

DALLAS UNITED CREW, INC.
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT
JULY 31, 2025

DALLAS UNITED CREW, INC.

JULY 31, 2025

CONTENTS

	Page
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE PERIOD ENDED JANUARY 1, 2025 TO JULY 31, 2025	3
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE PERIOD ENDED JANUARY 1, 2025 TO JULY 31, 2025	4
CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	6 - 12



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
of Dallas United Crew, Inc.
Dallas, TX

We have reviewed the accompanying consolidated financial statements of Dallas United Crew, Inc. (a nonprofit organization) ("DUC"), which comprise the consolidated statement of financial position as of July 31, 2025, and the related consolidated statements of activities and changes in net assets, functional expense and cash flows for the period January 1, 2025 to July 31, 2025 then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated 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; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Dallas United Crew, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Basis for Qualified Conclusion

As disclosed in Note 1 to the consolidated financial statements, during 2025 the Organization elected not to consolidate the financial statements of Dallas Kayak Company, Inc. dba Dallas Paddle ("Dallas Paddle") in its consolidated financial statements. Under accounting principles generally accepted in the United States of America, Dallas Paddle should have been consolidated because it is controlled by DUC.

Qualified Conclusion

Based on our review, except for the effect of the matter described in the Basis for Qualified Conclusion paragraph, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Orta & Choate, P.C.

Dallas, TX
February 12, 2026

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Dallas United Crew, Inc.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
July 31, 2025
(See Independent Accountants' Review Report)

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 664,654
Cash and cash equivalents - with donor restrictions	5,000
Accounts receivable	1,521
Due from Dallas Paddle, Inc.	2,694
Prepaid expenses	13,645
Total current assets	687,514
SECURITY DEPOSIT	5,713
RIGHT-OF-USE ASSET-OPERATING LEASE	159,930
PROPERTY AND EQUIPMENT - NET	324,487
TOTAL ASSETS	\$ 1,177,644

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 4,848
Accrued expenses	37,999
Operating lease liability, current portion	47,468
Deferred revenue	85,506
Total current liabilities	175,821
OPERATING LEASE LIABILITY - LONG-TERM PORTION	120,471
NET ASSETS	
Without donor restrictions	
Members' equity	52,122
Board designated	48,000
Undesignated	776,230
Total without donor restrictions	876,352
With donor restrictions	5,000
Total net assets	881,352
TOTAL LIABILITIES AND NET ASSETS	\$ 1,177,644

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

Dallas United Crew, Inc.
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Period January 1, 2025 to July 31, 2025
(See Independent Accountants' Review Report)

	Without Restriction	With Donor Restriction	Total
SUPPORT AND REVENUES			
Contributions and grants	\$ 58,620	\$ -	\$ 58,620
Program revenue	841,016	-	841,016
Donated goods and services	30,428	-	30,428
Loss on investment in and due from Dallas Paddle	(60,361)	-	(60,361)
Other income	9,046	-	9,046
Net assets released from restrictions	50,384	(50,384)	-
Total support and revenue	929,133	(50,384)	878,749
FUNCTIONAL EXPENSES			
Program services			
Adaptive	4,861	-	4,861
Boathouse	2,946	-	2,946
Dragon Boat	6,253	-	6,253
Rowing	881,289	-	881,289
Total program services	895,349	-	895,349
Supporting services			
Management and general	109,356	-	109,356
Total supporting services	109,356	-	109,356
Total expenses	1,004,705	-	1,004,705
Changes in net assets	(75,572)	(50,384)	(125,956)
NET ASSETS, at beginning of the period	951,924	55,384	1,007,308
NET ASSETS, at end of the period	\$ 876,352	\$ 5,000	\$ 881,352

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

Dallas United Crew, Inc.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Period January 1, 2025 to July 31, 2025
(See Independent Accountants' Review Report)

