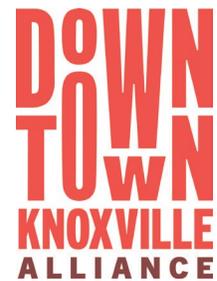


BOARD OF DIRECTORS' MEETING

➔ AGENDA

FEBRUARY 16, 2026, 11:30 AM



- I. Welcome
- II. *Approval of Minutes from January Board Meeting p. 2
- III. *Financial Report p. 5
- IV. Staff Report p. 15
- V. Old Business
- VI. New Business
 - A. Nominating Committee
 - B. Budget
- VII. Public Forum
- VIII. Adjournment

* Denotes action items

Upcoming Meetings:

- March 16, 11:30 - March Board Meeting
- April 20, 11:30 - April Board Meeting
- May 18, 11:30 - May Board Meeting
- June 15, 5:00 - June Annual Meeting & Board Meeting

This meeting, and all communications between Board Members, are subject to the provisions of the Tennessee Open Meetings Act.

BOARD OF DIRECTORS' MEETING

➔ MINUTES

JANUARY 26, 2026, 11:30 AM

The Board of Directors of Downtown Knoxville Alliance met on Monday, January 26, 2026, at 11:30 am via Zoom due to inclement weather.

Board members present included board chair, Mary Katherine Wormsley, Chip Barry, Natalea Cummings, Faris Eid, Nikki Elliott, Gay Lyons, Bobby McCarter, and Blaine Wedekind. DKA and Knoxville Chamber staff in attendance included: Callie Blackburn, Michele Hummel, Angela Lunsford and Karen Kakanis.

I. Welcome

Mary Katherine Wormsley chaired the meeting and called the meeting to order.

II. Approval of Minutes

Mary Katherine Wormsley called for approval of the minutes from the November board meeting. Nikki Elliott made a motion to approve the minutes. Faris Eid seconded the motion, which was unanimously approved by the board.

Mary Katherine Wormsley called for approval of the minutes from the December board meeting. Bobby McCarter made a motion to approve the minutes. Blaine Wedekind seconded the motion, which was unanimously approved by the board.

III. Results from FY 24-25 Audit

Holly Leitner with Bible Harris Smith presented the results from the FY 24-25 audit at the December board meeting. Due to lack of quorum, the audit results could not be approved in December. Angela Lunsford provided an update of the audit. Mary Katherine Wormsley called for approval of the audit results. Faris Eid made a motion to approve the audit results. Nikki Elliott seconded the motion, which was unanimously approved by the board.

IV. Financials

Angela Lunsford delivered the financial report for November and December, explaining the various reports.

Bobby McCarter made a motion to approve the November financial report. Nikki Elliott seconded the motion, which was unanimously approved by the board.

Angela Lunsford delivered the report for the corporation explaining the various reports. Natalea Cummings made a motion to approve the December financial report. Blaine Wedekind seconded the motion, which was unanimously approved by the board.

V. Committee Reports

A. Development Committee

The Development Committee met on December 9, 2025, and reviewed two requests.

Tennessee Theatre

The Tennessee Theatre is finalizing their expansion project at 612 S. Gay Street. DKA previously approved a \$300,000 grant, which will off-set costs associated with the exterior masonry work of the building. The total cost for masonry work is \$548,042. All of the work has been completed except for repair work from the removal of the fire escape, which will cost \$32,005. The theatre requested receiving their grant now as more than \$300,000 has been paid to the construction company so they do not have to access their line of credit.

The committee made a recommendation to the board to approve paying the full \$300,000 grant now. Without quorum, the board could not vote on this request in December. Staff cut a check for \$268,000 and held back the \$32,005 for completion of the project.

Faris Eid made a motion to pay the remaining \$32,005. Nikki Elliott seconded the motion, which was unanimously approved.

The Maker's City

Maker's City will launch a new program in 2026 that will allow makers to apply for a scholarship for space. The recipients will be required to go through the KEC program for a year to develop their business skills and will have access to events that showcase their product. The program will be kicked off in April and begin in July, lasting one year.

DKA funds will be used to offset the cost for promotion and production of open house events and the culminating exhibition at Maker's Exchange. The quarterly open houses and final public showcase will be free to the public and allow the community to experience art, design and fabrication in progress. Additionally, these funds will be used towards education and mentorship components to help make the makers successful.

The committee made a motion to the board in the form for a motion to approve \$15,000 for the Maker Space Scholarship Program for expenses related to programming, mentorship, and production of one year of the program. DKA will review the first year's program before considering funding for the second year.

Faris Eid seconded the motion from the committee's recommendation, which was unanimously approved.

B. Marketing Committee

The Marketing Committee met on January 14 and reviewed four sponsorships. The committee made a recommendation to the board in the form of a motion to approve the following sponsorships:

2026 Big Ears Festival	\$10,000
2026 Rossini Festival	\$5,000
2026 St. Patrick Day Parade	\$3,000
2026 Programming/Old City	\$10,000

Faris Eid seconded the motion from the committee's recommendation, which was unanimously approved.

