

DAYTON PERFORMING ARTS ALLIANCE
(A Nonprofit Organization)

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

DAYTON PERFORMING ARTS ALLIANCE

TABLE OF CONTENTS

YEARS ENDED JUNE 30, 2016 AND 2015

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 19
SUPPLEMENTARY INFORMATION	
Independent Auditors' Report on Supplementary Information	20
Statements of Activities By Fund - Investments	21 - 22
Statements of Activities By Fund - Beneficial Interest in Funds Held at The Dayton Foundation	23 - 24
Statements of Activities By Fund - Beneficial Interest in Perpetual Trusts	25 - 26



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, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2016 and 2015, 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 15, 2016

DAYTON PERFORMING ARTS ALLIANCE**STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 9,461	\$ 6,521
Accounts receivable		
Pledges receivable	2,061,992	1,544,522
Grants receivable	316,097	324,561
Trade and other receivables	41,844	147,922
Prepaid expenses	296,590	387,244
Inventory and supplies	<u>44,883</u>	<u>46,207</u>
	2,770,867	2,456,977
LONG-TERM PLEDGES RECEIVABLE, NET	489,450	824,100
PROPERTY AND EQUIPMENT, NET	413,799	389,646
INVESTMENTS	1,621,836	1,798,157
BENEFICIAL INTEREST IN FUNDS HELD AT THE DAYTON FOUNDATION	362,236	396,911
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	<u>2,895,044</u>	<u>3,399,789</u>
	\$ 8,553,232	\$ 9,265,580
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of credit	\$ 250,000	\$ -
Accounts payable and accrued expenses	496,986	322,117
Deferred revenue	<u>1,364,109</u>	<u>1,412,830</u>
	2,111,095	1,734,947
NET ASSETS (DEFICIT)		
Unrestricted	(1,190,734)	(634,268)
Temporarily restricted	3,643,336	3,673,321
Permanently restricted	<u>3,989,535</u>	<u>4,491,580</u>
	6,442,137	7,530,633
	\$ 8,553,232	\$ 9,265,580

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
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

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE				
Performance ticket sales	\$ 2,688,537	\$ -	\$ -	\$ 2,688,537
Performance other	28,374	-	-	28,374
Education	364,575	-	-	364,575
Special events	257,436	14,850	-	272,286
Other income	169,985	-	-	169,985
	<u>3,508,907</u>	<u>14,850</u>	<u>-</u>	<u>3,523,757</u>
SUPPORT				
Contributions and support	2,072,229	1,958,901	1,746	4,032,876
Merger grants	250,000	-	-	250,000
Government grants	85,992	39,871	-	125,863
Culture Works	14,610	205,731	-	220,341
Bequests	277,747	-	-	277,747
Contributed services and materials	384,633	-	-	384,633
Endowment distributions	404,376	225,000	-	629,376
Endowment releases	(629,376)	-	-	(629,376)
Net assets released from restrictions	1,748,277	(1,318,163)	(430,114)	-
	<u>4,608,488</u>	<u>1,111,340</u>	<u>(428,368)</u>	<u>5,291,460</u>
Total Revenue and Support	<u>8,117,395</u>	<u>1,126,190</u>	<u>(428,368)</u>	<u>8,815,217</u>
COST OF EARNED REVENUE				
Performances	5,562,750	-	-	5,562,750
Education	903,642	-	-	903,642
Special events	121,202	-	-	121,202
Contributed services and materials	384,633	-	-	384,633
	<u>6,972,227</u>	<u>-</u>	<u>-</u>	<u>6,972,227</u>
Total Cost of Earned Revenue	<u>6,972,227</u>	<u>-</u>	<u>-</u>	<u>6,972,227</u>
CONTRIBUTION MARGIN	<u>1,145,168</u>	<u>1,126,190</u>	<u>(428,368)</u>	<u>1,842,990</u>
OPERATING EXPENSES				
Marketing	806,316	-	-	806,316
Administration	522,984	-	-	522,984
Development	508,338	-	-	508,338
Depreciation	87,514	-	-	87,514
	<u>1,925,152</u>	<u>-</u>	<u>-</u>	<u>1,925,152</u>
Total Operating Expenses	<u>1,925,152</u>	<u>-</u>	<u>-</u>	<u>1,925,152</u>
NET OPERATING INCOME (DEFICIT)	<u>(779,984)</u>	<u>1,126,190</u>	<u>(428,368)</u>	<u>(82,162)</u>
NON-OPERATING INCOME (EXPENSES)				
Interest and dividend	4,192	49,938	-	54,130
Investment management fees	(1,598)	(24,825)	-	(26,423)
Realized/unrealized gains	31,793	3,394	-	35,187
Change in beneficial interest in funds held at The Dayton Foundation	2,951	659	-	3,610
Change in value in beneficial interest in perpetual trusts	-	-	67,483	67,483
	<u>37,338</u>	<u>29,166</u>	<u>67,483</u>	<u>133,987</u>
NET NON-OPERATING INCOME	<u>37,338</u>	<u>29,166</u>	<u>67,483</u>	<u>133,987</u>
CHANGE IN NET ASSETS	(742,646)	1,155,356	(360,885)	51,825
NET ASSETS (DEFICIT)				
Beginning of Year	108,378	2,517,965	4,852,465	7,478,808
End of Year	<u>\$ (634,268)</u>	<u>\$ 3,673,321</u>	<u>\$ 4,491,580</u>	<u>\$ 7,530,633</u>

