Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary

Consolidated Financial Statements
and Supplementary Information

July 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Dallas, Texas

Opinion

We have audited the accompanying consolidated financial statements of Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of July 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 financial position of Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary as of July 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Dallas Center for the Performing Arts Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 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 Dallas Center for the Performing Arts Foundation, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Dallas Center for the Performing Arts Foundation, Inc.'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 Dallas Center for the Performing Arts Foundation, Inc.'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 information on pages 29 - 30 is presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Armanino LLP

Armanino LLP
Dallas, Texas

February 12, 2024

Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Consolidated Statements of Financial Position
July 31, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 1,074,247	$ 7,243,681
Cash held for capital designated net assets program	3,568,271	5,048,443
Certificates of deposit	8,000,000	-
Contributions and grants receivable, net	2,005,806	2,090,030
Accounts and other receivables, net	1,563,471	1,922,875
Prepaid expenses and other assets	1,134,313	444,158
Investments held for endowment, at fair value	15,088,272	14,464,128
Property and equipment, net	5,635,590	3,420,557
Right of use asset, net	172,462,503	178,970,522
Total assets	$ 210,532,473	$ 213,604,394
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable, accrued and other liabilities	$ 6,988,341	$ 3,875,712
Deferred revenue	4,688,818	2,968,441
Agency funds	695,897	1,529,716
Deferred sponsorship agreements	9,157,461	8,725,384
Bank redemption note	39,360,000	37,460,000
Bonds payable, net	15,183,630	18,561,426
Total liabilities	76,074,147	73,120,679
Net assets		
Without donor restrictions		
Operating	(1,067,505)	(2,229,397)
Capital	(52,590,373)	(51,605,458)
Total without donor restrictions	(53,657,878)	(53,834,855)
With donor restrictions	188,116,204	194,318,570
Total net assets	134,458,326	140,483,715
Total liabilities and net assets	$ 210,532,473	$ 213,604,394

Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Consolidated Statement of Activities
For the Year Ended July 31, 2023

	Without Donor Restrictions				
	Operating	Capital	Total	With Donor Restrictions	Total
Revenue, gains and other support					
Programming	$ 4,578,715	$ -	$ 4,578,715	$ -	$ 4,578,715
Education and community	561,748	-	561,748	-	561,748
Facility	2,341,451	-	2,341,451	-	2,341,451
City of Dallas	2,676,765	1,500,000	4,176,765	-	4,176,765
Service	4,668,499	-	4,668,499	-	4,668,499
Sponsorships	4,039,028	-	4,039,028	-	4,039,028
Contributions and grants	3,372,250	-	3,372,250	136,994	3,509,244
Contributions released from restriction	436,711	6,508,019	6,944,730	(6,944,730)	-
Investment income, net	280,868	-	280,868	1,030,863	1,311,731
Net assets released from restriction	425,493	-	425,493	(425,493)	-
Total revenue, gains and other support	23,381,528	8,008,019	31,389,547	(6,202,366)	25,187,181
Functional expenses					
Program services					
Programming	6,899,527	11,204	6,910,731	-	6,910,731
Education & community engagement	619,643	-	619,643	-	619,643
Facility	5,137,546	8,518,785	13,656,331	-	13,656,331
Service	2,902,661	28,889	2,931,550	-	2,931,550
Total program services	15,559,377	8,558,878	24,118,255	-	24,118,255
Management & general	5,110,331	433,170	5,543,501	-	5,543,501
Fundraising	1,549,928	886	1,550,814	-	1,550,814
Total functional expenses	22,219,636	8,992,934	31,212,570	-	31,212,570
Change in net assets	1,161,892	(984,915)	176,977	(6,202,366)	(6,025,389)
Net assets (deficit), beginning of year	(2,229,397)	(51,605,458)	(53,834,855)	194,318,570	140,483,715
Net assets (deficit), end of year	$ (1,067,505)	$ (52,590,373)	$ (53,657,878)	$188,116,204	$134,458,326

The accompanying notes are an integral part of these consolidated financial statements.

Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Consolidated Statement of Activities
For the Year Ended July 31, 2022

	Without Donor Restrictions				
	Operating	Capital	Total	With Donor Restrictions	Total
Revenues, gains (losses) and other support					
Programming	$ 4,307,867	$ -	$ 4,307,867	$ -	$ 4,307,867
Education and community	331,798	-	331,798	-	331,798
Facility	2,182,311	-	2,182,311	-	2,182,311
City of Dallas	2,557,085	1,500,000	4,057,085	-	4,057,085
Service	3,632,654	-	3,632,654	-	3,632,654
Sponsorships	3,621,423	-	3,621,423	-	3,621,423
Shuttered Venue Operators grant	2,827,960	-	2,827,960	-	2,827,960
Contributions and grants	2,688,570	-	2,688,570	213,070	2,901,640
Contributions released from restriction	1,090,209	6,508,019	7,598,228	(7,598,228)	-
Investment income (loss), net	15,612	160	15,772	(1,726,062)	(1,710,290)
Net assets released from restriction	450,206	-	450,206	(450,206)	-
Total revenues, gains (losses) and other support	23,705,695	8,008,179	31,713,874	(9,561,426)	22,152,448
Functional expenses					
Program services					
Programming	6,560,664	11,204	6,571,868	-	6,571,868
Education & community engagement	479,370	-	479,370	-	479,370
Facility	4,413,098	7,871,732	12,284,830	-	12,284,830
Service	2,577,208	35,426	2,612,634	-	2,612,634
Total program services	14,030,340	7,918,362	21,948,702	-	21,948,702
Management & general	3,944,772	89,807	4,034,579	-	4,034,579
Fundraising	1,213,505	-	1,213,505	-	1,213,505
Total functional expenses	19,188,617	8,008,169	27,196,786	-	27,196,786
Change in net assets	4,517,078	10	4,517,088	(9,561,426)	(5,044,338)
Net assets (deficit), beginning of year	(6,746,475)	(51,605,468)	(58,351,943)	203,879,996	145,528,053
Net assets (deficit), end of year	$ (2,229,397)	$ (51,605,458)	$ (53,834,855)	$194,318,570	$140,483,715

The accompanying notes are an integral part of these consolidated financial statements.

Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended July 31, 2023

	Program Services				Support Services		
	Programming	Education & Community Engagement	Facility	Service	Management & General	Fundraising	Total
Payroll, benefits and staffing	$ 731,744	$ 255,820	$ 2,291,806	$ 798,039	$ 2,935,376	$ 922,757	$ 7,935,542
Professional and contracted services	448,401	118,398	-	671,827	565,933	200,000	2,004,559
Facility and equipment maintenance	277,242	39,519	2,170,135	943,643	55,150	1,743	3,487,432
Occupancy and leasing costs	-	-	1,000	78,741	331,160	-	410,901
Marketing, social media and sales	743,580	154,318	1,540	512	99,145	274,247	1,273,342
Travel and administrative	279,515	11,009	64,383	206,955	1,512,921	77,842	2,152,625
Performance costs	4,018,930	40,579	608,682	202,944	-	71,670	4,942,805
In-kind	-	-	-	-	-	2,555	2,555
Depreciation and amortization	11,204	-	268,256	28,889	43,816	-	352,165
Interest and financing costs	-	-	1,742,510	-	-	-	1,742,510
Amortization of right of use asset	-	-	6,508,019	-	-	-	6,508,019
Grants to supported organizations	400,115	-	-	-	-	-	400,115
	$ 6,910,731	$ 619,643	$ 13,656,331	$ 2,931,550	$ 5,543,501	$ 1,550,814	$ 31,212,570

The accompanying notes are an integral part of these consolidated financial statements.

Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended July 31, 2022

	Program Services				Support Services		
	Programming	Education & Community Engagement	Facility	Service	Management & General	Fundraising	Total
Payroll, benefits and staffing	$ 579,221	$ 226,450	$ 1,873,604	$ 710,792	$ 2,319,907	$ 634,769	$ 6,345,882
Professional and contracted services	236,767	135,643	-	304,684	311,256	200,000	1,263,072
Facility and equipment maintenance	342,951	18,446	1,954,131	953,388	47,618	9,006	3,131,306
Occupancy and leasing costs	-	-	-	76,998	306,392	-	383,391
Marketing, social media and sales	999,026	58,627	1,958	4,064	85,079	265,489	1,501,039
Travel and administrative	318,750	31,990	126,294	415,425	905,369	71,020	1,575,610
Performance costs	3,633,949	8,214	434,963	111,857	-	33,221	4,547,019
Depreciation and amortization	11,204	-	224,905	35,426	58,958	-	330,493
Interest and financing costs	-	-	1,160,956	-	-	-	1,160,955
Amortization of right of use asset	-	-	6,508,019	-	-	-	6,508,019
Grants to supported organizations	450,000	-	-	-	-	-	450,000
	$ 6,571,868	$ 479,370	$ 12,284,830	$ 2,612,634	$ 4,034,579	$ 1,213,505	$ 27,196,786

The accompanying notes are an integral part of these consolidated financial statements.

Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Consolidated Statements of Cash Flows
For the Years Ended July 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ (6,025,389)	$ (5,044,338)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	352,165	330,493
Amortization of debt issuance costs	22,204	21,647
Amortization of right of use asset	6,508,019	6,508,019
Net realized and unrealized (gains) losses from investments	(760,699)	1,989,461
Capital contributions	-	(200,000)
Changes in operating assets and liabilities		
Contributions and grants receivable, net	(15,776)	166,906
Accounts and other receivables, net	359,404	(482,732)
Prepaid expenses and other assets	(690,155)	(136,369)
Accounts payable, accrued and other liabilities	3,112,629	520,333
Deferred revenue	1,720,377	6,941
Agency funds	(833,819)	270,370
Deferred sponsorship agreements	432,077	(1,232,923)
Net cash provided by operating activities	4,181,037	2,717,808
Cash flows from investing activities		
Purchases of investments	(6,114,029)	(3,469,502)
Proceeds from sale of investments	6,250,584	3,657,258
Purchases of certificates of deposits	(8,000,000)	-
Purchases of property and equipment	(2,567,198)	(2,467,368)
Net cash used in investing activities	(10,430,643)	(2,279,612)
Cash flows from financing activities		
Payments on bonds issued	(1,500,000)	(1,500,000)
Cash received for long term purposes	100,000	717,276
Net cash used in financing activities	(1,400,000)	(782,724)
Net decrease in cash, cash equivalents and designated cash	(7,649,606)	(344,528)
Cash, cash equivalents and designated cash, beginning of year	12,292,124	12,636,652
Cash, cash equivalents and designated cash, end of year	$ 4,642,518	$ 12,292,124

The accompanying notes are an integral part of these consolidated financial statements.

Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Consolidated Statements of Cash Flows
For the Years Ended July 31, 2023 and 2022

	2023	2022
Cash, cash equivalents and designated cash consisted of the following:		
Cash and cash equivalents	$ 1,074,247	$ 7,243,681
Cash held for capital designated net assets program	3,568,271	5,048,443
	$ 4,642,518	$ 12,292,124

Supplemental disclosure of cash flow information

	2023	2022
Cash paid during the year for interest	$ 443,213	$ 59,147

Supplemental schedule of noncash investing and financing activities

	2023	2022
Issuance of redemption note	$ 1,900,000	$ 2,370,000
Payments on bonds issued	$ (1,900,000)	$ (2,370,000)

1. NATURE OF OPERATIONS

Dallas Center for the Performing Arts Foundation, Inc. (the "Foundation") is an independent not-for-profit foundation established to construct and to operate a performing arts center (AT&T Performing Arts Center or the "Center") in the Dallas Arts District. The Center consists of the Margot and Bill Winspear Opera House, a 2,200 seat opera house; the Dee and Charles Wyly Theatre, a 575 seat theatre; Annette Strauss Artist Square, an outdoor amphitheater that holds 2,500 people; the Elaine D. and Charles A. Sammons Park, a 10 acre urban park; a separate 1,366 square feet Center Cafe building; and two underground parking areas, Lexus Red Parking and Lexus Silver Parking, that hold in excess of 850 cars. The Center was completed in 2013 and opened to the public, marking the completion of the Center construction. The venues are operated under the name of the AT&T Performing Arts Center.

Our Purpose	**Our Vision**	**Our Mission**
Shape the stage for life to thrive in Dallas	To be a catalyst for imaginative excellence that enables economic and artistic growth in Dallas	We are a vibrant cultural hub that provides, operates, and activates exceptional spaces for artists, artistic organizations, and our community

Our Commitments

- *Operate responsibly:* Serve as dutiful steards for our campus and sustainably fulfill our mission
- *Value artists:* Bring innovative, relevant and distinctive performances to our spaces and ensure the success of our Resident Companies and partners
- *Care for our communities:* Be a leader in arts advocacy; listen to, empower, and uplift our artists, artistic organizations, and communities
- *Deliver quality*: Ensure every aspect of the customer experience is enriching, impactful, and memorable
- *Inspire the next generation:* Cultivate the future of arts through impactful arts education and community engagement programs
- *Be inclusive:* Welcome and celebrate the histories, identities, and experiences of our audiences
- *Energize the city:* Strengthen the vibrancy of the Dallas Arts District and make Dallas a better place

1. NATURE OF OPERATIONS (continued)

Dallas Center for the Performing Arts Endowment, Inc. (the "Endowment") is an independent not-for-profit charitable trust established to support and benefit the Dallas Center for the Performing Arts Foundation and small arts organizations that perform or display arts in the City of Dallas. The Endowment was founded in 2017 with a gift from the Moody Foundation, which created the Moody Fund for the Arts within the Endowment. The fund's purpose is to provide flexible grants designed to supply a source of funding to emerging artists and innovative arts organizations in Dallas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The accompanying consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The consolidated financial statements include the assets, liabilities, net assets and changes in net assets, and cash flows of the Foundation and the Endowment. The Endowment was organized in 2017 under the laws of the state of Texas as a supporting organization of the Foundation. The Endowment is included with the Foundation in the accompanying consolidated financial statements because the Foundation has an economic interest in the organization and controls the affiliated organization's Board of Directors. All significant inter-organization transactions have been eliminated. The Foundation and the Endowment are collectively referred to as the "Foundation" throughout these consolidated financial statements.

Net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor-imposed restrictions. The Foundation's governing board may designate net assets without restrictions for specific purposes (see Note 9).
- *Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions can also include the portion of donor-restricted endowment funds that are not required to be maintained in perpetuity, until such funds are appropriated for expenditure by the Foundation. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed or when the stipulated purpose for which the resource was restricted has been fulfilled.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

Revenues are reported as increases in net assets without donor restrictions unless use of related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions. Expirations of donor-imposed restrictions are reported as net assets released from restrictions. Contributions with restrictions received and expended in the same fiscal year are recorded as net assets without restrictions.

Cash and cash equivalents

At July 31, 2023 and 2022, cash and cash equivalents consists of cash on hand and all highly liquid investments with an initial maturity of three months or less from the date of purchase. Cash and cash equivalents are reported at cost which approximates fair value.

Certificates of deposit

Certificates of deposits are recorded as cost plus accrued interest and have a maturity of three months or more. Certificates of deposit are not included in the fair value hierarchy as they are carried at cost and not fair value.

Investments and investment income

The Foundation records investments in marketable securities at fair value. Fluctuations are recorded in the period in which they occur by adjusting the carrying value of such investments and recognizing a net unrealized gain or loss. Realized gains and losses are recognized in the period in which they are earned or incurred. Interest income is recorded as earned. Gain or loss on investments is reported in net assets without donor restrictions unless its use is restricted by explicit donor stipulation or by the law.

Fair value measurements

The Foundation currently records investments in marketable securities at fair value. The Foundation applies the U.S. GAAP authoritative guidance for fair value measurements and disclosures, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. U.S. GAAP describes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted market prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information.

Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

Level 3 - Unobservable inputs that are supported by little or no market activity, are significant to the fair value of the assets or liabilities and reflect management's assumptions and best estimates based on available data.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. All investments for the years ended July 31, 2023 and 2022 are held at level one per the fair value hierarchy.