VI. Staff Report

Staff presented their report, which provided an update on activities from the previous month. The full reports were included in the agenda packet.

VII. Old Business

There was no Old Business.

VIII. New Business

There is no New Business.

IX. Public Forum

Sarah Houchins thanked DKA for their support of Big Ears.

X. Adjournment

With no other business, the meeting was adjourned.

Secretary

Downtown Knoxville Alliance
Statement of Cash Flows
Fiscal YTD January 31, 2026

	<u>Jul '25 - Jun '26</u>
OPERATING ACTIVITIES	
Net Income	(35,051)
Adjustments to reconcile Net Income to net cash provided by operations:	
1110 - Other Receivable	49,156
1350 - Prepaid Expenses	(28,257)
1750 - Accumulated Depr - Leaseholds	219
1760 - Accumulated Depr - Furniture	485
2020 - Accounts Payable	(24,295)
2600 - Accrued Payables	40,500
Net cash provided by Operating Activities	2,756
INVESTING ACTIVITIES	-
1650 - Leashold Improvements	-
Net cash provided by Financing Activities	-
Net cash increase/(decrease) for period	2,756
Cash at beginning of period	2,043,058
Cash at end of period	<u>2,045,814</u>
Current Liabilities	(27,201)
Accrued Payables	(809,427)
Accounts receivable and Other	50,671
Prepaid Expenses	30,039
Fixed Assets	55,262
Subtotal	(700,657)
Projected Remaining Budgeted Income (Expenses)	
Revenue	290,503
Development	(85,000)
Quality of Life	(303,238)
Business Support	(10,043)
Marketing/Sponsorships	(107,505)
Administration	(124,016)
Subtotal	(339,299)
Projected Cash - Before Minimum Reserve	<u>1,005,858</u>
Minimum Cash Balance - Reserve	(150,000)
Projected Cash Availability	<u>855,858</u>

Downtown Knoxville Alliance
Statement of Cash Flows
Fiscal YTD January 31, 2026

Project	Grants	Permit Date	Comp Date	Accrued	YE 6/30/2026	Total
314 Union Ave (COK)	250,000		9/30/2022		0	0
YWCA Keys of Hope	250,000		6/30/2024		0	0
Tennessee Theatre	32,000		6/30/2024		0	0
Art & Cultural Alliance	200,000		6/30/2024		0	0
	<u>732,000</u>				<u>0</u>	<u>0</u>

* City approval required

Note: Farragut Building/Hyatt Place, 530 S. Gay Street

In 2015, DKA Board agreed to receive \$4,578 and abate the increased incremental assessments during the project's 25-year PILOT term which ends 3/17/41.

Note: Marble Alley/formerly Knox County property, 300 State Street

In 2013, Knox County Commission and Knox County IDB approved a 10-year PILOT for Marble Alley Lofts. Knox County previously held this property and was tax-exempt; therefore they did not pay property taxes or DKA assessments. PILOT term ends 12/31/25

Note: Church + Henley formerly State Supreme Court, 700 Henley Street

In 2019, DKA approved a 10-year abatement of the incremental assessment for the State Supreme Court project starting 48 months after developers close on the two parcels to allow for construction and project stabilization. DKA will continue to receive assessments for both properties based on the acquisition cost. DKA's assessment is expected to be approx. \$3,208 during the abatement time. The City's 25 year PILOT term ends 3/4/48. The property closed on 9/30/19. DKA's abatement ends 9/30/2033.

Downtown Knoxville Alliance
Budget Variance Report
For the 7 Periods Ended January 31, 2026