DAYTON PERFORMING ARTS ALLIANCE**STATEMENTS OF CASH FLOWS****YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (1,088,496)	\$ 51,825
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	74,076	87,514
Change in beneficial interest in funds held at The Dayton Foundation	34,675	14,718
Change in beneficial interest in perpetual trusts	504,745	362,631
Change in discount for net present value of pledges	(2,700)	16,900
Net realized gain on investments	(8,445)	(142,332)
Net unrealized loss on investments	44,933	107,145
	<u>(441,212)</u>	498,401
Changes in operating assets and liabilities:		
Accounts receivable	(402,928)	(619,597)
Prepaid expenses	90,654	(16,588)
Inventory and supplies	1,324	(244)
Long-term pledges receivable	337,350	(528,000)
Accounts payable and accrued expenses	174,869	34,262
Deferred revenue	(48,721)	(54,495)
	<u>(288,664)</u>	(686,261)
Net Cash Used by Operating Activities	<u>(288,664)</u>	(686,261)
INVESTING ACTIVITIES		
Purchases of property and equipment	(98,229)	(46,604)
Proceeds from sale of investments	1,289,188	1,380,933
Purchases of investments	(1,149,355)	(1,388,559)
	<u>41,604</u>	(54,230)
Net Cash Provided (Used) by Investing Activities	<u>41,604</u>	(54,230)
FINANCING ACTIVITIES		
Net borrowings on line of credit	250,000	-
	<u>250,000</u>	-
NET INCREASE (DECREASE) IN CASH	2,940	(740,491)
CASH		
Beginning of year	6,521	747,012
End of year	<u>\$ 9,461</u>	<u>\$ 6,521</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE A - 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 revenues 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 A - 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, 2016 and 2015 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, 2016 and 2015.

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, 2016 and 2015.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE A - 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, 2016 and 2015.

Deferred Revenue - Sales of season ticket subscriptions for programs to be performed the following fiscal year are recorded as deferred revenue. Revenues 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, 2016.

Advertising Expense - Advertising costs are expensed in the same year as the performance in which they relate. Advertising expense was \$166,857 and \$149,628 for the years 2016 and 2015. Advertising costs for future performances are recorded as prepaid expenses. Prepaid advertising was \$77,998 and \$77,891 at June 30, 2016 and 2015.

Donated advertising is recorded separately from advertising expense and totaled \$266,731 and \$281,935 for the years 2016 and 2015.

Subsequent Events - In preparing these financial statements, the Alliance has evaluated events and transactions for potential recognition or disclosure through September 15, 2016, the date the financial statements were available to be issued.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE B - PLEDGES RECEIVABLE

	<u>2016</u>	<u>2015</u>
Pledges		
Due in less than one year	\$ 2,061,992	\$ 1,544,522
Due in one to five years	<u>563,650</u>	<u>901,000</u>
	2,625,642	2,445,522
Less discount to net present value	<u>74,200</u>	<u>76,900</u>
	<u>\$ 2,551,442</u>	<u>\$ 2,368,622</u>

Discount rates ranging from 3.25% and 5.25% were applied to contributions due in more than one year for the years 2016 and 2015.

The Alliance receives contributions from members of its Board of Trustees and employees who work for the Alliance. Total contributions from these parties were \$530,130 and \$260,786 for the years 2016 and 2015. Outstanding pledges receivable from these parties were \$33,252 and \$114,416 as of June 30, 2016 and 2015.

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 C - INVESTMENTS

The following reflects the cost and estimated fair values of marketable securities held at June 30, 2016 and 2015. In addition, gross unrealized gains and unrealized losses are disclosed for the years 2016 and 2015.

