



**City of Dallas Economic  
Development Corporation  
A Component Unit of the City of  
Dallas, Texas**

**Independent Auditor's Report and Financial  
Statements**

September 30, 2025



**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
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**September 30, 2025**

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## Independent Auditor's Report

The Members of the Board of Directors  
City of Dallas Economic Development Corporation  
Dallas, Texas

### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of the City of Dallas Economic Development Corporation (Dallas EDC), a component unit of the City of Dallas, Texas, as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the Dallas EDC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Dallas EDC as of September 30, 2025, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Dallas EDC 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 opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Dallas EDC's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 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 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 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 Dallas EDC'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Dallas EDC'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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Forvis Mazars, LLP**

**Dallas, Texas  
December 1, 2025**

**City of Dallas Economic Development Corporation  
A Component Unit of the City of Dallas, Texas  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended September 30, 2025**

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***Management's Discussion and Analysis (Unaudited)***

The Management's Discussion and Analysis of the financial performance of the City of Dallas Economic Development Corporation (Dallas EDC), a component unit of the City of Dallas, Texas, provides an overall review of the Dallas EDC's financial activities for the year ended September 30, 2025. The intent of this discussion and analysis is to look at the Dallas EDC's financial performance as a whole. Readers should also review the basic financial statements and notes to the financial statements to enhance their understanding of the Dallas EDC's financial performance.

***Highlights***

The Dallas EDC was formed on January 19, 2022 by City of Dallas Resolution No. 22-0168 approving and authorizing the creation of the Dallas EDC to support and enhance the work of the City of Dallas Office of Economic Development by assisting with marketing for business development and serving as a public developer on authorized projects.

The Dallas EDC has no capital assets and holds no debt.

Net position restricted for economic development increased from \$5,978 at September 30, 2024 to \$2,201,752 at September 30, 2025.

***Overview of the Financial Statements***

The Dallas EDC's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

***Government-Wide Financial Statements***

The statement of net position presents information on all of the Dallas EDC's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Dallas EDC is improving or deteriorating.

The statement of activities presents information showing how the Dallas EDC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Dallas EDC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund of the Dallas EDC is a governmental fund.

***Governmental Fund***

A governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**City of Dallas Economic Development Corporation  
A Component Unit of the City of Dallas, Texas  
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For the Year Ended September 30, 2025**

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Because the focus of a governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
**Management’s Discussion and Analysis (Unaudited)**  
**For the Year Ended September 30, 2025**

**Summary Statement of Net Position**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current and other assets	\$ 2,334,901	\$ 150,424
<b>Total Assets</b>	<u>2,334,901</u>	<u>150,424</u>
<b>Liabilities</b>		
Current liabilities	109,121	144,446
Long-term liabilities	<u>24,028</u>	<u>-</u>
<b>Total Liabilities</b>	<u>133,149</u>	<u>144,446</u>
<b>Net Position</b>		
Restricted	<u>2,201,752</u>	<u>5,978</u>
<b>Total Net Position</b>	<u>\$ 2,201,752</u>	<u>\$ 5,978</u>

**Summary Statement of Activities**

	<u>2025</u>	<u>2024</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ -	\$ 140,000
Operating grants and contributions	3,654,723	460,256
General revenues		
Investment earnings	<u>92,211</u>	<u>-</u>
<b>Total Revenues</b>	<u>3,746,934</u>	<u>600,256</u>
<b>Expenses</b>		
Economic development	<u>1,551,160</u>	<u>594,278</u>
<b>Total Expenses</b>	<u>1,551,160</u>	<u>594,278</u>
<b>Increase in Net Position</b>	2,195,774	5,978
<b>Net Position, Beginning</b>	<u>5,978</u>	<u>-</u>
<b>Net Position, Ending</b>	<u>\$ 2,201,752</u>	<u>\$ 5,978</u>

The increase of overall net position is the result of increased funding from the City of Dallas in excess of expenditures.

**City of Dallas Economic Development Corporation  
A Component Unit of the City of Dallas, Texas  
Management's Discussion and Analysis (Unaudited)  
For the Year Ended September 30, 2025**

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***Economic Factors and Future Outlook***

Presently, the Dallas EDC is not aware of any significant changes in conditions or events that would have a significant effect on the revenues, expenditures, or operations in the near future.

***Request for Information***

This financial report is designed to provide citizens and taxpayers with a general overview of the Dallas EDC's finances and to reflect the Dallas EDC's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Dallas EDC's administrator at 1401 Elm Street, Ste. 500, Dallas, TX 75202.