	July 2025 - January 2026			July 2025 - June 2026		
	Actual	Budget	Variance	Budget	Remaining	42% Remaining
Income						
4020 CBID Assessment	899,621	700,000	(199,621)	1,200,000	300,379	25%
4100 Interest on Cash Reserves	39,876	17,500	(22,376)	30,000	(9,876)	-33%
Total Income	\$ 939,497	\$ 717,500	\$ (221,997)	\$ 1,230,000	\$ 290,503	24%
Gross Profit	\$ 939,497	\$ 717,500	\$ (221,997)	\$ 1,230,000	\$ 290,503	24%
Expenses						
5100 Business Support						
5150 Merchant Support	39,957	29,167	(10,791)	50,000	10,043	20%
Total 5100 Business Support	\$ 39,957	\$ 29,167	\$ (10,791)	\$ 50,000	\$ 10,043	20%
5200 Development						
5205 Special Projects	15,000	58,333	43,333	100,000	85,000	85%
5225 Path to Prosperity	15,000	8,750	(6,250)	15,000	-	0%
Total 5200 Development	\$ 30,000.00	\$ 67,083.33	\$ 37,083.33	\$ 115,000.00	\$ 85,000.00	74%
5300 Marketing Expenses						
5305 Advertising	51,279	35,000	(16,279)	60,000	8,721	15%
5306 Print & Content Dev.	47,834	35,000	(12,834)	60,000	12,166	20%
5360 Sponsorships - Events	73,500	72,917	(583)	125,000	51,500	41%
5364 Downtown Scavenger Hunt	3,550	11,667	8,117	20,000	16,450	82%
5375 Website	19,347	17,500	(1,847)	30,000	10,653	36%
5376 Brand Refinement	1,985	5,833	3,849	10,000	8,016	80%
Total 5300 Marketing Expenses	\$ 197,495	\$ 177,917	\$ (19,578)	\$ 305,000	\$ 107,505	35%
5400 Administration						
5415 Office Lease Expenses	9,569	12,833	3,265	22,000	12,431	57%
5420 Meals/Lodging/Travel	4,121	3,500	(621)	6,000	1,879	31%
5430 Office Expenses	5,876	4,667	(1,210)	8,000	2,124	27%
5435 Bank Fees	-	117	117	200	200	100%
5440 Postage	235	1,458	1,224	2,500	2,265	91%
5450 Professional Svc	11,374	7,000	(4,374)	12,000	626	5%
5460 Services Contract	125,604	129,529	3,925	222,050	96,446	43%
5465 Professional Dev.	6,257	7,583	1,327	13,000	6,743	52%
5480 Software	603	875	272	1,500	897	60%
5490 Insurance D&O	496	525	29	900	404	45%
Total 5400 Administration	\$ 164,134	\$ 168,088	\$ 3,953	\$ 288,150	\$ 124,016	43%
5650 Quality of Life						
5655 Security	37,678	70,000	32,322	120,000	82,322	69%
5657 Ambassador Program	99,855	99,855	-	171,180	71,325	42%
5659 Beautification	15,409	26,250	10,841	45,000	29,591	66%
5663 Open Street Activation	-	5,833	5,833	10,000	10,000	100%
5664 Initiatives from Survey	15,000	72,917	57,917	125,000	110,000	88%
Total 5650 Quality of Life	\$ 167,942	\$ 274,855	\$ 106,913	\$ 471,180	\$ 303,238	64%
6000 Depreciation Expense	4,901.12	-	(4,901.12)			
Total Expenses	\$ 604,429	\$ 717,109	\$ 112,680	\$ 1,229,330	\$ 629,802	51%
Net Income	\$ 335,067	\$ 391	\$ (334,677)	\$ 670	\$ (339,299)	

Accrued Payables at 01.31.26

City of Knoxville (314 Union Ave) accrued 9/30/22	FY23	\$250,000.00
Market Square Power Wash (total of 2)	FY24	\$3,200.00
Marketing/branding/activation requests COK street closures	FY24	\$3,937.52
YWCA Keys of Hope Grant	FY24	\$250,000.00
Art & Cultural Alliance - Emporium Project	FY24	\$200,000.00
Tennessee Theatre - \$300k total; \$100k current year Dev Grants	FY24	\$32,000.00
Old City Market & First Friday Block Party	FY25	\$5,000.00
Office Relocation	FY25	\$99.11
Sustainable Solutions - Cigarette Litter Prevention & Recycling	FY26	\$9,690.48
East TN History Center - For 2026 Programming	FY26	\$5,000.00
Visit Knoxville & Bike Walk Knoxville for Tour de Lights	FY26	\$2,500.00
Knoxville Museum of Art for 2026 Programming	FY26	\$5,000.00
Big Ears Festival - March 26-29, 2026	FY26	\$10,000.00
Rossini Festival - April 18-19,2026	FY26	\$5,000.00
St. Patrick's Day Parade - March 14,2026	FY26	\$3,000.00
2026 Old City Market & 1st Friday Block Parties	FY26	\$10,000.00
Maker Space Scholarship Program	FY26	\$15,000.00
		<hr/>
		\$809,427.11

Statement of Cash Flows

Downtown Knoxville Alliance

January 2026

FULL NAME	TOTAL
OPERATING ACTIVITIES	
Net Income	(35,050.63)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1110 Other Receivable	49,155.92
1350 Prepaid Expenses	(28,257.33)
1750 Accumulated Depreciation:Accumulated Depr - Leaseholds	218.75
1760 Accumulated Depreciation:Accumulated Depr - Furniture	484.67
2020 Acc. Payable:Accounts Payable	(24,295.33)
2600 Accrued Payables	40,500.00
Total for Adjustments to reconcile Net Income to Net Cash provided by operations:	\$37,806.68
Net cash provided by operating activities	\$2,756.05
INVESTING ACTIVITIES	
FINANCING ACTIVITIES	
NET CASH INCREASE FOR PERIOD	\$2,756.05
Cash at beginning of period	\$2,043,058.24
CASH AT END OF PERIOD	\$2,045,814.29