	<u>2016</u>			
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
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	<u>842,837</u>	<u>96,301</u>	<u>-</u>	<u>939,138</u>
	<u>\$ 1,538,336</u>	<u>\$ 100,542</u>	<u>\$ (17,042)</u>	<u>\$ 1,621,836</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE C - INVESTMENTS - continued

	2015			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Money market funds	\$ 34,375	\$ -	\$ -	\$ 34,375
Fixed income	860	170	-	1,030
Mutual funds	656,360	-	(13,749)	642,611
Hedge funds	191,090	33,694	-	224,784
Equity securities	787,039	108,318	-	895,357
	<u>\$ 1,669,724</u>	<u>\$ 142,182</u>	<u>\$ (13,749)</u>	<u>\$ 1,798,157</u>

Unrealized losses of \$44,933 and \$107,145, and realized gains of \$8,445 and \$142,332 from sales of investments, are included in the Statements of Activities for the years 2016 and 2015.

NOTE D - FAIR VALUE MEASUREMENTS

Fair values of the Alliance's financial assets measured on a recurring basis at June 30, 2016 and 2015 are as follows:

	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 trusts	<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>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE D - FAIR VALUE MEASUREMENTS - continued

	2015			
	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	\$ 34,375	\$ 34,375	\$ -	\$ -
Fixed income	1,030	1,030	-	-
Mutual funds	642,611	642,611	-	-
Hedge Funds	224,784	-	-	224,784
Equity securities	895,357	895,357	-	-
Beneficial interest in funds held at The Dayton Foundation	396,911	-	-	396,911
Beneficial interest in perpetual trust	<u>3,399,789</u>	<u>-</u>	<u>-</u>	<u>3,399,789</u>
	<u>\$ 5,594,857</u>	<u>\$ 1,573,373</u>	<u>\$ -</u>	<u>\$ 4,021,484</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, 2016 and 2015.

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, 2016 and 2015.

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, 2016 and 2015.

The following table sets forth a summary of changes in the fair value of the Alliance's Level 3 assets for the years 2016 and 2015:

	2016		
	Hedge Funds	Beneficial Interest in Funds Held at The Dayton Foundation	Beneficial Interest in Perpetual Trusts
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>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE D - FAIR VALUE MEASUREMENTS - continued

	2015		
	Hedge Funds	Beneficial Interest in Funds Held at The Dayton Foundation	Beneficial Interest in Perpetual Trust
Value at the beginning of the year	\$ -	\$ 411,629	\$ 3,762,420
Contributions	377,244	-	-
Transfer of assets from beneficial interest	-	(18,328)	-
Distributions	(169,719)	-	(430,114)
Change in fair value	<u>17,259</u>	<u>3,610</u>	<u>67,483</u>
Value at the end of the year	<u>\$ 224,784</u>	<u>\$ 396,911</u>	<u>\$ 3,399,789</u>

NOTE E - PROPERTY AND EQUIPMENT

	2016	2015
Equipment, sets and costumes	\$ 889,810	\$ 805,496
Furniture and fixtures	435,908	432,607
Musical instruments and production equipment	384,902	384,401
Music library	169,234	159,121
Leasehold improvements	<u>91,521</u>	<u>91,521</u>
	1,971,375	1,873,146
Less accumulated depreciation	<u>1,557,576</u>	<u>1,483,500</u>
	<u>\$ 413,799</u>	<u>\$ 389,646</u>

NOTE F - LINE OF CREDIT

The Alliance has available a line of credit with a borrowing limit of \$262,500 that expires on May 31, 2017. The agreement was entered into with PNC Bank in May 2016. 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, 2016 was 0.412%. Interest expense for the line of credit was \$717 for the year 2016. The line of credit balance was \$250,000 at June 30, 2016.

NOTE G - 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.

	2016	2015
Time and purpose restriction - support for completed performances and general operations	<u>\$ 2,321,222</u>	<u>\$ 1,748,277</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE H - NET ASSETS

	<u>2016</u>	<u>2015</u>
Unrestricted		
Unrestricted Fund	<u>\$ (1,190,734)</u>	<u>\$ (634,268)</u>
Temporarily Restricted		
Future Programming	<u>2,681,540</u>	2,649,353
Olive Kettering Endowment Fund	<u>849,164</u>	878,799
Other funds	<u>112,632</u>	<u>145,169</u>
	<u>3,643,336</u>	<u>3,673,321</u>
Permanently Restricted		
Catterton Endowment Opera Fund	<u>1,290,251</u>	1,546,082
Catterton Endowment Philharmonic Fund	<u>1,253,300</u>	1,471,744
National Endowment for the Arts Fund	<u>400,000</u>	400,000
Ballet Arts and Cultural Development Fund	<u>351,493</u>	381,963
Dayton Philharmonic Endowment Fund	<u>312,000</u>	312,000
Dayton Opera Endowment Fund	<u>250,000</u>	250,000
Planned gift	<u>60,400</u>	57,700
Other Funds	<u>72,091</u>	<u>72,091</u>
	<u>3,989,535</u>	<u>4,491,580</u>
	<u>\$ 6,442,137</u>	<u>\$ 7,530,633</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.