**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
**Statement of Net Position**  
**September 30, 2025**

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**ASSETS**

Cash, cash equivalents, and deposits	\$ 1,800,836
Accounts receivable	502,867
Prepaid expenses	<u>31,198</u>

**Total Assets** 2,334,901

**LIABILITIES**

Accounts payable	46,791
Accrued expenses and other liabilities	62,330
Due in more than one year	
Compensated absences	<u>24,028</u>

**Total Liabilities** 133,149

**NET POSITION**

Restricted for economic development	<u>2,201,752</u>
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**Total Net Position** \$ 2,201,752

**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
**Statement of Activities**  
**For the Year Ended September 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental Activities</b>					
Economic development	\$ 1,551,160	\$ -	\$ 3,654,723	\$ -	\$ 2,103,563
<b>Total Governmental Activities</b>	<u>\$ 1,551,160</u>	<u>\$ -</u>	<u>\$ 3,654,723</u>	<u>\$ -</u>	<u>\$ 2,103,563</u>
		<b>General Revenues</b>			
				Investment earnings	92,211
		<b>Total General Revenues</b>			<u>92,211</u>
		<b>Change in Net Position</b>			2,195,774
		<b>Net Position, Beginning</b>			<u>5,978</u>
		<b>Net Position, Ending</b>			<u>\$ 2,201,752</u>

**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
**Governmental Fund Balance Sheet**  
**September 30, 2025**

**ASSETS**

Cash, cash equivalents, and deposits	\$ 1,800,836
Accounts receivable	502,867
Prepaid expenses	31,198

**Total Assets**

\$ 2,334,901

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE**

**Liabilities**

Accounts payable	\$ 46,791
Accrued expenses and other liabilities	62,330

**Total Liabilities**

109,121

**Deferred Inflows of Resources**

Unavailable revenue – grants and contributions	250,000
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**Total Deferred Inflows of Resources**

250,000

**Total Liabilities and Deferred Inflows of Resources**

359,121

**Fund Balance**

Nonspendable	
Prepaid expenses	31,198
Restricted	
Economic development	1,944,582

**Total Fund Balance**

1,975,780

**Total Liabilities, Deferred Inflows of Resources, and Fund Balance**

\$ 2,334,901

**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
**Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of**  
**Net Position**  
**September 30, 2025**

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<b>Fund Balance of Governmental Fund</b>	\$ 1,975,780
<p>Amounts reported for governmental activities in the statement of net position are different because</p>	
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.</p>	250,000
<p>Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental fund financial statements.</p> <p>Long-term liabilities consist of</p> <p style="padding-left: 20px;">Compensated absences payable</p>	<p><u>(24,028)</u></p>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 2,201,752</u></u></b>

**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
**Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended September 30, 2025**

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<b>Revenues</b>	
City contributions	\$ 3,104,723
Grant income	300,000
Interest income	92,211
	<hr/>
<b>Total Revenues</b>	<b>3,496,934</b>
	<hr/>
<b>Expenditures</b>	
Economic development	1,527,132
	<hr/>
<b>Total Expenditures</b>	<b>1,527,132</b>
	<hr/>
<b>Excess of Revenues Over Expenditures</b>	<b>1,969,802</b>
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<b>Change in Fund Balance</b>	<b>1,969,802</b>
	<hr/>
<b>Fund Balance, Beginning</b>	<b>5,978</b>
	<hr/>
<b>Fund Balance, Ending</b>	<b>\$ 1,975,780</b>
	<hr/> <hr/>

**City of Dallas Economic Development Corporation  
A Component Unit of the City of Dallas, Texas  
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in  
Fund Balance to the Government-Wide Statement of Activities  
For the Year Ended September 30, 2025**

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<b>Net Change in Fund Balance – Governmental Fund</b>	\$ 1,969,802
<p>Amounts reported for <i>governmental activities</i> in the  the statement of activities are different because</p>	
<p>Certain revenues in the statement of activities that do not  provide current financial resources are not reported as  revenue in the governmental funds. This amount is the  net change in deferred inflows of resources.</p>	250,000
<p>Some expenses reported in the statement of activities do not  require the use of current financial resources and, therefore,  are not reported as expenditures in the governmental funds.  This is the net change in these items:</p>	
<p style="padding-left: 20px;">Compensated absences</p>	<u>(24,028)</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 2,195,774</u></u>

## **Note 1. Financial Reporting Entity**

On January 19, 2022, the City Council of the City of Dallas, Texas (City) passed and approved Resolution No. 22-0168 approving and authorizing the creation of the City of Dallas Economic Development Corporation (Dallas EDC) to support and enhance the work of the City of Dallas Office of Economic Development by assisting with marketing for business development and serving as a public developer on authorized projects. The boundaries of the Dallas EDC are entirely located within the City.

The Dallas EDC is a separate autonomous entity governed by a 15-member board of directors appointed as prescribed in the Bylaws. The Dallas EDC is a discretely presented component unit of the City and the Dallas EDC's financial statements are not intended to present fairly the financial position of the City. The Dallas EDC has no component units or fiduciary funds in its reporting entity.

