



Culture Works

Financial Statements
June 30, 2017 and 2016
with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Culture Works

Report on the Financial Statements

We have audited the accompanying financial statements of Culture Works (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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.

Opinion

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

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program and management, general and fundraising on pages 14-15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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.

Clark, Schaefer, Hackett & Co.

Dayton, Ohio
October 18, 2017

Culture Works
Statements of Financial Position
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 98,524	107,900
Promises to give, net	261,892	276,934
Prepaid expenses	<u>-</u>	<u>10,291</u>
	<u>360,416</u>	<u>395,125</u>
Office furniture and equipment, net	<u>455</u>	<u>15,702</u>
Other assets:		
Investments	336,366	301,445
Beneficial interests in endowment funds held by The Dayton Foundation	<u>2,114,136</u>	<u>1,955,731</u>
	<u>2,450,502</u>	<u>2,257,176</u>
	<u>\$ 2,811,373</u>	<u>2,668,003</u>
Current liabilities:		
Accounts payable	\$ 8,442	3,937
Grants payable	370,566	379,008
Accrued expenses	<u>8,213</u>	<u>14,604</u>
	387,221	397,549
Endowment payable to Dayton Performing Arts Alliance	<u>132,833</u>	<u>101,493</u>
	<u>520,054</u>	<u>499,042</u>
Net assets:		
Unrestricted	2,031,552	1,913,474
Temporarily restricted	9,767	5,487
Permanently restricted	<u>250,000</u>	<u>250,000</u>
	<u>2,291,319</u>	<u>2,168,961</u>
	<u>\$ 2,811,373</u>	<u>2,668,003</u>

See accompanying notes to financial statements.

Culture Works
Statement of Activities
Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support				
Contributions:				
Campaign for the Arts	\$ 479,141	1,992	-	481,133
Arts awareness and advocacy	14,824	7,775	-	22,599
Operating support	120,382	-	-	120,382
Special events	25,786	-	-	25,786
Donated materials and services	34,169	-	-	34,169
Distributions from trusts	68,324	-	-	68,324
Release of net assets from restriction	5,487	(5,487)	-	-
	<u>748,113</u>	<u>4,280</u>	<u>-</u>	<u>752,393</u>
Grants and expenses:				
Grants:				
Campaign for the Arts	370,566	-	-	370,566
Power2Give	1,300	-	-	1,300
Other	11,022	-	-	11,022
Endowment distribution to the Dayton Contemporary Dance Company	2,108	-	-	2,108
Scholarships	13,500	-	-	13,500
Other payments to organizations and artists	135	-	-	135
	<u>398,631</u>	<u>-</u>	<u>-</u>	<u>398,631</u>
Program expenses:				
Campaign for the Arts	130,621	-	-	130,621
Power2Give	1,384	-	-	1,384
Arts awareness and advocacy	126,486	-	-	126,486
Culture Connects 20/20	7,537	-	-	7,537
	<u>266,028</u>	<u>-</u>	<u>-</u>	<u>266,028</u>
Management, general and fundraising	197,129	-	-	197,129
	<u>463,157</u>	<u>-</u>	<u>-</u>	<u>463,157</u>
Other income:				
Change in value of endowment funds held by The Dayton Foundation	199,362	-	-	199,362
Investment income	7,459	-	-	7,459
Net realized and unrealized gain on investments	24,932	-	-	24,932
	<u>231,753</u>	<u>-</u>	<u>-</u>	<u>231,753</u>
Change in net assets	118,078	4,280	-	122,358
Net assets:				
Beginning of year	<u>1,913,474</u>	<u>5,487</u>	<u>250,000</u>	<u>2,168,961</u>
End of year	\$ <u>2,031,552</u>	<u>9,767</u>	<u>250,000</u>	<u>2,291,319</u>

See accompanying notes to financial statements.

