

Downtown Dallas, Inc. and Affiliate

**Consolidated Financial Statements
with Supplementary Information
December 31, 2023**



Downtown Dallas, Inc. and Affiliate

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Independent Auditors' Report

The Board of Directors of
Downtown Dallas, Inc. and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of Downtown Dallas, Inc. and Affiliate (a nonprofit organization) (Organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Assets, Liabilities and Net Assets of the Dallas Downtown Improvement District/Non-District as of December 31, 2023 and the Schedule of Activities of the Dallas Downtown Improvement District/Non-District for the year ended December 31, 2023 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAP. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



A Limited Liability Partnership

Arlington, Texas
April 19, 2024

Downtown Dallas, Inc. and Affiliate
Consolidated Statement of Financial Position
December 31, 2023

Assets

Cash and cash equivalents	\$ 5,113,818
Prepaid expenses	147,914
Investments in marketable securities	2,663,607
Property and equipment, net	1,401,648
Right-of-use asset operating lease, net	3,511,009
Total assets	\$ 12,837,996

Liabilities and Net Assets

Liabilities:

Accounts payable	\$ 179,817
Accrued expenses	128,343
Other liabilities	204,532
Unearned assessment revenue	148,202
Deferred membership dues	534,850
Right-of-use operating lease liability, net	3,553,747
Total liabilities	4,749,491

Net Assets:

Without donor restrictions	8,078,505
With donor restrictions	10,000
Total net assets	8,088,505
Total liabilities and net assets	\$ 12,837,996

See notes to consolidated financial statements.

Downtown Dallas, Inc. and Affiliate
Consolidated Statement of Activities
Year Ended December 31, 2023

Net assets without donor restrictions:

Support and revenue:

Assessment revenue	\$ 10,235,133
Exempt jurisdictions	81,500
Membership dues	1,244,650
Ticket sales	399,635
Contributions	2,000
Interest and dividend income	381,673
Credit card fees	3,665
Miscellaneous income	56,149
	12,404,405
Total support and revenue	12,404,405

Operating expenses:

Program services:

Cleaning, safety and improvements	7,486,606
Parks operations and programming	681,786
Communication and community partnerships	964,516
Economic development, planning and mobility	621,372
Membership	475,677
	10,229,957
Total program services	10,229,957

Organization and administration	1,577,473
	1,577,473

Total operating expenses	11,807,430
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Excess of support and revenue over operating expenses	596,975
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Non-operating gain:

Gain on exchange of assets	35,998
	35,998

Change in net assets without donor restrictions	632,973
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Net assets with donor restrictions:

Contributions	10,000
	10,000

Change in net assets	642,973
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Net assets at beginning of year	7,445,532
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Net assets at end of year	\$ 8,088,505
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See notes to consolidated financial statements.

Downtown Dallas, Inc. and Affiliate
Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services					Total Program Services	Organization and Administration	Total
	Cleaning, Safety and Improvements	Parks Operations and Programming	Communication and Community Partnerships	Economic Development, Planning and Mobility	Membership			
Personnel	\$ 4,668,944	\$ 222,416	\$ 524,598	\$ 361,239	\$ 114,971	\$ 5,892,168	\$ 1,110,572	\$ 7,002,740
Professional services	447,196	43,099	69,663	85,247	39,757	684,962	201,613	886,575
Facility	386,288	47,259	46,530	30,766	-	510,843	154,005	664,848
Direct programming	300,122	46,498	60,224	7,177	3,738	417,759	-	417,759
Police department extended patrol	341,222	6,120	240	-	-	347,582	-	347,582
Events / meetings	9,519	90,482	32,159	1,102	179,160	312,422	15,717	328,139
Depreciation	268,443	9,730	7,782	6,250	-	292,205	23,093	315,298
Direct grants	107,394	-	-	100,000	100,000	307,394	-	307,394
Landscape and hardscape maintenance	278,938	10,444	2,091	-	-	291,473	-	291,473
Public property improvements	275,754	-	-	-	-	275,754	-	275,754
Office operating	135,037	12,780	11,306	13,319	18,891	191,333	36,538	227,871
Marketing / advertising	10,545	15,418	145,757	3,019	17,910	192,649	1,411	194,060
Holiday decor	15,340	160,031	-	-	-	175,371	-	175,371
Liability insurance	154,455	-	167	-	-	154,622	14,656	169,278
Equipment rental and maintenance	84,319	11,509	5,449	3,753	-	105,030	14,618	119,648
Sponsorships	3,090	6,000	58,550	9,500	1,250	78,390	5,250	83,640
Total expenses by function	\$ 7,486,606	\$ 681,786	\$ 964,516	\$ 621,372	\$ 475,677	\$ 10,229,957	\$ 1,577,473	\$ 11,807,430

