

Downtown Dallas, Inc. and Affiliate

**Consolidated Financial Statements
with Supplementary Information
December 31, 2024**



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 (collectively, the Organization) (nonprofit organizations), which comprise the consolidated statement of financial position as of December 31, 2024, 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, 2024, 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, 2024 and the Schedule of Activities of the Dallas Downtown Improvement District/Non-District for the year ended December 31, 2024 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
July 30, 2025

Downtown Dallas, Inc. and Affiliate
Consolidated Statement of Financial Position
December 31, 2024

Assets

Cash and cash equivalents	\$ 5,851,155
Prepaid expenses	115,838
Investments in marketable securities	2,508,274
Property and equipment, net	1,106,102
Right-of-use asset operating lease, net	<u>3,187,393</u>
Total assets	<u>\$ 12,768,762</u>

Liabilities and Net Assets

Liabilities:

Accounts payable	\$ 117,787
Grants payable	275,000
Accrued expenses	135,724
Other liabilities	551,303
Unearned assessment revenue	173,219
Deferred membership dues	349,100
Right-of-use operating lease liability, net	<u>3,262,833</u>
Total liabilities	4,864,966
Net assets without donor restrictions	<u>7,903,796</u>
Total liabilities and net assets	<u>\$ 12,768,762</u>

See notes to consolidated financial statements.

Downtown Dallas, Inc. and Affiliate
Consolidated Statement of Activities
Year Ended December 31, 2024

Net assets without donor restrictions:

Support and revenue:

Assessment revenue	\$ 10,612,845
Exempt jurisdictions	81,500
Membership dues	1,238,578
Ticket sales	53,370
Contributions of financial assets	7,813
Event sponsorship income	421,163
Interest and dividend income	515,421
Credit card fees	10,455
Miscellaneous income	439,563
	13,380,708
Total support and revenue	13,380,708

Net assets released from restrictions -
satisfaction of program restrictions

10,000

Total support and revenue, net

13,390,708

Operating expenses:

Program services:

Cleaning, safety and improvements	8,338,880
Parks operations and programming	896,781
Communication and community partnerships	1,272,098
Economic development, planning and mobility	760,263
Membership	509,194
	11,777,216

Total program services

11,777,216

Organization and administration

1,785,418

Total operating expenses

13,562,634

Deficit of support and revenue over operating expenses

(171,926)

Non-operating loss:

Loss on disposal of property and equipment

(2,783)

Change in net assets without donor restriction

(174,709)

Changes in net assets with donor restriction:

Net assets with donor restrictions released from restriction

(10,000)

Change in net assets

(184,709)

Net assets at beginning of year

8,088,505

Net assets at end of year

\$ 7,903,796

See notes to consolidated financial statements.

Downtown Dallas, Inc. and Affiliate
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	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	\$ 4,995,000	\$ 253,542	\$ 523,075	\$ 378,871	\$ 177,176	\$ 6,327,664	\$ 1,213,561	\$ 7,541,225
Professional services	394,971	38,512	196,527	217,157	79,254	926,421	265,383	1,191,804
Facility	390,996	42,761	45,377	30,873	-	510,007	158,850	668,857
Direct programming	328,754	36,320	65,648	2,070	67,915	500,707	-	500,707
Police department extended patrol	535,183	1,820	-	-	-	537,003	-	537,003
Events / meetings	3,179	181,849	46,335	2,511	142,021	375,895	10,885	386,780
Depreciation	296,813	14,645	7,823	6,369	-	325,650	23,277	348,927
Direct grants	410,263	-	-	100,000	-	510,263	-	510,263
Landscape and hardscape maintenance	238,616	4,092	-	-	-	242,708	-	242,708
Public property improvements	281,467	56,223	-	-	10,000	347,690	-	347,690
Office operating	152,234	26,384	13,864	11,753	13,557	217,792	56,985	274,777
Marketing / advertising	9,172	41,628	285,286	225	16,584	352,895	-	352,895
Holiday decor	-	153,128	-	-	-	153,128	-	153,128
Liability insurance	181,835	3,551	-	-	-	185,386	14,879	200,265
Equipment rental and maintenance	120,397	42,326	13,113	10,434	2,687	188,957	23,922	212,879
Sponsorships	-	-	75,050	-	-	75,050	17,676	92,726
Total expenses by function	\$ 8,338,880	\$ 896,781	\$ 1,272,098	\$ 760,263	\$ 509,194	\$ 11,777,216	\$ 1,785,418	\$ 13,562,634

See notes to consolidated financial statements.

