102</u>	<u>\$ 25,404</u>	<u>\$ 10,395</u>	<u>\$ 1,072</u>	<u>\$ 1,724,987</u>

See independent auditors' report on supplementary information.

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

JUNE 30, 2021

	Catterton Trust- Opera Fund	Catterton Trust- Philharmonic Fund	Ballet Arts and Cultural Development Fund	Total
Net assets, beginning of year	\$ 845,651	\$ 746,975	\$ 389,333	\$ 1,981,959
Released from restrictions	(50,000)	(50,000)	(15,037)	(115,037)
Change in beneficial interest	<u>237,295</u>	<u>209,929</u>	<u>94,326</u>	<u>541,550</u>
Net assets, end of year	<u>\$ 1,032,946</u>	<u>\$ 906,904</u>	<u>\$ 468,622</u>	<u>\$ 2,408,472</u>
Net Assets				
Perpetual in nature	<u>\$ 1,032,946</u>	<u>\$ 906,904</u>	<u>\$ 468,622</u>	<u>\$ 2,408,472</u>

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

JUNE 30, 2020

	Catterton Trust- Opera Fund	Catterton Trust- Philharmonic Fund	Ballet Arts and Cultural Development Fund	Total
Net assets, beginning of year	\$ 965,216	\$ 860,643	\$ 395,791	\$ 2,221,650
Released from restrictions	(137,749)	(133,378)	(14,947)	(286,074)
Change in beneficial interest	<u>18,184</u>	<u>19,710</u>	<u>8,489</u>	<u>46,383</u>
Net assets, end of year	<u>\$ 845,651</u>	<u>\$ 746,975</u>	<u>\$ 389,333</u>	<u>\$ 1,981,959</u>
Net Assets				
Perpetual in nature	<u>\$ 845,651</u>	<u>\$ 746,975</u>	<u>\$ 389,333</u>	<u>\$ 1,981,959</u>