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 J, 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.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE H - NET ASSETS - continued

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.

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.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE I - ENDOWMENT FUNDS AND NET ASSETS

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>

The following is a summary of changes in endowment net assets for the year ended June 30, 2015:

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of period	\$ 23,826	\$ 45,292	\$ 1,090,045	\$ 1,159,163
Change in value in beneficial interest in funds held at The Dayton Foundation	2,952	-	-	2,952
Net investment income	(7,363)	20,209	-	12,846
Contributions to endowment fund	-	-	1,746	1,746
Amounts appropriated for expenditure	(12,908)	(44,400)	-	(57,308)
Endowment net assets, end of period	<u>\$ 6,507</u>	<u>\$ 21,101</u>	<u>\$ 1,091,791</u>	<u>\$ 1,119,399</u>

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE I - ENDOWMENT FUNDS AND NET ASSETS - continued

The following is a summary of all Alliance net assets as of June 30, 2015:

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment funds	\$ 6,507	\$ 21,101	\$ 1,091,791	\$ 1,119,399
Non-endowment funds:				
Operating	(640,775)	-	-	(640,775)
Beneficial interest in perpetual trust - Catterton	-	-	3,017,826	3,017,826
Beneficial interest in perpetual trust - Ballet Fund	-	-	381,963	381,963
Time and purpose restrictions	-	3,652,220	-	3,652,220
	<u>\$ (634,268)</u>	<u>\$ 3,673,321</u>	<u>\$ 4,491,580</u>	<u>\$ 7,530,633</u>

NOTE J - 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 \$149,311 and \$177,651 for the Opera and Philharmonic trusts, respectively, for year ended June 30, 2016. There were income distributions from the trusts in the amounts of \$232,396 and \$184,362 for the Opera and Philharmonic trusts, respectively, for year ended June 30, 2015.

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, 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. At June 30, 2015, 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 \$1,546,082 and \$1,471,744 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.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE J - BENEFICIAL INTEREST IN PERPETUAL TRUST - continued

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, 2016 and 2015, 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 \$351,493 and \$381,963. Income distributions for the years 2016 and 2015 were \$14,178 and \$13,356.

NOTE K - CONTRIBUTIONS OF MATERIALS AND SERVICES

	<u>2016</u>	<u>2015</u>
Printing, publicity, promotion	\$ 266,731	\$ 281,935
Hotels and airfare, use of facilities	86,111	60,525
Professional services	52,910	990
Goods and materials	<u>62,698</u>	<u>41,183</u>
	<u>\$ 468,450</u>	<u>\$ 384,633</u>

NOTE L - MULTI-EMPLOYER PENSION PLAN

Effective September 1, 2012, the Alliance entered into a collective bargaining agreement which expired on August 31, 2014. A new agreement was entered into effective September 1, 2014 and expires on August 31, 2017.

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 2016 and 2015 were \$83,701 and \$87,700.

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.

The Alliance's participation in the plan is outlined in the table below. The most recent Pension Protection Act ("PPA") zone status available in 2016 and 2015 is for the plan's years ended March 31, 2016 and 2015. The plan is in critical status (red zone) under then 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.

DAYTON PERFORMING ARTS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

NOTE L - MULTI-EMPLOYER PENSION PLAN - continued

<u>Name of Pension Fund</u>	<u>EIN and Plan Number</u>	<u>Pension Protection Act Zone Status</u>		<u>FIP/RP Status</u>	<u>Contributions for the Year Ended June 30</u>		<u>Surcharge Imposed</u>	<u>Expiration Date of Collective Bargaining Agreement</u>
		<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2015</u>		
American Federation of Musicians and Employers' Pension Plan	51-6120204 Plan No. 001	Red	Red	Implemented	<u>\$ 83,701</u>	<u>\$ 87,700</u>	No	8/31/2017

For the plan years ended March 31, 2015 and 2014, 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, 2016.

NOTE M - 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 2016 and 2015.