	Program Services				Total Program Services	Supporting Services		Total
	Adaptive	Boathouse	Dragon Boats	Rowing		Management and General	Total Supporting Services	
Salaries and benefits	\$ 673	\$ -	\$ 561	\$ 301,249	\$ 302,483	\$ 57,486	\$ 57,486	\$ 359,969
Staff training and education	-	-	-	2,268	2,268	-	-	2,268
Awards and grants	-	-	-	5,000	5,000	-	-	5,000
Bank fees and charges	-	-	-	-	-	24,844	24,844	24,844
Regatta expenses	-	-	-	350,369	350,369	-	-	350,369
Professional and contract services	-	-	-	19,431	19,431	18,604	18,604	38,035
Insurance and memberships	790	-	584	14,821	16,195	-	-	16,195
Equipment maintenance	496	2,946	343	13,172	16,957	-	-	16,957
Depreciation	-	-	2,405	73,202	75,607	3,262	3,262	78,869
Utilities	-	-	-	-	-	2,531	2,531	2,531
Rental expenses	2,270	-	1,891	49,354	53,515	2,616	2,616	56,131
Marketing and publicity	21	-	48	2,949	3,018	-	-	3,018
Social and educational	128	-	19	1,887	2,034	13	13	2,047
Loss on disposal of assets	-	-	-	37,790	37,790	-	-	37,790
Other expenses	483	-	402	9,797	10,682	-	-	10,682
	<u>\$ 4,861</u>	<u>\$ 2,946</u>	<u>\$ 6,253</u>	<u>\$ 881,289</u>	<u>\$ 895,349</u>	<u>\$ 109,356</u>	<u>\$ 109,356</u>	<u>\$ 1,004,705</u>

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

Dallas United Crew, Inc.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Period January 1, 2025 to July 31, 2025
(See Independent Accountants' Review Report)

Changes in net assets	\$	(125,956)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation		78,869
Loss on investment in and due from Dallas Paddle		60,361
Operating lease amortization		23,228
Loss on disposal of assets		37,790
Changes in operating assets and liabilities, net		
Accounts receivable		3,741
Prepaid expenses		(2,532)
Accounts payable		(10,741)
Accrued expenses		6,711
Operating lease liability		(20,612)
Deferred revenue		23,152
Net cash provided by operating activities		<u>74,011</u>
 Cash flows from investing activities:		
Additions of property and equipment		(51,434)
Proceeds from sale of property and equipment		<u>37,500</u>
Net cash used in investing activities		<u>(13,934)</u>
 Increase in cash and cash equivalents		60,077
 Cash and cash equivalents, at beginning of the period		<u>609,577</u>
 Cash and cash equivalents, at end of the period	\$	<u><u>669,654</u></u>
 Supplemental disclosures of cash flow information		
Non-cash transactions		
Additions of property and equipment via donated goods and services	\$	<u><u>30,428</u></u>
 Reconciliation of cash and cash equivalents reported within the consolidated statement of financial position to the statement of cash flows:		
Cash and cash equivalents	\$	664,654
Cash and cash equivalents - with donor restrictions		<u>5,000</u>
Total cash and cash equivalents shown in the consolidated statement of cash flows	\$	<u><u>669,654</u></u>

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

Dallas United Crew, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(See Independent Accountants' Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Dallas United Crew, Inc. ("DUC") was organized and incorporated in 2002 in the State of Texas, as a nonprofit corporation for the purposes of:

- To promote and support the sport of rowing and other oar and paddle sports to middle school, junior high school and high school students in the Greater Dallas, Texas metropolitan area and to support rowing and paddling programs for adult participants in the Greater Dallas, Texas metropolitan area.
- To foster rowing competition, including national competition, among middle school, junior high school and high school students in the Greater Dallas, Texas metropolitan area.
- To provide to middle schools, junior high schools and high schools in the Greater Dallas Texas metropolitan area an opportunity for students to participate in the sport of rowing at a time when the middle schools, junior high schools and high schools may not have sufficient funding to maintain such a program.