Downtown Knoxville Alliance
Balance Sheet
As of January 31, 2026

	As of Jan 31, 2026	As of Jan 31, 2025 (PY)	Change	% Change
ASSETS				
Current Assets - Bank Accounts				
1000 Cash & Cash Equiv.				
1012 First Bank Checking	(12,608.88)	(12,871.55)	262.67	2.04%
1014 First Bank ICS	1,797,636.27	1,297,971.20	499,665.07	38.50%
1020 Investments - Cert Dep and MM				
1022 FirstBank CD 0680	-	96,075.51	(96,075.51)	-100.00%
1036 Home Federal CD 2895	260,786.90	250,611.26	10,175.64	4.06%
1037 First Century CD 0328	-	256,981.97	(256,981.97)	-100.00%
1038 Truist CD 6084	-	253,947.23	(253,947.23)	-100.00%
Total 1020 Investments - Cert Dep and MM	\$ 260,786.90	\$ 857,615.97	\$ (596,829.07)	-69.59%
Total 1000 Cash & Cash Equiv.	\$ 2,045,814.29	\$ 2,142,715.62	\$ (96,901.33)	-4.52%
Total Bank Accounts	\$ 2,045,814.29	\$ 2,142,715.62	\$ (96,901.33)	-4.52%
Accounts Receivable				
1110 Other Receivable	48,540.21	103,526.31	(54,986.10)	-53.11%
Total Accounts Receivable	\$ 48,540.21	\$ 103,526.31	\$ (54,986.10)	-53.11%
Other Current Assets				
1350 Prepaid Expenses	30,038.90	19,919.30	10,119.60	50.80%
Total Other Current Assets	\$ 30,038.90	\$ 19,919.30	\$ 10,119.60	50.80%
Total Current Assets	\$ 2,124,393.40	\$ 2,266,161.23	\$ (141,767.83)	-6.26%
Fixed Assets				
1650 Leasehold Improvements	15,750.00	-	15,750.00	
1660 Furniture & Equipment	44,412.62	-	44,412.62	
1700 Accumulated Depreciation				
1750 Accumulated Depr - Leaseholds	(1,508.43)	-	(1,508.43)	
1760 Accumulated Depr - Furniture	(3,392.69)	-	(3,392.69)	
Total 1700 Accumulated Depreciation	\$ (4,901.12)	\$ -	\$ (4,901.12)	
Total Fixed Assets	\$ 55,261.50	\$ -	\$ 55,261.50	
Other Assets				
1925 Security Deposit	2,130.48	-	2,130.48	
Total Other Assets	\$ 2,130.48	\$ -	\$ 2,130.48	
TOTAL ASSETS	\$ 2,181,785.38	\$ 2,266,161.23	\$ (84,375.85)	-3.72%
LIABILITIES AND EQUITY				
Current Liabilities - Accounts Payable				
2020 Accounts Payable	27,201.19	25,058.23	2,142.96	8.55%
Total 2000 Acc. Payable	\$ 27,201.19	\$ 25,058.23	\$ 2,142.96	8.55%
Total Accounts Payable	\$ 27,201.19	\$ 25,058.23	\$ 2,142.96	8.55%
Other Current Liabilities				
2600 Accrued Payables	809,427.11	1,163,178.99	(353,751.88)	-30.41%
Total Other Current Liabilities	\$ 809,427.11	\$ 1,163,178.99	\$ (353,751.88)	-30.41%
Total Current Liabilities	\$ 836,628.30	\$ 1,188,237.22	\$ (351,608.92)	-29.59%
Total Liabilities	\$ 836,628.30	\$ 1,188,237.22	\$ (351,608.92)	-29.59%
Equity				
3900 Change in NA - unrestricted	1,010,089.64	634,936.90	375,152.74	59.09%
Net Income	335,067.44	442,987.11	(107,919.67)	-24.36%
Total Equity	\$ 1,345,157.08	\$ 1,077,924.01	\$ 267,233.07	24.79%
TOTAL LIABILITIES AND EQUITY	\$ 2,181,785.38	\$ 2,266,161.23	\$ (84,375.85)	-3.72%

Downtown Knoxville Alliance

Profit and Loss

January 2026

	Jan 2026	Jan 2025 (PY)	Change	% Change
Income				
4020 CBID Assessment	48,540.21	103,526.31	(54,986.10)	-53.11%
4100 Interest on Cash Reserves	3,447.69	8,473.24	(5,025.55)	-59.31%
Total Income	\$ 51,987.90	\$ 111,999.55	\$ (60,011.65)	-53.58%
Gross Profit	\$ 51,987.90	\$ 111,999.55	\$ (60,011.65)	-53.58%
Expenses				
5100 Business Support				
5150 Merchant Support	515.36	246.00	269.36	109.50%
Total 5100 Business Support	\$ 515.36	\$ 246.00	\$ 269.36	109.50%
5200 Development				
5205 Special Projects	15,000.00	-	15,000.00	
Total 5200 Special Projects	\$ 15,000.00	\$ -	\$ 15,000.00	
5300 Marketing Expenses				
5305 Advertising	367.67	4,827.21	(4,459.54)	-92.38%
5306 Print and Content Development	2,502.50	5,964.08	(3,461.58)	-58.04%
5360 Sponsorship - Events	28,000.00	29,500.00	(1,500.00)	-5.08%
5375 Website	550.00	-	550.00	
5376 Brand Refinement	1,984.50	-	1,984.50	
Total 5300 Marketing Expenses	\$ 33,404.67	\$ 40,291.29	\$ (6,886.62)	-17.09%
5400 Administration				
5415 Office Lease Expenses	1,366.27	-	1,366.27	
5420 Meals/Lodging/Travel	40.35	284.97	478.61	-85.84%
5430 Office Expenses	338.57	655.99	(317.42)	-48.39%
5440 Postage	130.78	22.36	108.42	484.88%
5450 Professional Svc	-	1,630.00	(1,630.00)	-100.00%
5460 Services Contract	17,031.07	20,348.00	(3,316.93)	-16.30%
5480 Software	87.95	75.38	12.57	16.68%
5490 Insurance D&O	70.84	70.84	-	0.00%
Total 5400 Administration	\$ 19,065.83	\$ 23,087.54	\$ (4,021.71)	-17.42%
5650 Quality of Life				
5655 Security	4,001.25	61,548.75	(57,547.50)	-93.50%
5657 Ambassador Program	14,265.00	9,676.34	4,588.66	47.42%
5659 Beautification	83.00	31,109.00	(31,026.00)	-99.73%
Total 5650 Quality of Life	\$ 18,349.25	\$ 102,334.09	\$ (83,984.84)	-82.07%
6000 Depreciation Expense	703.42	-	703.42	
Total Expenses	\$ 87,038.53	\$ 165,958.92	\$ (78,920.39)	-47.55%
Net Operating Income	\$ (35,050.63)	\$ (53,959.37)	\$ 18,908.74	35.04%
Net Income	\$ (35,050.63)	\$ (53,959.37)	\$ 18,908.74	35.04%