See notes to consolidated financial statements.

Downtown Dallas, Inc. and Affiliate
Consolidated Statement of Cash Flows
Year Ended December 31, 2023

Cash flows from operating activities:	
Change in net assets	\$ 642,973
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	315,298
Amortization of right-of-use asset - operating lease	310,743
Gain on exchange of assets	(35,998)
Changes in assets and liabilities:	
Prepaid expenses	(67,810)
Accounts payable	125,148
Accrued expenses	8,910
Other liabilities	64,188
Unearned assessment revenue	16,864
Deferred membership dues	164,100
Operating lease liability	(269,293)
Net cash provided by operating activities	1,275,123
Cash flows from investing activities:	
Purchases of investments in marketable securities	(10,590,460)
Proceeds from sales of investments in marketable securities	8,690,000
Purchases of property and equipment	(343,640)
Net cash used by investing activities	(2,244,100)
Net change in cash and cash equivalents	(968,977)
Cash and cash equivalents at beginning of year	6,082,795
Cash and cash equivalents at end of year	\$ 5,113,818

Noncash investing activities:

During the year ended December 31, 2023, the Organization exchanged vehicles with trade-in values totaling \$40,000.

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

1. Organization

The accompanying consolidated financial statements include the accounts of Downtown Dallas, Inc. (DDI) and Downtown Dallas, Inc. Foundation (DDIF) (collectively, the Organization). The common objective of these corporations is to support positive development in downtown Dallas (Downtown). The Organization is supported primarily by property assessments received from Dallas County, membership dues, meeting fees and contributions from individuals and other organizations.

The boards of directors of DDI and DDIF overlap.

The Dallas Downtown Improvement District (District) was created under Chapter 372 of the Texas Local Government Code, by the City of Dallas, as a special assessment district. The District was created to supplement existing programs and services in the areas of security, maintenance, capital improvements, communications and events. The Organization receives assessment revenue from the District who collects it as property taxes from tenants in the Downtown area. The amount of assessment depends on the location of the property. At December 31, 2023, the annual assessment equaled .129 for the District service area per \$100 valuation of taxable real property as determined by the Dallas Central Appraisal District. The special assessment is levied each October 1 and is due by the following January 31. The District automatically terminates on December 31, 2027, unless reauthorized by petition from the affected property owners.

The City of Dallas and the Organization renewed a contract whereby the Organization is responsible for general management, operation and maintenance of designated parks in Downtown Dallas approved by the City Council. This contract is effective through September 3, 2030, unless otherwise agreed to in writing by the parties.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Consolidated Financial Statements

The consolidated financial statements include the accounts and transactions of DDI and DDIF. All significant inter-organizational accounts and transactions have been eliminated in consolidation.

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

Consolidated Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed), are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less when purchased.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit and market risk consist principally of cash and cash equivalents.

The Organization maintains cash balances at various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2023 the Organization's uninsured bank balances totaled \$6,705,938. Management has placed these funds with high credit quality institutions in order to minimize risk. The Organization has not experienced any losses on such accounts.