In addition, DUC maintains relationships with the City of Dallas (the "City") and the Dallas Park and Recreation Department fostering a broader understanding of the lake community, both on and off of the water. DUC is primarily supported by contributions and program revenue.

In April of 2012, DUC formed a wholly owned company, DUC Boathouse, LLC ("DUC Boathouse"), as a step toward a long-term goal to develop a community boathouse. DUC operates and maintains DUC Boathouse that is on the premises that DUC leases from the City. DUC Boathouse promotes and supports the sport of rowing and other oar, paddle and boating activities at the facility to raise awareness of such activities and the furtherance of the purposes of DUC.

Dallas Kayak Company Inc, dba Dallas Paddle ("Dallas Paddle") was organized in May 2022 in the State of Texas and is a for-profit corporation. DUC is the sole shareholder of Dallas Paddle. Dallas Paddle offered kayak, canoe, and paddle board rentals at White Rock Lake in Dallas, Texas. Management has elected to not include Dallas Paddle's financial statements in DUC's consolidated financial statements. See Note 8.

On December 31, 2017, the City approved Resolution No. 17-1886, which authorized execution of a Development and Use Agreement (the "City Contract") between Dallas United Crew and the City acting through its Park and Recreation Board. Pursuant to the Development and Use Agreement, DUC was granted a license to operate its programs on a parcel of land at White Rock Lake owned by the City. The City Contract also authorized DUC to construct a dock and a removable equipment storage structure on the site as described in the City Contract. The initial term of the license to operate on the site is for five years with two renewal periods of five years each. See Note 7.

Revenues and support for DUC are primarily derived from program income paid by DUC's members and contributions from donors. DUC's program are as follows:

Adaptive – Adaptive rowing focuses on athletes who have physical mobility constraints (typically lower body) or other disabilities that would prevent them from training with a traditional masters rowing program. It provides them the opportunity to exercise, train and compete in rowing.

Dragon Boat – Dragon boats are twenty-two person canoes that originated in China approximately two thousand years ago. The boats consist of twenty paddlers, one steersperson, and one drummer. There are festivals that incorporate dragon boat racing all around the country including two in the Dallas area.

Rowing – DUC's competitive rowing program offers middle school rowing, youth rowing and masters rowing that all vary in age and level of experience.

Dallas United Crew, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Consolidation

The consolidated financial statements include the accounts of DUC and DUC Boathouse, collectively referred to as “the Organization”. Under accounting principles generally accepted in the United States of America (“U.S. GAAP”), the Organization meets the requirements to consolidate DUC and DUC Boathouse. All intercompany activity has been eliminated.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, 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 restrictions. See Note 4.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed 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 are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions class. See Note 5.

Liquidity and Availability

Assets are presented in the accompanying consolidated statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash. See Note 2.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less. The FDIC deposit insurance insures deposits up to \$250,000 per deposit, per insured bank for each ownership category. The Organization maintains cash balances at a financial institution in Dallas, Texas. There was approximately \$212,800 uninsured cash at July 31, 2025.

Financial Instruments

The carrying value of cash and cash equivalents, cash and cash equivalents – with donor restrictions, accounts receivable, due from Dallas Paddle, prepaid expenses, accounts payable, accrued expenses, operating lease liability – current portion, and deferred revenue approximate fair value due to the short-term maturities of these assets and liabilities.

Dallas United Crew, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost if purchased, or at estimated fair value at the date of donation. The Organization capitalizes expenditures for land, buildings, and equipment in excess of \$1,000 and with an estimated useful life greater than one year. Maintenance and repairs are charged to expense as incurred. Depreciation of property and equipment is computed on a straight-line basis over estimated useful lives.

	<u>Estimated Useful Lives</u>
Boats and equipment	5-7 years
Vehicle and trailers	5 years
Boathouse and dock	7-10 years

Revenue Recognition

The Organization recognizes contributions and grants 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. 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. Amounts received prior to the conditions being met are reported as refundable advances in the consolidated statement of financial position.