Accounts and other receivables

Other receivables consist of amounts owed from customers and are included on the accompanying statements of financial position at the original invoice amount less an allowance made for doubtful accounts. Management determines the amount of the allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information, existing economic conditions, and by identifying troubled accounts. Based on the information available, the Foundation believes the allowance for doubtful accounts of approximately $2,000 and $7,000, respectively, at July 31, 2023 and 2022 is adequate. Historically, the Foundation has not experienced significant losses on other receivables.

Property and equipment

Expenditures for property and equipment are stated at cost or, if donated, at their estimated fair value at the date of donation. Such donations are recorded as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when donated or acquired assets are placed in service.

The Foundation capitalizes property and equipment with a cost greater than $5,000 and a useful life of greater than one year. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

Furniture, equipment, and software	3 - 15 years
Leasehold improvements	5 - 40 years

The Foundation reviews the carrying value of long-lived assets to determine if facts and circumstances suggest that they may be impaired or that the depreciation or amortization period may need to be changed. The Foundation does not believe there are any indicators that would require an adjustment of the carrying value of its long-lived assets or their remaining useful lives at July 31, 2023 or 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Facility lease

On December 15, 2005, the Foundation entered into agreements with The City of Dallas (the "City") for the use of certain parcels of land and together with any permanent buildings and other improvements thereafter erected on the land, collectively referred to as the "Premises".

The initial term of the lease is 40 years, commencing on the date of the certificate of occupancy for the Premises and expiring on the last day of the month in which the 40 year anniversary occurs. The City granted the Foundation the right and option to renew and extend the term for 5 consecutive renewal terms of 10 years each. The annual base rent for the initial term is $1,000 and the same rent will be due for each renewal term.

The Foundation received this promise to use, manage and operate the Premises during the term beginning January 29, 2010 and the City retains legal title to the land, building and improvements. The fair value of the Premises at inception was approximately $260,321,000 and is being amortized (approximately $6,508,000 in 2023 and 2022) over the remaining expected term of the lease of 40 years. The amortization is included in net assets released from restrictions and as part of facility expenses. The initial fair value of the Premises, net of accumulated amortization, is classified as right of use asset and net assets with donor restrictions in the accompanying consolidated statements of financial position.

Agency funds

The Foundation is the recipient of certain contributions or ticket sales receipts for which it is not the beneficiary. Accordingly, the proceeds collected from these activities are included in the accompanying consolidated statements of financial position included in cash and cash equivalents with a corresponding liability.

Bond issuance costs

In accordance with the accrual basis of accounting, bond issuance costs that are attributable to loans with an expected maturity of one year or less are expensed immediately. Bond issuance costs associated with loans having terms in excess of one year are capitalized and amortized to interest expense using the straight-line method over the term of the loan. Unamortized bond issuance costs are a direct deduction from bonds payable on the accompanying consolidated statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and contributions receivables

The Foundation recognizes contributions when they are received or unconditionally pledged and records these amounts as net assets without donor restrictions or net assets with donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Contributions expected to be collected within one year are reported at their net realizable value. Contributions that are promised in one year but are not expected to be collected until after the end of the year are discounted to present value of estimated future cash flows using a discounted rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. The Foundation records an allowance for doubtful accounts which is estimated based on management's analysis of the specific contributions receivable, in addition to a reserve based on historical collection experience, type of contribution, and nature of the fund-raising activity.

Conditional promises to give are not included as revenue or contributions receivable until such time as the barriers and right of release/return have been overcome. The Foundation received various conditional promises to give which depend on the occurrence of future events that will bind the donor to pay on a particular date. Due to the uncertainty of the occurrence of the events, the contributions will not be recorded until the conditions are substantially met. The Foundation had $3,700,000 and $3,800,000 at July 31, 2023 and 2022, of conditional promises to give upon settlement of the donor's estate or upon certain funding commitments related to the capital campaign. In addition, the cumulative matching bond redemption note, referenced in Note 7, is considered a conditional contribution as of July 31, 2023 and 2022.

Revenue recognition, deferred revenue and deferred sponsorship agreements

The Foundation generates revenue and support from multiple sources. Revenue is recognized when earned. Programming generates revenue from the sale of tickets to scheduled shows and special events held at the Center and other venues. Education and community programs revenue primarily consists of ticket sales, commissions and parking fees. The Foundation receives revenue per an agreement with the City of Dallas for operating and maintenance expenses and additionally receives revenues for the Foundation offering and implementing programs as outlined by the City of Dallas. Facility revenue includes resident company office occupancy rental payments and rental income and other event fees collected from performances held at the Center. The Foundation also generates revenue from specific services including box office, parking, food and beverage, event rentals, and database administration.

Cash received related to performances or special events that have not occurred as of the end of the fiscal year are deferred. Such deferred revenue is subsequently recognized upon occurrence of the related performances or special events. Deferred revenue associated with specific shows or series of shows, including ticket sales, facility fees, and handling fees are recognized on an event basis in the month in which the show closes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition, deferred revenue and deferred sponsorship agreements (continued)

Sponsorship revenue not associated with a specific presentation or event is recognized according to the schedule in each sponsorship agreement and is generally time specific. Sponsorships related to a single show or event are recognized during the month of closure of the specific presentation or event. Series sponsorships are amortized on a pro-rata basis across the series. Sponsorship payments received before earned are recorded as a deferred sponsorship agreement liability until earned.