Downtown Knoxville Alliance

A/R Aging Detail

As of January 31, 2026

DATE	TRANSACTION TYPE	NUM	CUSTOMER	DUE DATE	AMOUNT	OPEN BALANCE
Current						
01/31/2026	Invoice	113027	City of Knoxville.	02/28/2026	48,540.21	48,540.21
Total for Current					\$48,540.21	\$48,540.21
TOTAL					\$48,540.21	\$48,540.21

Downtown Knoxville Alliance

A/P Aging Detail

As of January 31, 2026

DATE	TRANSACTION TYPE	NUM	VENDOR	DUE DATE	PAST DUE	AMOUNT	OPEN BALANCE
Current							
01/31/2026	Bill	INV014956	Knoxville Chamber	01/31/2026	11	17,031.07	17,031.07
01/31/2026	Bill	12578	MoxCar.	01/31/2026	11	843.75	843.75
01/31/2026	Bill	INV014946	Knoxville Chamber	01/31/2026	11	210.11	210.11
01/31/2026	Bill	DKA-020126	Southern Bloom Social	02/10/2026	1	1,440.00	1,440.00
01/31/2026	Bill	01312026	Callie Blackburn	02/10/2026	1	141.67	141.67
01/14/2026	Bill	INV298904	Off Duty Management, Inc.	02/13/2026	-2	921.25	921.25
01/30/2026	Bill	10992	Robin Easter Design	02/14/2026	-3	1,984.50	1,984.50
01/22/2026	Bill	INV301840	Off Duty Management, Inc.	02/21/2026	-10	1,210.00	1,210.00
01/29/2026	Bill	INV304488	Off Duty Management, Inc.	02/28/2026	-17	880.00	880.00
01/08/2026	Bill	01312026	Card Services Center - Mastercard	03/04/2026	-21	1,548.84	1,548.84
01/31/2026	Bill	INV307158	Off Duty Management, Inc.	03/06/2026	-23	990.00	990.00
Total for Current						\$27,201.19	\$27,201.19
TOTAL						\$27,201.19	\$27,201.19

Downtown Knoxville Alliance
Uncleared Checks Report
as of January 31, 2026

Date	Transaction Type	Num	Name	Amount
10/03/2025	Bill Payment (Check)	2786	Annoor Academy of Knoxville	(2,500.00)
11/21/2025	Bill Payment (Check)	2826	Knoxville History Project	(5,000.00)
11/21/2025	Bill Payment (Check)	2830	Poynter Photo Co.	(500.00)
01/09/2026	Bill Payment (Check)	2859	Southern Bloom Social	(1,800.00)
01/09/2026	Bill Payment (Check)	2860	Ham 'n Goodys	(196.30)
01/30/2026	Bill Payment (Check)	2874	KUB	(83.00)
01/30/2026	Bill Payment (Check)	2875	Card Services Center	(2,529.58)
				<u>(12,608.88)</u>

BOARD OF DIRECTORS' MEETING



STAFF REPORT FOR FEBRUARY 2026

DEVELOPMENT

- YWCA Project is complete. Paid \$250,000 last week.
- Expecting an Economic Impact Grant request from the Women's Suffrage Museum. They own 706 S. Gay Street and are under contract for 708 S. Gay Street, expecting to close between April and July. Question to board - do they need to wait to request funds?

MARKETING

- February Newsletter released promoting Valentine's activations and events.
- Ongoing updates to social media and online engagement; website updates for businesses, event calendar, and Insider's Guide.
- Social Media – 248,335 followers (previous: 246,923, 245,077, 243,749). Includes Facebook, Instagram, X, TikTok, Threads, YouTube, and LinkedIn.
- The next Marketing Committee meeting will be held on March 11.