Program revenue consist of services fees that are recognized as the Organization satisfies performance obligations for services provided. Program revenues are reported at the estimated transaction price or amounts that reflect consideration to which the Organization expects to be entitled in exchange for services provided. The Organization determines the transaction price based on standard charges for services provided. Deferred revenue arises from advance payment of service fees for the subsequent period. The deferred revenue beginning balance at January 1, 2025 was \$62,354 and the ending balance at July 31, 2025 was \$85,506.

Donated Goods and Services

Donated goods are reflected as contributions in the accompanying consolidated financial statements at their estimated fair value on the date of donation. Donated services are reflected in the consolidated financial statements at the fair value of the services received if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In addition, many individuals volunteer their time and perform a variety of tasks that help the Organization's programs. The value of this donated time is not reflected in the accompanying consolidated financial statements because it does not meet the above criteria.

Advertising costs

The Organization incurs non-direct advertising costs and has adopted the policy of expensing such costs as incurred. Total advertising costs incurred during the period January 1, 2025 to July 31, 2025 was \$3,018.

Dallas United Crew, Inc.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (See Independent Accountant’s Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated include the following:

	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Depreciation	Usage

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business income. For the period ended July 31, 2025, the Organization had no material net unrelated business income. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements.

The Organization has concluded that it does not have any unrecognizable tax benefits resulting from the current or prior period tax positions. Accordingly, no additional disclosures have been made on the consolidated financial statements regarding ASC 740, *Income Taxes*. The Organization does not have any outstanding interest or penalties, and none have been recorded in the consolidated statement of activities and change in net assets for the period January 1, 2025 to July 31, 2025. The Organization’s informational returns filed are generally subject to examination for three years after the later of the due date or date of filing. As a result, the Organization is no longer subject to income tax examinations by tax authorities for years prior to 2022.

Estimates

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with U.S. GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could vary from the estimates that were used.

2. LIQUIDITY AND AVAILABILITY

The following reflects the Organization’s financial assets as of July 31, 2025, reduced by amounts not available for general use because of board designations within one year of the consolidated statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

Financial assets	
Cash and cash equivalents	\$ 669,654
Accounts receivable	1,521
Accounts receivable	<u>2,694</u>
Total financial assets	673,869
Less amounts not available to be used within one year, due to	
Net assets with donor restrictions	<u>(5,000)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 668,869</u>

As a part of the Organization’s liquidity management, it structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization’s Board of Directors strives to maintain at least three months of board designated funds to cover program expenditures. Generally, the Organization purchases long-term assets with cash and avoids taking on large debt balances. Management and the Board Treasurer review monthly revenue and operating expenditures to operate within the budget approved by the Board of Directors. The Board of Directors also receives and reviews the Organization’s consolidated financial statements monthly.

Dallas United Crew, Inc.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (See Independent Accountant's Review Report)

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at July 31, 2025:

Equipment, Rowing Shells	\$ 585,023
Equipment, Dragon Boats	27,879
Equipment, Other	23,537
Equipment, Motorized Vessels	128,115
Boathouse	247,032
Powerplant	13,039
Vehicles	<u>106,192</u>
	1,130,817
Less: accumulated depreciation	<u>(806,330)</u>
	<u>\$ 324,487</u>

Depreciation expense was \$78,869 for the period January 1, 2025 to July 31, 2025:

4. BOARD DESIGNATED NET ASSETS

At July 31, 2025, the Organization's Board of Directors designated \$48,000 of net assets without donor restrictions as a reserve for the future acquisition of property and equipment.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at July 31, 2025:

Transportation	<u>\$ 5,000</u>
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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose for the period January 1, 2025 to July 31, 2025:

Equipment	\$ 13,000
Transportation	17,000
Powerplant	<u>20,384</u>
	<u>\$ 50,384</u>

6. LEASES

With the adoption of FASB ASC 842, the Organization determines if an arrangement is a lease or contains a lease at inception. 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 financing at the lease commencement date.