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

Investments

Investments are recorded at fair value in the accompanying consolidated statement of financial position. Changes in the fair values are reported in the consolidated statement of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains or losses on sales of securities are included in the statement of activities.

The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of the investments could occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, at the fair value at the date of the gift. Depreciation is calculated using the straight-line method based upon the estimated useful lives of 3 to 10 years, except for leasehold improvements which are depreciated using the lesser of the useful life of the asset or the term of the lease. Maintenance and repairs which do not improve or extend the lives of the respective assets are charged to expense when incurred. Because the assets are owned by the City of Dallas, expenditures for public improvements are expensed as incurred.

Other Liabilities

At December 31, 2023, the Organization has accrued \$204,102 in estimated assessment revenue refunds. This amount is included as other liabilities in the accompanying consolidated statement of financial position.

Revenue Recognition

Membership dues are recognized over the applicable membership period. Revenues received for future years are deferred to the appropriate period. All membership dues are recognizable within one year. Assessment revenue collected from Dallas County is recognized in the year in which the related services are provided. Revenue from ticket sales for meetings is recognized when the meeting takes place.

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. Numerous individuals donate significant amounts of time to the Organization. No donated services were utilized that met the criteria to be recorded as support on the Organization's consolidated financial statements.

Estimates

The preparation of consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

Federal Income Taxes

DDI is exempt from federal income taxes under section 501(c)(6) of the Internal Revenue Code (IRC). DDIF is exempt from federal income taxes under section 501(c)(3) of the IRC and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the year ended December 31, 2023. Accordingly, no provision has been made for federal income tax in the accompanying consolidated financial statements as of and for the year ended December 31, 2023.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as December 31, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

Functional Allocation of Expenses

The costs of providing the programs and supporting activities have been summarized on a functional basis in the consolidated financial statements. Costs are allocated between program services and support services based on management's judgment considering space used, time spent or direct relation to the program or support service benefited.

Concentrations

The Organization receives a substantial amount of revenue through its contract with the City of Dallas. The loss of all or a part of this contract would have a detrimental impact on the operations of the Organization.

3. Investments

Fair value accounting defines fair value 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. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- | | |
|---------|---|
| Level 1 | Quoted prices in active markets for identical assets or liabilities as of the reporting date; |
| Level 2 | Observable inputs other than Level 1 prices, such as quoted prices in active markets for similar assets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets; |
| Level 3 | Unobservable inputs that are supported by little or no market activity and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk. |

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Money Market Funds

These investments are valued using \$1 for the net asset value. 100% of investments were concentrated in Blackrock Liquidity Funds and are valued using level 1 inputs.

Downtown Dallas, Inc. and Affiliate
Notes to Consolidated Financial Statements

4. Property and Equipment

Property and equipment consist of the following at December 31, 2023:

Furniture and equipment	\$ 2,194,481
Vehicles	<u>83,052</u>
	2,277,533
Accumulated depreciation	<u>(875,885)</u>
Property and equipment, net	<u><u>\$ 1,401,648</u></u>

Depreciation expense totaled \$315,298 for the year ended December 31, 2023.

5. Membership Dues

The following table provides information about significant changes in membership dues paid in advance as of December 31, 2023:

Membership dues paid in advance, beginning of year	\$ 370,750
Revenue recognized that was included in membership dues at the beginning of the year	(370,750)
Increase in membership dues due to cash received during the year	<u>534,850</u>
Membership dues paid in advance, end of year	<u><u>\$ 534,850</u></u>

6. Description of Programs

The Organization's expenses during the year ended December 31, 2023 support the following programs:

- Safety – To make Downtown safer and to help people feel more secure Downtown.
- Services and improvements – To make Downtown's sidewalks, streets, walkways and public spaces clean and visually attractive. To provide funds for Downtown capital improvements, including sidewalk enhancements, parks, landscaped portals and vacant lots, lighting and retail development.