BUSINESS SUPPORT

- Website update and promotion for February 6 First Friday ArtWalk.
- February information to businesses on monthly events & conventions impacting staffing.
- Valentine's Day/Much Love promotions and activations live for the entire month of February: Photo ops, business specials, love letter mailbox, and lighting.

QUALITY OF LIFE

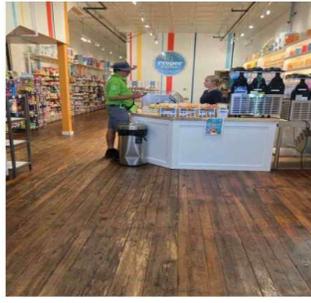
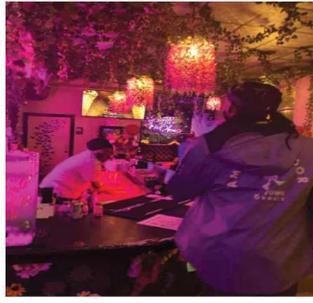
- Ambassador program continues to be a strong program for downtown. Report attached.
- Still waiting on a contract with the City/KPD for Old City Security.
- Newsletters to downtown businesses and residents: upcoming events, street closures, etc.

OTHER

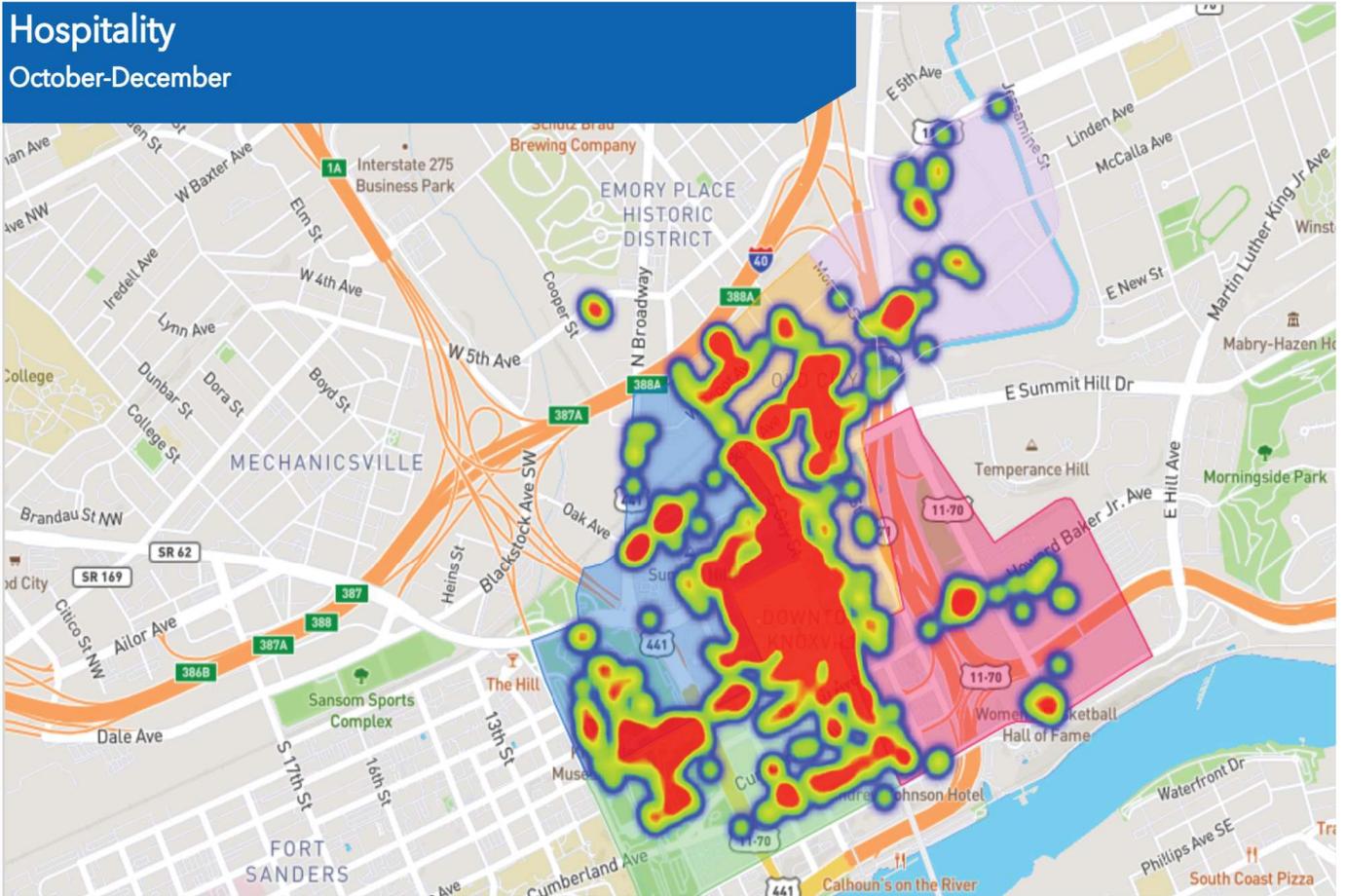
- Audit is completed. Governance Letter to Board is attached.
- Media Request: WVLT: Much Love Campaign, WBIR: Much Love Campaign