NOTE N - LEASE COMMITMENTS

The Alliance leases office space, studios and warehouse storage expiring at various times through 2019. 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 2016 and 2015 was \$171,774 and \$168,322.

The Alliance leases various office equipment expiring at various times through 2020. Rental expense under these leases for the years 2016 and 2015 was \$27,038 and \$21,954.

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

2017	\$ 307,704
2018	41,434
2019	23,846
2020	<u>1,149</u>
	<u>\$ 374,133</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, 2016 and 2015, and have issued our report thereon dated September 15, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The following schedules are presented for the 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 15, 2016

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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>400,000</u>	<u>312,000</u>	-	<u>15,000</u>	<u>9,091</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 - INVESTMENTS

JUNE 30, 2015

	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	\$ 895,931	\$ 413,554	\$ 322,786	\$ 85,106	\$ 20,358	\$ 11,283	\$ 6,326	\$ -	\$ 1,755,344
Contributions and support	-	-	-	-	-	-	-	1,077,244	1,077,244
Released from restrictions	(32,000)	(24,500)	(19,500)	(39,600)	-	(400)	(200)	(100,000)	(216,200)
Withdrawals	-	-	-	-	-	-	-	(880,719)	(880,719)
Investment income, net	<u>14,868</u>	<u>6,905</u>	<u>5,391</u>	<u>689</u>	<u>362</u>	<u>187</u>	<u>106</u>	<u>33,980</u>	<u>62,488</u>
Net assets, end of year	<u>\$ 878,799</u>	<u>\$ 395,959</u>	<u>\$ 308,677</u>	<u>\$ 46,195</u>	<u>\$ 20,720</u>	<u>\$ 11,070</u>	<u>\$ 6,232</u>	<u>\$ 130,505</u>	<u>\$ 1,798,157</u>
Net Assets									
Unrestricted	\$ -	\$ (4,041)	\$ (3,323)	\$ -	\$ -	\$ -	\$ -	\$ 130,505	\$ 123,141
Temporarily restricted	878,799	-	-	46,195	5,720	1,979	6,232	-	938,925
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>\$ 878,799</u>	<u>\$ 395,959</u>	<u>\$ 308,677</u>	<u>\$ 46,195</u>	<u>\$ 20,720</u>	<u>\$ 11,070</u>	<u>\$ 6,232</u>	<u>\$ 130,505</u>	<u>\$ 1,798,157</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 FUNDS HELD AT THE DAYTON FOUNDATION

JUNE 30, 2015

	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	\$ 265,449	\$ 76,405	\$ 54,868	\$ 14,907	\$ 411,629
Transfer of assets from beneficial interest	(10,266)	(5,420)	(2,043)	(599)	(18,328)
Change in beneficial interest	<u>1,188</u>	<u>659</u>	<u>1,447</u>	<u>316</u>	<u>3,610</u>
Net assets, end of year	<u>\$ 256,371</u>	<u>\$ 71,644</u>	<u>\$ 54,272</u>	<u>\$ 14,624</u>	<u>\$ 396,911</u>
Net Assets					
Unrestricted	\$ 6,371	\$ -	\$ 7,873	\$ (376)	\$ 13,868
Temporarily restricted	-	71,644	13,399	-	85,043
Permanently restricted	<u>250,000</u>	<u>-</u>	<u>33,000</u>	<u>15,000</u>	<u>298,000</u>
	<u>\$ 256,371</u>	<u>\$ 71,644</u>	<u>\$ 54,272</u>	<u>\$ 14,624</u>	<u>\$ 396,911</u>

See independent auditors' report on supplementary information.

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>

DAYTON PERFORMING ARTS ALLIANCE

STATEMENT OF ACTIVITIES BY FUND - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

JUNE 30, 2015

	Catterton Trust- Opera Fund	Catterton Trust- Philharmonic Fund	Ballet Arts and Cultural Development Fund	Total
Net assets, beginning of year	\$ 1,701,495	\$ 1,676,120	\$ 384,805	\$ 3,762,420
Released from restrictions	(184,362)	(232,396)	(13,356)	(430,114)
Change in beneficial interest	<u>28,949</u>	<u>28,020</u>	<u>10,514</u>	<u>67,483</u>
Net assets, end of year	<u>\$ 1,546,082</u>	<u>\$ 1,471,744</u>	<u>\$ 381,963</u>	<u>\$ 3,399,789</u>
Net Assets Permanently restricted	<u>\$ 1,546,082</u>	<u>\$ 1,471,744</u>	<u>\$ 381,963</u>	<u>\$ 3,399,789</u>