Sponsorship arrangements

The Foundation has entered into several multi-year sponsorship agreements. In fiscal years 2023 and 2022, approximately $4,039,000 and $3,621,000, respectively, was recognized as revenue under the various agreements. The sponsorship agreements require certain annual performance standards including signage, program recognition, tickets and parking. The agreements also include termination provisions and, in one agreement, a refund obligation for funds already received in the approximate amount of $9,157,000 and $8,725,000 at July 31, 2023 and 2022, respectively, if the agreement is terminated which is included in deferred sponsorship agreements on the accompanying consolidated statements of financial position. At July 31, 2023 and 2022, the Foundation has approximately $700,000 and $1,400,000 respectively, as committed considerations from the sponsorship agreements that is expected to be collected over the remainder of the agreement.

Donated goods and services

Donated goods are recorded at their estimated fair value when received. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing these skills and would typically need to be purchased if not provided by donation. During the year ended July 31, 2023, the Foundation received donated goods and services with a recorded fair value of $2,555. Such donated goods and services are included within contribution revenue in the accompanying statements of activities and in-kind expense in the accompanying statements of functional expenses. There were no such donations for the year ended July 31, 2022.

Functional allocation of expenses

The costs, including depreciation and amortization expense, of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidated statements of activities. The consolidated statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related payroll expenses are recorded based on actual segregation of personnel by program or supporting services benefited. Depreciation is booked based on the assets location and purpose.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising costs

The Foundation uses advertising to promote its programs. The production costs of advertising are expensed as incurred and include direct media, promotional items, and advertising contracts for public relations development. For the years ended July 31, 2023 and 2022, advertising costs were approximately $850,000 and $1,121,000, respectively. These expenses are included in marketing, social media, and sales expenses in the accompanying consolidated statements of functional expenses.

Income taxes

The Foundation has been recognized by the Internal Revenue Service as a nonprofit corporation exempt from federal income tax on its income, under Section 501(c)(3) of the Internal Revenue Code. The Foundation does not believe there are any material uncertain tax positions and accordingly, it will not recognize any liability for unrecognized tax benefits. For the years ended July 31, 2023 and 2022, there were no interest or penalties recorded or included in the consolidated financial statements. The Foundation is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding accounting for uncertainty in income taxes will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof.

Change in accounting principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842). This standard requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet. The Foundation adopted this guidance effective August 1, 2022, using the modified retrospective approach, which eliminated the requirement to restate amounts presented prior to August 1, 2022. The Foundation implemented the standard and concluded that the value of its lease asset and liability obligations under the standard are not material to the consolidated financial statements to disclosed.

Subsequent events

The Foundation has evaluated subsequent events after the consolidated statement of financial position date of July 31, 2023 through February 12, 2024, the date the consolidated financial statements were available to be issued and has determined there are no additional adjustments and/or disclosures required.

3. LIQUIDITY AND FUNDS AVAILABLE

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

Financial assets:	
Cash and cash equivalents	$ 1,074,247
Cash held for capital designated net assets program	3,568,271
Certificates of deposit	8,000,000
Contributions and grants receivable, net	2,005,806
Accounts and other receivables, net	1,563,471
Investments held for endowment, at fair value	15,088,272
	31,300,067
Less amounts unavailable for general expenditure within one year:	
Original donor-restricted endowment gift amount and amounts required to be maintained in perpetuity by donor	(12,600,000)
Unexpended endowment earnings on donor-restricted endowment	(2,462,390)
Cash held for capital designated net assets program due in greater than one year	(1,147,449)
Contributions and grants receivable, net due in greater than one year	(1,867,653)
Other donor restricted funds	(466,311)
	(18,543,803)
	$ 12,756,264

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable, net consisted of the following:

	2023	2022
Less than one year	$ 138,153	$ 134,372
One to five years	2,000,000	1,500,000
More than five years	-	500,000
	2,138,153	2,134,372
Less: discounts to net present value	(132,347)	(44,342)
	(132,347)	(44,342)
	$ 2,005,806	$ 2,090,030

4. CONTRIBUTIONS RECEIVABLE (continued)

Unconditional promises to give are primarily from individuals and corporations located in or near Dallas, Texas, and are reflected at present value of estimated future cash flows using a discount rate of 2.58%, as of both July 31, 2023 and 2022.

5. INVESTMENTS HELD FOR THE ENDOWMENT, AT FAIR VALUE

Investments held for endowment, at fair value, consisted of the following level one investments:

	2023	2022
Bond mutual funds		
US fixed income	$ 4,653,881	$ 4,241,192
Equity mutual funds		
US large cap equity	5,699,058	6,168,980
US mid cap equity	578,578	379,761
US small cap equity	100,603	130,899
EAFE equity	992,166	1,096,778
European large cap equity	768,674	367,034
Japanese large cap equity	603,441	305,513
Asia ex-Japan equity	188,488	279,024
Emerging market equity	1,088,048	998,228
Global equity	243,365	128,486
	10,262,421	9,854,703
Cash and cash equivalents held for investments	171,970	368,233
	$ 15,088,272	$ 14,464,128

6. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following:

	2023	2022
Furniture, equipment and software	$ 15,232,714	$ 12,568,344
Leasehold improvements	419,855	419,855
Work in progress	1,537,228	1,634,401
	17,189,797	14,622,600
Less: accumulated depreciation and amortization	(11,554,207)	(11,202,043)
	$ 5,635,590	$ 3,420,557

Depreciation expense for the years ended July 31, 2023 and 2022 were $352,165 and $330,493, respectively.