2026 **OCTOBER - DECEMBER**
Visit Knoxville Q-2 Report

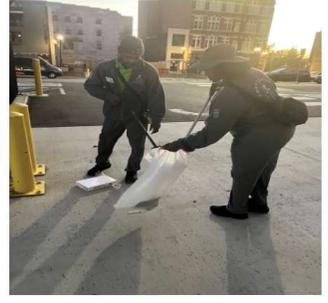




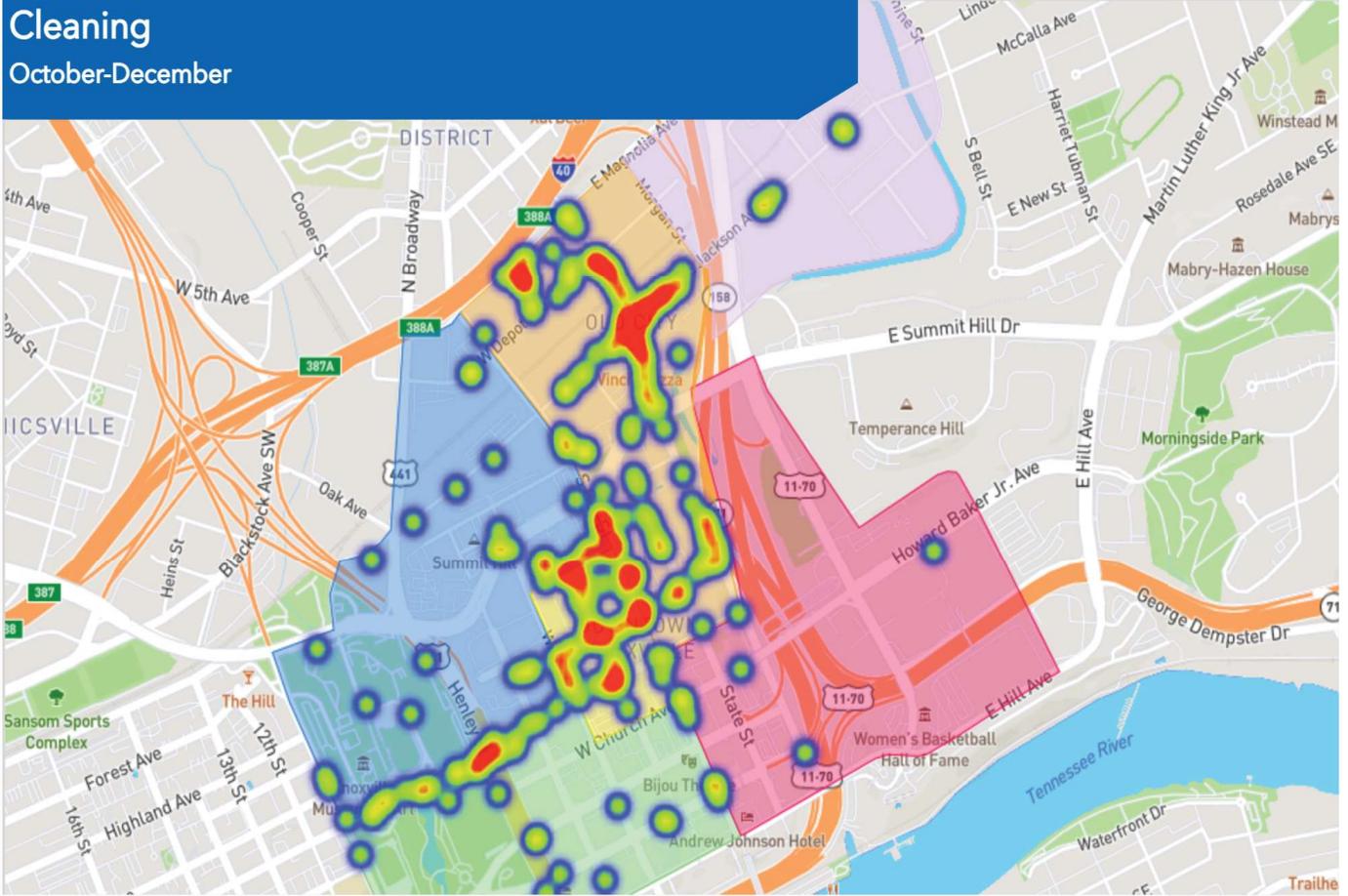
Hospitality October-December



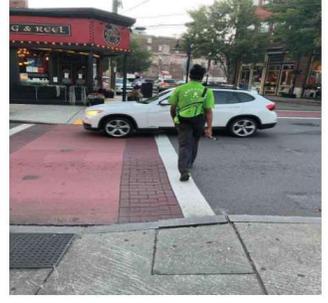
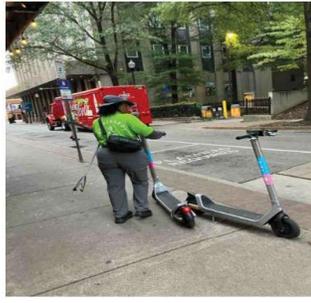
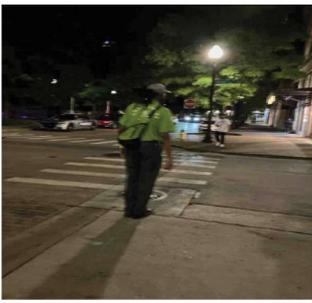
Activity	10/2025	11/2025	12/2025	Total
Business Contact	399	351	197	947
Directions Provided	60	73	49	182
Hospitality Assistance	467	616	263	1346