Culture Works
Statement of Activities
Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support				
Contributions:				
Campaign for the Arts	\$ 506,961	5,487	-	512,448
Power2Give	54,453	-	-	54,453
Arts awareness and advocacy	1,000	-	-	1,000
Operating support	129,672	-	-	129,672
Grants	46,355	-	-	46,355
Special events	31,226	-	-	31,226
Donated materials and services	38,783	-	-	38,783
Distributions from trusts	64,388	-	-	64,388
Earned revenue from programs	292	-	-	292
Release of net assets from restriction	41,849	(41,849)	-	-
	<u>914,979</u>	<u>(36,362)</u>	<u>-</u>	<u>878,617</u>
Grants and expenses:				
Grants:				
Campaign for the Arts	379,008	-	-	379,008
Power2Give	75,522	-	-	75,522
Endowment distribution to the Dayton Contemporary Dance Company	2,050	-	-	2,050
Scholarships	9,125	-	-	9,125
Other payments to organizations and artists	248	-	-	248
	<u>465,953</u>	<u>-</u>	<u>-</u>	<u>465,953</u>
Program expenses:				
Campaign for the Arts	138,473	-	-	138,473
Power2Give	50,237	-	-	50,237
Arts awareness and advocacy	185,593	-	-	185,593
	<u>374,303</u>	<u>-</u>	<u>-</u>	<u>374,303</u>
Management, general and fundraising	153,977	-	-	153,977
	<u>528,280</u>	<u>-</u>	<u>-</u>	<u>528,280</u>
Other income (expense):				
Change in value of endowment funds held by The Dayton Foundation	(44,612)	-	-	(44,612)
Investment income	4,916	-	-	4,916
Net realized and unrealized loss on investments	(1,142)	-	-	(1,142)
	<u>(40,838)</u>	<u>-</u>	<u>-</u>	<u>(40,838)</u>
Change in net assets	(120,092)	(36,362)	-	(156,454)
Net assets				
Beginning of year	<u>2,033,566</u>	<u>41,849</u>	<u>250,000</u>	<u>2,325,415</u>
End of year	\$ <u>1,913,474</u>	<u>5,487</u>	<u>250,000</u>	<u>2,168,961</u>

See accompanying notes to financial statements.

Culture Works
 Statements of Cash Flows
 Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Changes in net assets	\$ 122,358	(156,454)
Adjustments to reconcile change in to net cash used by operating activities:		
Depreciation	15,247	22,228
Change in value of beneficial interest in endowment fund	(199,362)	44,612
Net realized and unrealized (gain) loss on investments	(24,932)	1,142
Change in allowance for doubtful accounts	-	2,153
Effects of changes in assets and liabilities:		
Promises to give, net	15,042	591
Prepaid expenses	10,291	(154)
Other receivables	-	500
Accounts payable and accrued expenses	(1,886)	(23,919)
Grants payable	<u>(8,442)</u>	<u>(37,018)</u>
Net cash used by operating activities	<u>(71,684)</u>	<u>(146,319)</u>
Cash flows from investing activities:		
Net purchases of investments	(9,989)	(5,989)
Withdrawals from endowment funds held by The Dayton Foundation	<u>72,297</u>	<u>51,830</u>
Net cash provided by investing activities	<u>62,308</u>	<u>45,841</u>
Decrease in cash and cash equivalents	(9,376)	(100,478)
Cash and cash equivalents, beginning of year	<u>107,900</u>	<u>208,378</u>
Cash and cash equivalents, end of year	\$ <u>98,524</u>	<u>107,900</u>

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS:

Culture Works (the “Organization”) is a regional arts agency that provides a unified voice for arts and culture and promotes the cultural vibrancy of the Dayton Region nationally as a tool for economic development. The Organization galvanizes widespread support for arts and culture by providing grants, unified marketing efforts, and cultural planning to help the entire cultural community to thrive. The Organization’s mission is to act as the funding, advocacy, and service organization that passionately inspires, supports, and sustains arts and culture in the Dayton Region.

The Organization operates in the greater Dayton, Ohio area. A majority of its revenue and support is derived from donors within this geographical area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of the Organization are set forth to facilitate the understanding of data presented in the financial statements:

Basis of presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are not subject to donor-imposed restrictions. Temporarily restricted net assets are those net assets subject to donor-imposed restrictions that likely will be met by specific expenditures being made and/or the passage of time. Permanently restricted net assets are subject to donor-imposed restrictions that the principal of the gifts remain in perpetuity with the resulting investment income utilized for general, or in some cases, specific purposes.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are received. All other donor-restricted contributions are reported as increases in restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as release of net assets from restriction.

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.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated materials and services

Significant services and materials are donated to the Organization by various individuals and companies for the benefit of the Organization and its constituents. Donated materials are recorded at fair market value at the date of donation. Donated services are recognized as contributions in accordance with accounting standards, if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Cash and cash equivalents

Interest-bearing deposits and short-term investments with original maturities of three months or less are classified as cash equivalents. Periodically during the year, the Organization has cash deposits in excess of federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with its cash on deposit with financial institutions.