7. BONDS PAYABLE

In 2008 the Foundation issued $151,020,000 of variable rate, tax exempt demand bonds (the "2008 Bonds") payable to the Dallas Performing Arts Cultural Facilities Corporation. The proceeds were used to refund existing bonds payable and associated issuance costs. The 2008 Bonds mature on September 1, 2041, and bear interest at a weekly interest rate as determined by the remarketing agents. The interest rates on the outstanding bonds averaged 0.95% to 3.49% for Series 2008-A and 2008-B, respectively, at July 31, 2023 and 0.02% to 0.95% for Series 2008-A and 2008-B, respectively, at July 31, 2022.

The 2008 bonds are backed by letters of credit issued by financial institutions which originally expired on December 31, 2021. The Foundation and the Banks responsible for the letters of credit associated with the 2008 bonds reached an agreement on May 14, 2018 to restructure the terms of the outstanding debt. The restructuring amended dates for bonds' retirement and expiration of the letters of credit to December 31, 2025.

In December 2020, the Foundation reached an agreement on terms to amend the obligations of the Foundation to its financial institutions in connection with the 2008 Letter of Credit and Reimbursement Agreements. Under this amendment, the financial institutions have agreed to release the remaining Capital Campaign pledges from their security agreement and allow the Foundation to request that all these donors convert such outstanding pledges to operational cash. As the Foundation receives these pledges, the financial institutions will redeem the Series 2008-A Bonds and the Series 2008-B Bonds in an aggregate amount equal to the actual amount of the Capital Campaign pledges received and converted by the Foundation. The amount of such redemptions made by the Banks will not exceed $3,650,000 in the aggregate, or $1,825,000 for each Bank. Prior to finalizing the December 2020 Agreement, the donors provided their consent to allow the Foundation to convert the future Capital Campaign pledges into general operating proceeds.

Any redemptions made by the financial institutions under the new terms will be converted to indebtedness represented by the applicable Bank Redemption Note and applied against the amount of redemptions required to be made by the Foundation pursuant to the terms of the Reimbursement Agreements.

The Foundation is required to make minimum redemptions of bonds outstanding each year ending December 31. Beginning in 2018, the Foundation may draw upon a separate letter of credit issued by financial institutions enabling matching redemptions starting with those amounts redeemed by the Foundation after December 1, 2017, up to a cumulative amount of $48,620,000 as per the March 16, 2021 amended and restated Bond Redemption note. The balance of the letter of credit is reflected as a long-term liability which accrues interest at a rate of 2.85% per annum. In the event that the Foundation produces excess cash from operations or capital activities for the five-year period following the final bond redemption, this cash will be used to repay the accrued principal and interest on the note. At the end of the five-year period, any outstanding principal and interest remaining will be forgiven by the banks. The outstanding balance of the bank redemption note at July 31, 2023 and 2022 is $39,360,000 and $37,460,000, respectively.

7. BONDS PAYABLE (continued)

The Foundation's minimum redemption requirements and the financial institution's commitments to matching redemptions are detailed below:

Year ending July 31,	Foundation	Bank Commitment	Total
2024	$ 1,500,000	$ 1,600,000	$ 3,100,000
2025	1,500,000	2,600,000	4,100,000
2026	3,000,000	5,060,000	8,060,000
	$ 6,000,000	$ 9,260,000	$ 15,260,000

The total redemptions of the Bonds at July 31, 2023, were $135,760,000. The total remaining outstanding Bonds at July 31, 2023 is $15,260,000, net of unamortized debt issuance costs of $76,370.

The total redemptions of the Bonds at July 31, 2022 were $132,360,000. The total remaining outstanding Bonds at July 31, 2022 was $18,660,000, net of unamortized debt issuance costs of $98,574.

8. ENDOWMENT

The Foundation's endowment consists of numerous accounts established for a variety of purposes including donor-restricted endowment funds. The net assets of endowment funds are classified and reported based on the existence or absence of donor restrictions.

Interpretation of relevant law

The Board of Trustees of the Foundation has interpreted the Texas enacted version of the Uniform Prudent Management of Institutional Funds Act (Texas UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment in perpetuity, and (c) accumulations to the endowment explicitly requested to be held in perpetuity in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified within net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by Texas UPMIFA.

8. ENDOWMENT (continued)

Interpretation of relevant law (continued)

In accordance with Texas UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;

2. The purposes of the Foundation and the donor-restricted endowment fund;

3. General economic conditions;

4. The possible effect of inflation and deflation;

5. The expected total return from income and the appreciation of investments;

6. Other resources of the Foundation; and

7. The investment policies of the Foundation.

Return objectives and risk parameters

The Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the real purchasing power of the endowment. Endowment assets are invested to yield a level of return to meet the objectives of the fund while adhering to a prudent level of risk.

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual donation. Deficiencies of this nature are reported in net assets with donor restrictions. These deficiencies typically result from unfavorable market fluctuations that occur shortly after the investment of new contributions restricted in perpetuity and continued appropriation for certain programs deemed prudent by the Board. Subsequent gains that restore the fair value of assets of the endowment fund to the required level are classified as an increase in net assets with donor restrictions. No deficiencies of this nature exist in donor-restricted endowment funds as of July 31, 2023 and 2022.