Downtown Dallas, Inc. and Affiliate
Consolidated Statement of Cash Flows
Year Ended December 31, 2024

Cash flows from operating activities:	
Change in net assets	\$ (184,709)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	348,927
Amortization of right-of-use asset - operating lease	323,616
Loss on disposal of property and equipment	2,783
Changes in assets and liabilities:	
Prepaid expenses	32,076
Accounts payable	(62,030)
Grants payable	275,000
Accrued expenses	7,381
Other liabilities	346,771
Unearned assessment revenue	25,017
Deferred membership dues	(185,750)
Operating lease liability	(290,914)
	638,168
Net cash provided by operating activities	
Cash flows from investing activities:	
Purchases of investments in marketable securities	(8,344,667)
Proceeds from sales of investments in marketable securities	8,500,000
Purchases of property and equipment	(56,164)
	99,169
Net cash provided by investing activities	
Net change in cash and cash equivalents	737,337
Cash and cash equivalents at beginning of year	5,113,818
Cash and cash equivalents at end of year	\$ 5,851,155

See notes to consolidated financial statements.

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, 2024, the annual assessment equaled .139 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, 2024 the Organization's uninsured bank balances totaled \$7,281,160. 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 consolidated 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, 2024, the Organization has accrued \$549,497 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 and any assessment revenue received in advance is recorded as unearned assessment revenue and deferred to the appropriate period. 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, 2024. 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, 2024.

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 of December 31, 2024, 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, 2024:

Furniture and equipment	\$ 2,167,545
Vehicles	<u>83,052</u>
	2,250,597
Accumulated depreciation	<u>(1,144,495)</u>
Property and equipment, net	<u><u>\$ 1,106,102</u></u>

Depreciation expense totaled \$348,927 for the year ended December 31, 2024.

5. Unearned Assessment Revenue

The following table provides information about significant changes in assessment revenue paid in advance as of December 31, 2024:

Assessment revenue paid in advance, beginning of year	\$ 148,202
Revenue recognized that was included in unearned assessment revenue at the beginning of the year	(148,202)
Increase in assessment revenue due to cash received during the year	<u>173,219</u>
Assessment revenue paid in advance, end of year	<u><u>\$ 173,219</u></u>

6. Deferred Membership Dues

The following table provides information about significant changes in membership dues paid in advance as of December 31, 2024:

Membership dues paid in advance, beginning of year	\$ 534,850
Revenue recognized that was included in deferred membership dues at the beginning of the year	(534,850)
Increase in membership dues due to cash received during the year	<u>349,100</u>
Membership dues paid in advance, end of year	<u><u>\$ 349,100</u></u>

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

7. Description of Programs

The Organization's expenses during the year ended December 31, 2024 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.
- 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.

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

8. 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:

2025	\$	10,752
2026		10,752
2027		<u>5,376</u>
Total	\$	<u><u>26,880</u></u>

Operating Lease 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) asset and lease liability for its office space. 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.

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

Nature of Lease

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.

Future lease payments and the reconciliation to the consolidated statement of the financial position at December 31, 2024 are as follows for the years ending December 31:

2025	\$	455,532
2026		464,640
2027		473,928
2028		483,408
2029		493,080
Thereafter		<u>1,539,203</u>
Total future undiscounted lease payments		3,909,791
Less present value discount		<u>(646,958)</u>
Lease liability		<u><u>\$ 3,262,833</u></u>

The following is the lease cost and required information for the year ended December 31, 2024:

Total operating lease cost	\$	<u>479,294</u>
Cash paid for amount included in the measurement of lease liability:		
Operating cash flows from operating lease	\$	<u>(290,914)</u>
Weighted-average remaining lease term:		<u>8 years</u>
Weighted-average discount rate		<u>4.6%</u>

9. Employee Retention Credit

DDI is eligible for the Employee Retention Credit (ERC) under the Consolidated Appropriations Act. During the year ended December 31, 2024, DDI recognized ERCs of \$353,288. The ERCs are reported in miscellaneous income in the accompanying consolidated financial statements.