## **Note 2. Summary of Significant Accounting Policies**

The significant accounting policies followed in the preparation of these financial statements are summarized below. The policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

### ***Basis of Presentation***

The Dallas EDC's basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all of the activities of the Dallas EDC. The Dallas EDC has one governmental fund.

### ***Measurement Focus and Basis of Accounting***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when the liability has matured and payment is due.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

### ***Cash, Cash Equivalents, and Deposits***

Cash received by the Dallas EDC is deposited with a financial institution in either an interest-bearing checking account, an interest-bearing savings account, or certificates of deposit.

### ***Accounts Receivable***

Accounts receivable include Dallas EDC revenues for the current fiscal period that have not yet been remitted to the Dallas EDC. The Dallas EDC does not provide an allowance for uncollectible accounts, as receivable amounts are expected to be collected in full shortly after period-end.

**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
**Notes to Financial Statements**  
**September 30, 2025**

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***Prepaid Expenses***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

***Compensated Absences***

It is the policy of the Dallas EDC to permit employees to accumulate earned but unused paid time off in accordance with their length of service with the Dallas EDC. The Dallas EDC's policy is that leave earned in the current period is used before leave earned in prior periods. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at the statement of net position date plus an additional amount for salary-related payments such as social security and Medicare taxes computed using rates in effect at that date. Upon separation, any accumulated unused paid time off will be paid to the employee up to the amount available at time of separation.

***Fund Balance/Net Position***

Fund balance/net position represents the difference between assets, liabilities, and deferred inflows of resources (fund level only). Fund balance/net position is reported as restricted as there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by laws or regulations of other governments. Fund balances classified as nonspendable include amounts that cannot be spent because they are not in a spendable form.

***Net Position/Fund Balance Flow Assumption***

It is the Dallas EDC's policy to consider restricted net position/fund balances to have been depleted before unrestricted net position/fund balances are applied.

***Revenues, Expenditures, and Other Financing Sources (Uses)***

Revenues are those cash inflows that are generated directly from the primary activity of the Dallas EDC. Expenditures are the necessary costs incurred to provide the service that is the primary activity of the Dallas EDC. All revenues and expenditures not meeting this definition are reported as other financing sources (uses), if applicable.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***Income Taxes***

The Dallas EDC is a governmental entity and is exempt from all federal and state income taxes.

**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
**Notes to Financial Statements**  
**September 30, 2025**

**Note 3. Cash, Cash Equivalents, and Deposits**

Cash, cash equivalents, and deposits consisted of the following as of September 30, 2025:

Operating account	\$ 26,492
Money market accounts	524,349
Certificates of deposit	<u>1,249,995</u>
 Total cash, cash equivalents, and deposits	 <u><u>\$ 1,800,836</u></u>

***Custodial Credit Risk – Deposits***

This is the risk that in the event of a bank failure, the Dallas EDC’s deposits may not be returned. The Dallas EDC’s demand deposits, money market accounts, and certificates of deposit and bank balance was \$1,800,836. For the year ended September 30, 2025, bank balances (for all accounts) did not exceed Federal Depository Insurance Corporation (FDIC) insurance limits of \$250,000.

**Note 4. Long-Term Obligations**

The following is a summary of long-term obligation transactions for the Dallas EDC for the year ended September 30, 2025:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences*	\$ -	\$ 24,028	\$ -	\$ 24,028	\$ -
	<u>\$ -</u>	<u>\$ 24,028</u>	<u>\$ -</u>	<u>\$ 24,028</u>	<u>\$ -</u>

\*The change in the accrued compensated absences is presented as a net amount.

**Note 5. City of Dallas Contribution/Commitment**

The Dallas EDC was created by the City for the purposes of aiding and assisting the City by engaging in economic development activities. As part of this purpose, the City has appropriated/allocated up to \$7,000,000 in its general fund revenues for the purpose of supporting the operations of the Dallas EDC. Upon the submission of the annual budget by the Dallas EDC, the City will then provide funding through the Dallas EDC’s submission of a funding request, which is comparable to the Dallas EDC’s budgeted expenditures for the fiscal year.

**City of Dallas Economic Development Corporation**  
**A Component Unit of the City of Dallas, Texas**  
**Notes to Financial Statements**  
**September 30, 2025**

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The table below shows the remaining commitment on the part of the City as of September 30, 2025:

Funds committed from the City of Dallas	\$ 7,000,000
Dallas EDC expenses paid by the City EDC Fund	(812,986)
Funds disbursed to EDC – July 1, 2024 – September 30, 2024	(460,256)
Funds disbursed to EDC – October 1, 2024 – September 30, 2025	<u>(3,104,723)</u>
Funds remaining, end of period	<u><u>\$ 2,622,035</u></u>