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

- Communications and events – To make Downtown more appealing to Metroplex residents and employers, visitors and external corporations by supporting (a) development and distribution of Downtown information and (b) special events and promotions.
- Transportation and improvements – To provide Downtown circulator operation and maintenance of mass transportation facilities.
- Capital improvements – Projects to improve public spaces that have long term impact within Downtown Dallas. In addition, funding of matching grants for improvements within the Downtown area.
- Membership – DDI is the champion of a clean and safe Downtown and of the economic development and vibrancy of this community of diverse, unique neighborhoods. DDI:
 - Mobilizes and amplifies the services of public agencies
 - Advocates for catalytic developments that strengthen Downtown.
 - Provides care for the communities and public spaces it stewards.

DDI elevates the quality of life for residents, workers, visitors and other stakeholders.

7. Leases

Operating Leases not under the scope of ASU 2016-02

The Organization leases copier machines pursuant to noncancelable operating lease agreements which expire through 2027. Future minimum annual lease payments required under these leases are as follows for the years ended December 31:

2024	\$	10,752
2025		10,752
2026		10,752
2027		5,376
Total	\$	<u>37,632</u>

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

Operating Leases Subject to ASU 2016-02

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for its equipment. The Organization has elected the practical expedient to not separate the lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the consolidated statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payment over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent and lease incentives. The Organization uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Organization uses the risk-free rate based on the information available at the commencement date to determine the present value of lease payments. Risk-free rates used to determine the present value of lease payments were derived by reference to the interest paid on short-term government debt.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the consolidated statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

In December 2019, the Organization entered into a lease agreement that is classified as an operating lease obligation. The present value of future minimum lease payments under this agreement and the corresponding liability have been recorded in the consolidated financial statements as right-of-use-asset – operating lease and operating lease liability, respectively. The lease expires in December 2032 and notes renewal options of one consecutive period of five years. Termination of the lease is generally prohibited unless there is a violation under the lease disagreement.

Downtown Dallas, Inc. and Affiliate
Notes to Consolidated Financial Statements

Future lease payments and the reconciliation to the consolidated statement of the financial position at December 31, 2023 are as follows for the years ending December 31:

2024	\$ 446,592
2025	455,532
2026	464,640
2027	473,928
2028	483,408
Thereafter	<u>2,032,283</u>
Total future undiscounted lease payments	4,356,383
Less present value discount	<u>(802,636)</u>
Lease liability	<u><u>\$ 3,553,747</u></u>

The following is the lease cost and required information for the year ended December 31, 2023:

Total operating lease cost	<u>\$ 479,294</u>
Other information:	
Cash paid for amount included in the measurement of lease liabilities:	
Operating cash flows from lease	<u>\$ 269,293</u>
Right-of-use asset obtained in exchange for lease liability	<u>\$ -</u>
Weighted-average remaining lease term:	<u>9 years</u>
Operating leases	
Weighted-average discount rate	<u>4.6%</u>

8. Retirement Plan

During 2023, DDI maintained a defined contribution plan for employees meeting certain minimum eligibility requirements. Participants may contribute up to an amount allowed by federal limits. DDI's plan allows the Organization to make discretionary contributions of up to 5% of participants' eligible compensation. The Organization's contributions to the plan totaled \$213,286 for the year ended December 31, 2023.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions totaled \$10,000 as of December 31, 2023. The total amount is to be used for the DiversiTree Project in 2024.

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

10. Commitment

Meeting Commitment

In 2023, the Organization entered into a hotel contract for a future planned conference. The contract contains a penalty clause for cancellation which could be material depending upon the date of cancellation. The penalties are based upon ballroom rental, anticipated hotel food and beverage revenues, and other damages. The potential liability for such damages, if all the contracts were cancelled, amounts to approximately \$45,000 at December 31, 2023. The event was held subsequent to year end and no losses were incurred.