Promises to give

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Allowances are provided for amounts estimated to be uncollectible, based on historical experience of the relationship between actual bad debts and amounts pledged. Allowances for uncollectible pledges of \$18,000 were recorded at June 30, 2017 and 2016. All promises to give are expected to be collected within one year.

Investments

The Organization's investments and beneficial interest in endowment funds are stated at fair value. Fair value is 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. See Note 12 for discussion of fair value measurements.

Investment return includes dividends, interest and other investment income and realized and unrealized gains and losses on investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Unrealized gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Office furniture and equipment

Office furniture and equipment are recorded at actual cost or the fair value of donated assets and are depreciated over useful lives of 5 - 10 years using the straight-line method. The Organization capitalizes office furniture and equipment when the cost is \$1,000 or more and its estimated useful life exceeds one year.

Income taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Accordingly, no provision for income taxes is presented in these financial statements.

Advertising expense

The Organization incurs advertising costs in connection with its annual campaign and other arts advocacy programs. These costs are expensed as incurred and amounted to \$27,687 and \$28,540 for the year ended June 30, 2017 and 2016, respectively. These expenses include \$21,100 and \$27,000 of in-kind support for the year ended June 30, 2017 and 2016.

Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to conform to the current year presentation.

Subsequent events

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through October 18, 2017, the date on which the financial statements were available to be issued.

3. BENEFICIAL INTEREST IN ENDOWMENT FUNDS:

The Organization previously established charitable endowment funds with the Dayton Foundation, of which the Organization is the named beneficiary. The beneficial interest in endowment funds totaling \$2,114,136 and \$1,955,731 at June 30, 2017 and 2016, respectively, represents amounts contributed by the Organization, plus any net subsequent earnings retained in this fund. Net investment earnings of the endowment fund are included in the statement of activities as change in value of endowment funds.

4. ENDOWMENT PAYABLE TO DAYTON PERFORMING ARTS ALLIANCE:

The Organization received a \$250,000 permanently restricted contribution which the donor stipulated that the contribution be held as part of the Organization's endowment, as a separate fund for the benefit of the Dayton Performing Arts Alliance, the successor of the Dayton Ballet Association. The fund is to be administered by the Organization, with all investment income awarded to the Dayton Performing Arts Alliance following guidelines established by the donor. The fund balance includes accumulated investment income of \$132,833 and \$101,493 at June 30, 2017 and 2016, respectively. As this accumulated investment income is held for the benefit of the Dayton Performing Arts Alliance, a corresponding liability is recorded in the statements of financial position.

5. COMMUNITY FOUNDATION FUNDS:

The Organization is the beneficial recipient of funds held at The Dayton Foundation, a community foundation. The Dayton Foundation has variance power over these funds by agreement with the donors. The Dayton Foundation distributes income annually to the Organization as a beneficiary of the funds. In accordance with generally accepted accounting principles, the Organization is prohibited from recording their beneficial interest in the principal amounts because the funds are held by the Dayton Foundation and subject to the variance powers embedded in their bylaws. The Organization received distributions from these funds in the amount of \$68,324 and \$64,388 for the years ended June 30, 2017 and 2016, respectively.

6. ENDOWMENT FUNDS:

Generally accepted accounting principles require that the net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's endowment includes donor-restricted endowment funds.

The Organization has adopted the investment and spending policies of The Dayton Foundation, the community foundation which holds and administers the donor-restricted endowment funds.

The endowment net assets consist of permanently restricted endowments of \$250,000 as of June 30, 2017 and 2016. As required by the donor, these funds are to be held in the Organization's endowment in perpetuity. As discussed in Note 4, all investment earnings and net appreciation in these funds are to be awarded to the Dayton Performing Arts Alliance following guidelines established by the donor. At June 30, 2017 and 2016, the Organization's endowment included accumulated investment income of \$132,833 and \$101,493, respectively, which is held for the benefit of the Dayton Performing Arts Alliance.

7. PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following as of June 30:

	<u>2017</u>	<u>2016</u>
Office furniture and equipment	\$ 95,887	95,887
Less accumulated depreciation	<u>95,432</u>	<u>80,185</u>
	<u>\$ 455</u>	<u>15,702</u>

8. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consisted of the following as of June 30:

	<u>2017</u>	<u>2016</u>
Campaign for the Arts	\$ 394	5,487
Marketing campaign project	7,775	-
Free public concerts	<u>1,598</u>	<u>-</u>
	<u>\$ 9,767</u>	<u>5,487</u>

9. GRANTS, CAMPAIGN FOR THE ARTS:

Grants to organizations for the year ended and payable as of June 30, are summarized as follows:

NOTE : GRANTS, CAMPAIGN FOR THE ARTS

	<u>2017</u>	<u>2016</u>
Dayton Performing Arts Alliance	\$ 105,840	185,472
Dayton Contemporary Dance Company	44,352	57,120
Muse Machine	47,880	62,496
The Human Race Theater Company	44,856	59,808
K12 Gallery for Young People	3,654	3,654
Dayton Visual Arts Center	3,528	3,612
Bach Society of Dayton	3,738	3,696
Kettering Children's Choir	3,570	3,150
Dayton Art Institute	89,712	-
WDPR Classic Radio	<u>23,436</u>	<u>-</u>
	<u>\$ 370,566</u>	<u>379,008</u>

Grants payable at June 30, 2017 are expected to be paid to grantees during 2018.

10. RETIREMENT PLAN:

The Organization sponsors a 403(b) Plan. All employees are eligible to voluntarily contribute as of the date of employment. Employees are eligible for an employer match after one full consecutive year of employment with the Organization at a rate of 50% of the employee contribution up to 6% of gross pay per pay period. After three years of service, the employee is eligible for a match of 50% of the employee contribution up to 10% of gross pay per pay period. Expenses relating to this plan amounted to \$6,549 and \$6,820 for the years ended June 30, 2017 and 2016, respectively.

11. LEASES:

The Organization has an operating lease for office space, with a monthly rate of \$1,786, which expired in August 2017. After such time, the lease is month-to-month under the same terms. Minimum lease payments are \$3,572 in 2018. The net rent expense for office space totaled \$21,432 for the years ended June 30, 2017 and 2016, respectively. The Organization also leases various office equipment under operating lease agreements expiring through June 2018. Net rent expense for office equipment totaled \$7,365 and \$7,503 for the years ended June 30, 2017 and 2016, respectively.

12. FAIR VALUE MEASUREMENTS:

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. The framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under accounting principles generally accepted in the United States of America are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

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

Cash equivalents: The carrying value approximates fair value.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed income and equity mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Beneficial interest in endowment funds held by The Dayton Foundation: The Organization maintains units of participation in pooled investment fund accounts held at a local community foundation. The investment pool maintains an asset allocation that distributes the pools investments into a variety of classes including equity securities, fixed income securities, and mutual funds. The fair value as reported by The Dayton Foundation is based on the fair value of the individual securities within the pooled account as determined by the custodian using quoted market prices and other techniques, without adjustment by management.

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 Organization 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.

Assets measured at fair value on a recurring basis as of June 30, 2017 are summarized below:

	Total	Level 1	Level 2	Level 3
Cash equivalents	\$ 8,382	8,382	-	-
Equity mutual funds:				
Emerging markets	10,558	10,558	-	-
Small blend	13,181	13,181	-	-
Mid-cap blend	24,875	24,875	-	-
Foreign large blend	34,220	34,220	-	-
Large growth	60,898	60,898	-	-
Large value	56,154	56,154	-	-
Real estate	6,242	6,242	-	-
Fixed income mutual funds:				
Intermediate term bond	48,513	48,513	-	-
Inflation-protected bond	19,056	19,056	-	-
High yield bond	18,915	18,915	-	-
Emerging markets	6,175	6,175	-	-
Long term	13,226	13,226	-	-
Short term	15,970	15,970	-	-
	<u>\$ 336,365</u>	<u>336,365</u>	<u>-</u>	<u>-</u>
Beneficial interest in endowment funds held by The Dayton Foundation	<u>\$ 2,114,136</u>	<u>-</u>	<u>-</u>	<u>2,114,136</u>

Assets measured at fair value on a recurring basis as of June 30, 2016 are summarized below:

	Total	Level 1	Level 2	Level 3
Cash equivalents	\$ 40,074	40,074	-	-
Common stock	562	562	-	-
Equity mutual funds:				
Foreign large growth	3,509	3,509	-	-
Large cap growth	17,831	17,831	-	-
Large cap value	19,199	19,199	-	-
Fixed income mutual funds:				
Short term	194,918	194,918	-	-
Intermediate term	25,352	25,352	-	-
	<u>\$ 301,445</u>	<u>301,445</u>	<u>-</u>	<u>-</u>
Beneficial interest in endowment funds held by The Dayton Foundation	<u>\$ 1,955,731</u>	<u>-</u>	<u>-</u>	<u>1,955,731</u>

The following is a reconciliation of the investments, which are valued at Level 3 inputs for the years ended June 30, 2017 and 2016:

	Beneficial Interest in Endowment Funds Held by The Dayton Foundation
Balance, July 1, 2015	\$ 2,082,642
Change in fair value	(60,903)
Grants paid including endowment payable	<u>(66,008)</u>
Balance, June 30, 2016	\$ 1,955,731
Change in fair value	230,702
Grants paid including endowment payable	<u>(72,297)</u>
Balance, June 30, 2017	<u>\$ 2,114,136</u>

13. DONATED MATERIALS AND SERVICES:

The Organization receives various in-kind donations from its donors. The following schedule details the in-kind donations received for the years ended June 30:

	2017	2016
Advertising	\$ 21,100	27,000
Parking	4,320	4,320
Auction items	4,964	7,463
Meeting space and hopsitality	163	-
Printing	297	-
Professional fees	<u>3,325</u>	<u>-</u>
	<u>\$ 34,169</u>	<u>38,783</u>

SUPPLEMENTAL INFORMATION

Culture Works
Schedule of Program and Management, General and Fundraising Expenses
Year Ended June 30, 2017

	Program Services				Supporting	Total
	Campaign for the Arts and Grantmaking	Power 2 Give	Arts Awareness and Advocacy	Culture Connects 20/20	Management, General and Fundraising	
Payroll	\$ 51,770	603	53,586	-	74,325	180,284
Payroll taxes and workers' compensation	4,657	35	3,925	-	6,045	14,662
Employee benefits	1,891	-	152	-	4,628	6,671
Organizational development	2,341	-	3,272	-	1,095	6,708
Travel	2,500	-	764	-	627	3,891
Supplies	898	-	523	-	1,053	2,474
Technology expenses	9,882	167	8,260	65	11,803	30,177
Professional services	17,376	-	14,028	1,513	36,898	69,815
Bank charges	3,943	214	-	-	1,781	5,938
Rent	6,595	1	6,595	1,319	6,595	21,105
Postage	3,291	25	2,603	-	670	6,589
Printing	5,581	-	5,899	-	545	12,025
Telephone	1,316	-	1,840	-	1,382	4,538
Insurance	2,483	-	2,483	853	7,629	13,448
Marketing	3,837	-	291	-	-	4,128
Advertising	-	-	3,244	2,844	499	6,587
Dues and subscriptions	694	-	686	245	1,577	3,202
Franchise fees	-	339	-	-	-	339
Depreciation	-	-	-	-	15,247	15,247
Miscellaneous	9,182	-	22	-	4,591	13,795
Donated materials and services	163	-	16,100	-	17,906	34,169
Equipment leases	2,221	-	2,213	698	2,233	7,365
	\$ <u>130,621</u>	<u>1,384</u>	<u>126,486</u>	<u>7,537</u>	<u>197,129</u>	<u>463,157</u>

Culture Works
Schedule of Program and Management, General and Fundraising Expenses
Year Ended June 30, 2016

	Program Services			Supporting Services	Total
	Campaign for the Arts and grantmaking	Power2Give	Arts Awareness and Advocacy	Management, General and Fundraising	
Payroll	\$ 60,617	9,323	69,530	66,925	206,395
Payroll taxes and workers' compensation	3,591	-	3,192	10,315	17,098
Employee benefits	1,607	-	1,473	4,929	8,009
Organizational development	125	120	1,181	501	1,927
Travel	1,358	-	2,428	220	4,006
Supplies	1,271	495	3,534	1,978	7,278
Technology expenses	10,044	8,588	11,417	7,940	37,989
Professional services	10,265	10,311	18,479	23,411	62,466
Bank charges	1,920	3,132	12	811	5,875
Rent	5,377	4,397	5,276	4,397	19,447
Postage	4,290	-	3,688	67	8,045
Printing	7,287	386	6,600	386	14,659
Telephone	1,410	1,362	1,487	1,415	5,674
Insurance	1,336	1,336	1,336	5,018	9,026
Marketing	5,605	-	7	35	5,647
Advertising	140	-	1,200	200	1,540
Dues and subscriptions	1,150	896	1,891	2,070	6,007
Franchise fees	-	2,485	-	-	2,485
Cultural plan	-	-	18,386	-	18,386
Depreciation	5,557	5,557	5,557	5,557	22,228
Miscellaneous	13,674	-	70	4,063	17,807
Donated materials and services	-	-	27,000	11,783	38,783
Equipment leases	1,849	1,849	1,849	1,956	7,503
	<u>\$ 138,473</u>	<u>50,237</u>	<u>185,593</u>	<u>153,977</u>	<u>528,280</u>