8. ENDOWMENT (continued)

Spending policy and how investments objectives relate to spending policy

The Foundation has a policy for appropriating for distribution each year, if requested, up to 4.5% of its endowment fund's trailing twelve-quarter average of the endowment's total asset value, with the expectation that, over time, the total real return (return net of inflation) from investments will exceed the endowment's pay-out rate, thus allowing real growth of the endowment assets. The Moody endowment fund has a separate spending policy to appropriate for distribution each year up to 4% of a rolling twelve-quarter average of the fair market value of the endowment. In establishing this policy, the Foundation considered the long-term expected return on its investments' assets, the nature and duration of the individual endowment funds, which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Strategies employed for achieving objectives

The Foundation investment objective is to earn inflation-offsetting returns that preserve the real value of the assets and where possible earn enhanced returns to achieve the spending objectives of the operations supported by the endowments. The Endowment assets are invested in a diversified investment portfolio designed to achieve a balance of income and growth objectives within prudent risk constraints.

Endowment composition

Endowment net asset composition by type of fund is as follows as of July 31:

	2023	2022
Donor-restricted endowment funds:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 12,600,000	$ 12,600,000
Unexpended endowment earnings	2,462,390	1,857,020
	15,062,390	14,457,020
	$ 15,062,390	$ 14,457,020

8. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal years ended July 31, 2023 and 2022 is as follows:

	With Donor Restrictions
Balance, July 31, 2021	$ 16,633,288
Net realized and unrealized loss	(1,989,461)
Interest and dividends, net	263,399
Appropriation of endowment earnings	(450,206)
Balance, July 31, 2022	$ 14,457,020
Net realized and unrealized gains	759,945
Interest and dividends, net	270,918
Appropriation of endowment earnings	(425,493)
Balance, July 31, 2023	$ 15,062,390

9. DESIGNATED NET ASSET PROGRAM

Commencing July 2021, the Foundation's board of directors approved establishing a five-year Designated Net Asset Program (DNAP) in the amount of $5,065,273 to address the Foundation's highest priority capital maintenance projects. This unrestricted asset will be adjusted as the Foundation executes the capital projects. As of July 31, 2023 and 2022, there was $3,568,271 and $5,048,443, respectively, remaining in the DNAP. As the Foundation observes future or additional requirements, the DNAP can and will be adjusted to match the needs.

The annual five-year outlays are shown below:

Year ending July 31,	
2024	$ 2,420,822
2025	60,724
2026	262,570
2027	824,155
	$ 3,568,271

10. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions showed a deficit of $53,657,878 and $53,834,855, respectively, at July 31, 2023 and 2022. This deficit reflects the shortfall if all liabilities were immediately payable with existing net assets without donor restrictions. Furthermore, the deficit reflects the Foundation having transferred all facility assets to the City of Dallas, however having retained the bond debt associated with construction funding. Management believes the Foundation has sufficient funds to meet its current operating requirements as the bond principal payments are not due until maturity in 2041.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at July 31:

	2023	2022
Subject to the passage of time:		
Time restricted for specific use in future years	$ 125,000	$ 125,000
Right of use asset	172,462,503	178,970,522
	172,587,503	179,095,522
Subject to purpose restrictions:		
Bond redemptions	292,859	592,576
Other	173,452	173,452
	466,311	766,028
Subject to the Foundation's spending policy and appropriations:		
Investments in perpetuity (including amounts above original gift amount of $2,600,000), the income from which is expendable to support:		
Center maintenance	1,637,607	1,174,124
Center operations	890,831	833,790
Promotion of arts in the community	1,595,782	1,852,252
Moody Fund for the Arts	10,938,170	10,596,854
	15,062,390	14,457,020
	$ 188,116,204	$ 194,318,570

11. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction were as follows during the years ended July 31:

	2023	2022
Time restrictions expired	$ (125,000)	$ (125,000)
Purpose restrictions accomplished	(311,711)	(965,209)
Amortization of right of use asset	(6,508,019)	(6,508,019)
Appropriation of endowment earnings	(425,493)	(450,206)
	$ (7,370,223)	$ (8,048,434)

12. COMMITMENTS AND CONTINGENCIES

From time to time, the Foundation is subject to certain claims and contingent liabilities that arise in the normal course of business. After consultation with legal counsel, management is of the opinion that liabilities, if any, arising from such litigation and examinations would not have a material effect on the Foundation's financial position.

13. EMPLOYEE BENEFIT PLAN

The Foundation has a defined contribution employee benefit plan under Section 403(b) of the Internal Revenue Code. The Plan covers all eligible employees on the first day of employment. Each eligible employee may contribute to the plan. Matching contributions are given by the Foundation to each eligible participant and are based on the employee's contributions up to $4,000. The matching contribution percentage, determined by management of the Foundation, was fifty percent for 2023 and 2022, with a maximum matching contribution of $2,000. Employer matching contributions paid under this plan for the years ended July 31, 2023 and 2022 were $142,510 and $113,831,respectively.

14. CONCENTRATIONS AND CREDIT RISKS

The Foundation maintains its cash and cash equivalents in bank accounts which, at times, exceed federally insured limits. The Foundation has not experienced any such losses in such accounts and believes it is not exposed to significant credit risk on cash.

At July 31, 2023, contributions receivable from one donor equaled approximately 93% of the total contributions receivable. At July 31, 2022, contributions receivable from one donors equaled approximately 94% of the total contributions receivable. For the year ended July 31, 2022 one donor provided support to the Foundation which equaled approximately 10% of the total contributions. No such concentration existed for the year ended July 31, 2023.

14. CONCENTRATIONS AND CREDIT RISKS (continued)

Under an agreement with the City of Dallas ("the City"), the land and building of the Foundation are the property of the City and the City has granted the Foundation the use of the land and building at well below market cost through 2045. The Foundation records this lease as a right of use asset on the consolidated statement of financial position.