The Organization separates the lease and nonlease components, in calculating the ROU assets and lease liabilities for leases. At lease commencement, the lease liability is measured at the present value of the lease payments 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 a risk-free rate based on the information available at the commencement date to determine the present value of lease payments.

Dallas United Crew, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

6. LEASES (Continued)

The Organization considers leases with initial terms of twelve months or less, and no option to purchase the underlying assets, to be short-term leases. Accordingly, short-term leases costs are expensed over the remaining lease term, with no corresponding ROU asset or lease liability.

Operating Lease

In November 2023, DUC entered into a commercial lease to lease approximately 3,400 square feet for office and program space. The lease commenced December 1, 2023 and expires on March 31, 2029.

Quantitative Disclosures

The leases costs and other required information for the period January 1, 2025 to July 31, 2025:

Leases costs:	
Operating leases cost	\$ <u>27,541</u>

The following table summarizes the supplemental cash flow information for the period January 1, 2025 to July 31, 2025:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating lease	\$ <u>24,898</u>

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

Weighted-average remaining lease terms in years:	
Operating lease	3.67
Weighted-average discount rate:	
Operating lease	4.15%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of July 31, 2025:

Fiscal-year 2026	\$ 47,468
Fiscal-year 2027	48,892
Fiscal-year 2028	50,359
Fiscal-year 2029	<u>34,237</u>
	180,956
Less imputed interest	<u>(13,017)</u>
Operating lease liabilities	<u>\$ 167,939</u>

Dallas United Crew, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(See Independent Accountant’s Review Report)

7. COMMITMENTS AND CONTINGENCIES

As described in Note 1, the Organization entered into an agreement with the City of Dallas (the “City”) to operate its programs on a parcel of land owned by the City on White Rock Lake. In accordance with the terms of the agreement, the Organization will pay the City \$3,100 every six months for the duration of the agreement, commencing in January 2018. On June 1, 2022, the Organization renewed the management agreement with the City of Dallas for a second five-year term to operate on a parcel of land owned by the City of Dallas.

Under the minimum terms of the agreements, the following are the minimum payments due by the Organization at July 31, 2025:

2026	\$ 6,200
2027	<u>3,100</u>
Total	<u>\$ 9,300</u>

8. RELATED PARTY

DUC provided start-up funding to Dallas Paddle, the President of Dallas Paddle serves on the Board of Directors of DUC, and day-to-day operations of Dallas Paddle are managed by the Executive Director of DUC.

The Organization had a receivable due from Dallas Paddle of \$90,874 and an investment in Dallas Paddle of \$30,010. Based on management’s assessment of the collectability of the related-party receivable and the estimated fair value of assets owned by Dallas Paddle, the Organization determined that \$88,180 of the receivable and the full \$30,010 investment were not recoverable. As a result, the Organization wrote off \$88,180 of the due from receivable and its \$30,010 investment as of July 31, 2025. The remaining receivable balance of \$2,694 was deemed collectible and continues to be recorded in due from Dallas Paddle at year-end.

On December 16, 2024, the Organization elected to exercise section 16 of the agreement with the Dallas Park and Recreation Department to terminate for convenience. After two years of operations, the Organization determined that the contract is not viable to continue business. Dallas Paddle was formally dissolved in June 2025.

9. RISKS, ECONOMIC OUTLOOK AND UNCERTAINTIES

The Organization depends heavily on contributions and program revenue for its revenue. The ability of the Organization’s donors and grantors to continue giving amounts comparable with prior years may be dependent, among other things, upon current and future overall economic conditions and the continued deductibility for income tax purposes of donations of the Organization. While the Organization’s Board of Directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues to be dependent on the above factors.

10. SUBSEQUENT EVENTS

In connection with the preparation of the consolidated financial statements, subsequent events have been evaluated by the Organization through February 12, 2026, which was the date the consolidated financial statements were available for issuance, and concluded that no disclosures are required.