11. Liquidity and Availability of Resources

As of December 31, 2023, the Organization has \$7,777,425 of financial assets available within one year of the consolidated statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents totaling \$5,113,818 and investments totaling \$2,663,607. The Organization manages its liquidity and reserves to maintain adequate liquid assets to fund near-term operating needs and ensure financial assets are available as its general expenditures, liabilities and other obligations come due. During the year ended December 31, 2023, the level of liquidity was managed within the Organization's expectations.

12. Subsequent Events

Management has evaluated subsequent events through April 19, 2024, the date which the consolidated financial statements were available to be issued, and concluded that no additional disclosures are required.

Supplementary Information

Downtown Dallas, Inc. and Affiliate
Schedule of Assets, Liabilities and Net Assets
of The Dallas Downtown Improvement District/Non-District
December 31, 2023

	The Dallas Downtown Improvement District	Non-District	Eliminating	Total
Assets				
Cash and cash equivalents	\$ 230,319	\$ 4,883,499	\$ -	\$ 5,113,818
Prepaid expenses	37,017	110,897	-	147,914
Investments in marketable securities	1,209,962	1,453,645	-	2,663,607
Intercompany receivable	-	110,040	(110,040)	-
Property and equipment, net	1,340,784	60,864	-	1,401,648
Right-of-use operating lease, net	3,235,337	275,672	-	3,511,009
Total assets	\$ 6,053,419	\$ 6,894,617	\$ (110,040)	\$ 12,837,996
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 69,163	\$ 110,654	\$ -	\$ 179,817
Accrued expenses	-	128,343	-	128,343
Other liabilities	204,102	430	-	204,532
Intercompany payable	110,040	-	(110,040)	-
Unearned assessment revenue	148,202	-	-	148,202
Deferred membership dues	-	534,850	-	534,850
Right-of-use operating lease liability, net	3,274,719	279,028	-	3,553,747
Total liabilities	3,806,226	1,053,305	(110,040)	4,749,491
Net Assets:				
Without donor restrictions	2,247,193	5,831,312	-	8,078,505
With donor restrictions	-	10,000	-	10,000
Total net assets	2,247,193	5,841,312	-	8,088,505
Total liabilities and net assets	\$ 6,053,419	\$ 6,894,617	\$ (110,040)	\$ 12,837,996

Downtown Dallas, Inc. and Affiliate
Schedule of Activities
of The Dallas Downtown Improvement District/Non-District
Year Ended December 31, 2023

	The Dallas Downtown Improvement District	Non-District	Total
Support and revenue:			
Assessment revenue	\$ 10,235,133	\$ -	\$ 10,235,133
Exempt jurisdictions	81,500	-	81,500
Membership dues	-	1,244,650	1,244,650
Ticket sales	-	399,635	399,635
Contributions	-	2,000	2,000
Interest and dividend income	236,857	144,816	381,673
Credit card fees	-	3,665	3,665
Miscellaneous income	18,500	37,649	56,149
Total support and revenue	10,571,990	1,832,415	12,404,405
Operating expenses:			
Program services:			
Cleaning, safety and improvements	7,486,606	-	7,486,606
Parks operations and programming	680,726	1,060	681,786
Communication and community partnerships	784,400	180,116	964,516
Economic development, planning and mobility	499,192	122,180	621,372
Membership	-	475,677	475,677
Total program services	9,450,924	779,033	10,229,957
Organization and administration	1,029,740	547,733	1,577,473
Total operating expenses	10,480,664	1,326,766	11,807,430
Excess of support and revenue over operating expenses	91,326	505,649	596,975
Non-operating loss:			
Gain on exchange of assets	35,998	-	35,998
Change in net assets without donor restrictions	127,324	505,649	632,973
Net assets with donor restrictions:			
Contributions	-	10,000	10,000
Net result	\$ 127,324	\$ 515,649	\$ 642,973