The City of Dallas revenue represents a grant from the City which is conditioned upon the Foundation organizing and presenting specific events. As of July 31, 2023 and 2022, the Foundation recognized $4,176,765 and $4,057,085, respectively, as the barriers the grant was conditioned upon were met.

15. RELATED PARTIES

Related parties include members of the Board of Directors and affiliated organizations they exercise significant control over. There were contributions receivable from related parties of approximately $2,291,000 and $1,276,000 respectively, at July 31, 2023 and 2022.

16. SHUTTERED VENUE OPERATORS GRANT

During the year ended July 31, 2021 the Foundation was granted and received $7,275,380 under the Shuttered Venue Operators Grant ("SVOG") program implemented by the SBA under the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and amended by the American Rescue Plan Act. The SVOG program was created to prevent widespread closures of venues that were devastated by the loss of revenue due to the COVID-19 pandemic. The SVOG program provides eligible applicants with grants equal to 45% of their gross earned revenue, up to a maximum of $10,000,000. SVOG recipients had until June 30, 2022 to use grant funds to reimburse themselves for allowable expenses of the program. The Foundation has recognized and recorded $2,827,960 as revenue on the consolidated statement of activities for the year ended July 31, 2022 based on qualifying expenditures incurred during the fiscal year.

SUPPLEMENTARY INFORMATION

Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Consolidating Statement of Financial Position
July 31, 2023
(With Comparative Totals for 2022)

ASSETS

	Endowment	Foundation	Eliminating Entries	Total	2022 Total
Cash and cash equivalents	$ -	$ 1,074,247	$ -	$ 1,074,247	$ 7,243,681
Cash held for capital designated net assets program	-	3,568,271	-	3,568,271	5,048,443
Certificates of deposit	-	8,000,000	-	8,000,000	-
Contributions and grants receivable, net	-	2,005,806	-	2,005,806	2,090,030
Accounts and other receivables, net	-	1,563,471	-	1,563,471	1,922,875
Intercompany receivable	-	35,439	(35,439)	-	-
Prepaid expenses and other assets	9,557	1,124,756	-	1,134,313	444,158
Investments held for endowment, at fair value	10,964,052	4,124,220	-	15,088,272	14,464,128
Property and equipment, net	-	5,635,590	-	5,635,590	3,420,557
Right of use asset, net	-	172,462,503	-	172,462,503	178,970,522
Total assets	$ 10,973,609	$ 199,594,303	$ (35,439)	$ 210,532,473	$ 213,604,394

LIABILITIES AND NET ASSETS

	Endowment	Foundation	Eliminating Entries	Total	2022 Total
Liabilities					
Accounts payable, accrued and other liabilities	$ -	$ 6,988,341	$ -	$ 6,988,341	$ 3,875,712
Intercompany payable	35,439	-	(35,439)	-	-
Deferred revenue	-	4,688,818	-	4,688,818	2,968,441
Agency funds	-	695,897	-	695,897	1,529,716
Deferred sponsorship agreements	-	9,157,461	-	9,157,461	8,725,384
Bank redemption note	-	39,360,000	-	39,360,000	37,460,000
Bonds payable, net	-	15,183,630	-	15,183,630	18,561,426
Total liabilities	35,439	76,074,147	(35,439)	76,074,147	73,120,679
Net assets					
Without donor restrictions	-	(53,657,878)	-	(53,657,878)	(53,834,855)
With donor restrictions	10,938,170	177,178,034	-	188,116,204	194,318,570
Total net assets	10,938,170	123,520,156	-	134,458,326	140,483,715
Total liabilities and net assets	$ 10,973,609	$ 199,594,303	$ (35,439)	$ 210,532,473	$ 213,604,394

Dallas Center for the Performing Arts Foundation, Inc. and Subsidiary
Consolidating Statement of Activities
For The Year Ended July 31, 2023
(With Comparative Totals for 2022)

	Endowment	Foundation	Total	2022 Total
Revenues, gains (losses) and other support				
Programming	$ -	$ 4,578,715	$ 4,578,715	$ 4,307,867
Education and community	-	561,748	561,748	331,798
Facility	-	2,341,451	2,341,451	2,182,311
City of Dallas	-	4,176,765	4,176,765	4,057,085
Service	-	4,668,499	4,668,499	3,632,654
Sponsorships	-	4,039,028	4,039,028	3,621,423
Shuttered Venue Operators grant	-	-	-	2,827,960
Contributions and grants	-	3,509,244	3,509,244	2,901,640
Investment income (loss), net	766,809	544,922	1,311,731	(1,710,290)
Total revenues, gains (losses) and other support	766,809	24,420,372	25,187,181	22,152,448
Functional expenses				
Program services				
Programming	400,907	6,509,824	6,910,731	6,571,868
Education & community engagement	-	619,643	619,643	479,370
Facility	-	13,656,331	13,656,331	12,284,830
Services	-	2,931,550	2,931,550	2,612,634
Total program services	400,907	23,717,348	24,118,255	21,948,702
Management and general	24,586	5,518,915	5,543,501	4,034,579
Fundraising	-	1,550,814	1,550,814	1,213,505
Total functional expenses	425,493	30,787,077	31,212,570	27,196,786
Changes in net assets	341,316	(6,366,705)	(6,025,389)	(5,044,338)
Net assets, beginning of year	10,596,854	129,886,861	140,483,715	145,528,053
Net assets, end of year	$ 10,938,170	$ 123,520,156	$ 134,458,326	$ 140,483,715