Downtown Dallas, Inc. and Affiliate

Notes to Consolidated Financial Statements

10. Retirement Plan

During 2024, 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 \$214,525 for the year ended December 31, 2024.

11. Commitment

Meeting Commitment

In 2024, 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 the contract was cancelled, amounts to approximately \$32,000 at December 31, 2024. The event was held subsequent to year end and no losses were incurred.

12. Liquidity and Availability of Resources

As of December 31, 2024, the Organization has \$8,359,429 of financial assets available within one year of the consolidated statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents totaling \$5,851,155 and investments totaling \$2,508,274. 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, 2024, the level of liquidity was managed within the Organization's expectations.

13. Subsequent Events

Management has evaluated subsequent events through July 30, 2025, 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, 2024

	The Dallas Downtown Improvement District	Non-District	Eliminating	Total
Assets				
Cash and cash equivalents	\$ 561,751	\$ 5,289,404	\$ -	\$ 5,851,155
Prepaid expenses	-	115,838	-	115,838
Investments in marketable securities	1,230,685	1,277,589	-	2,508,274
Intercompany receivable	-	214,820	(214,820)	-
Property and equipment, net	1,055,008	51,094	-	1,106,102
Right-of-use operating lease, net	2,937,130	250,263	-	3,187,393
Total assets	\$ 5,784,574	\$ 7,199,008	\$ (214,820)	\$ 12,768,762
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ -	\$ 117,787	\$ -	\$ 117,787
Grants payable	-	275,000	-	275,000
Accrued expenses	85,912	49,812	-	135,724
Other liabilities	549,497	1,806	-	551,303
Intercompany payable	214,820	-	(214,820)	-
Unearned assessment revenue	173,219	-	-	173,219
Deferred membership dues	-	349,100	-	349,100
Right-of-use operating lease liability, net	3,006,647	256,186	-	3,262,833
Total liabilities	4,030,095	1,049,691	(214,820)	4,864,966
Net assets without donor restrictions	1,754,479	6,149,317	-	7,903,796
Total liabilities and net assets	\$ 5,784,574	\$ 7,199,008	\$ (214,820)	\$ 12,768,762

See independent auditors' report.

Downtown Dallas, Inc. and Affiliate
Schedule of Activities
of The Dallas Downtown Improvement District/Non-District
Year Ended December 31, 2024

	The Dallas Downtown Improvement District	Non-District	Total
Support and revenue:			
Assessment revenue	\$ 10,612,845	\$ -	\$ 10,612,845
Exempt jurisdictions	81,500	-	81,500
Membership dues	-	1,238,578	1,238,578
Ticket sales	-	53,370	53,370
Contributions		7,813	7,813
Event sponsorship income	19,100	402,063	421,163
Interest and dividend income	287,130	228,291	515,421
Credit card fees	-	10,455	10,455
Miscellaneous income	330,887	108,676	439,563
Total support and revenue	11,331,462	2,049,246	13,380,708
Operating expenses:			
Program services:			
Cleaning, safety and improvements	8,063,880	275,000	8,338,880
Parks operations and programming	869,667	27,114	896,781
Communication and community partnerships	1,035,060	237,038	1,272,098
Economic development, planning and mobility	645,710	114,553	760,263
Membership	-	509,194	509,194
Total program services	10,614,317	1,162,899	11,777,216
Organization and administration	1,207,075	578,343	1,785,418
Total operating expenses	11,821,392	1,741,242	13,562,634
Excess (deficit) of support and revenue over operating expenses	(489,930)	308,004	(181,926)
Non-operating loss:			
Loss on disposal of property and equipment	(2,783)	-	(2,783)
Net result	\$ (492,713)	\$ 308,004	\$ (184,709)

See independent auditors' report.