Hospitality Escort	48	23	14	85
Maps/Handouts Provided	10	49	11	70
Photo Assist	169	98	133	400



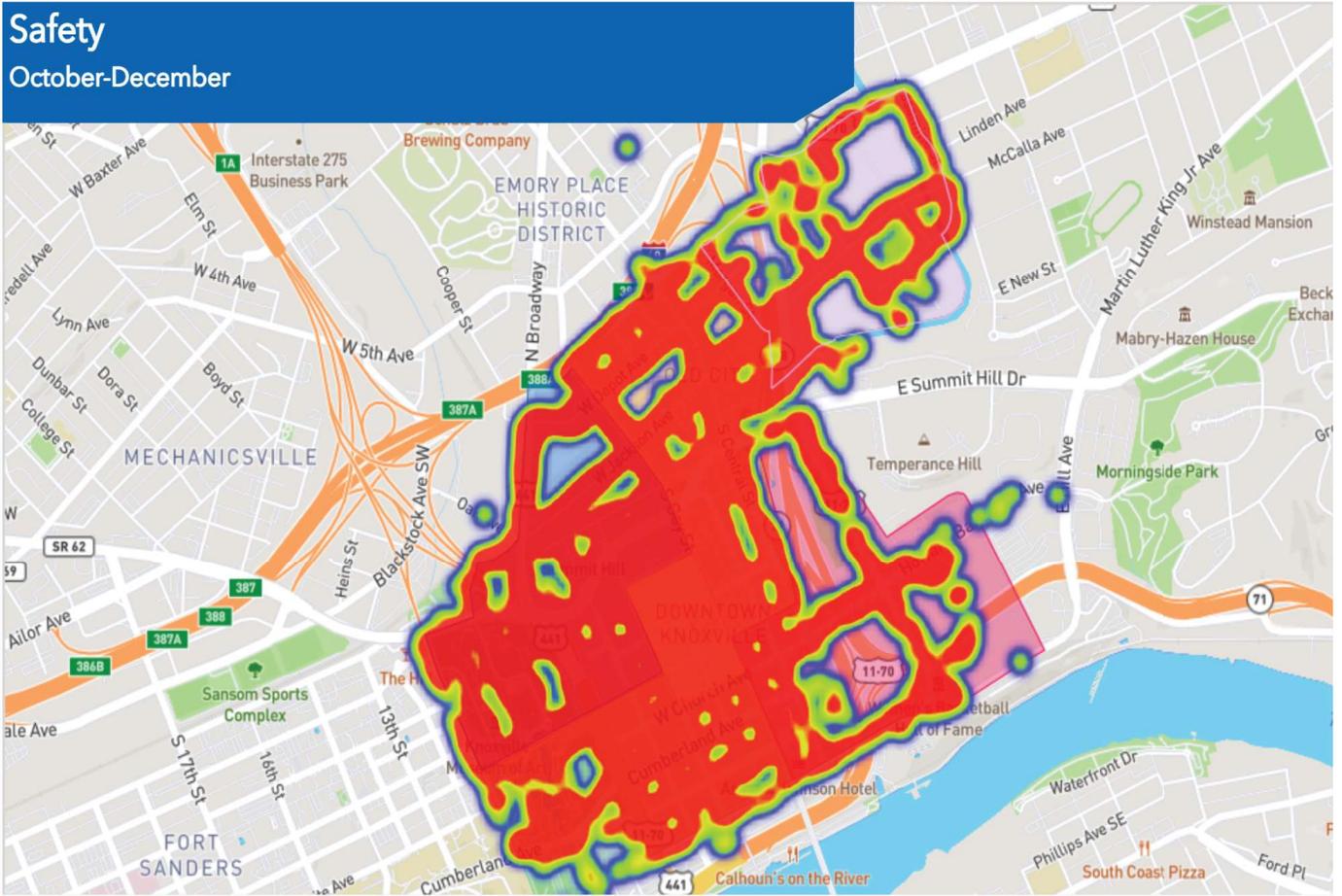
Cleaning October-December



Activity	10/2025	11/2025	12/2025	Total
City Maintenance Reported	15	9	8	32
Graffiti Reported	13	8	4	25
Graffiti/Sticker/Bill Removal	291	105	89	485
Litter Collected (Pieces)	20207	16893	26353	63453
Pan & Broom	590	325	286	1201
Scooter Relocation	690	499	429	1618



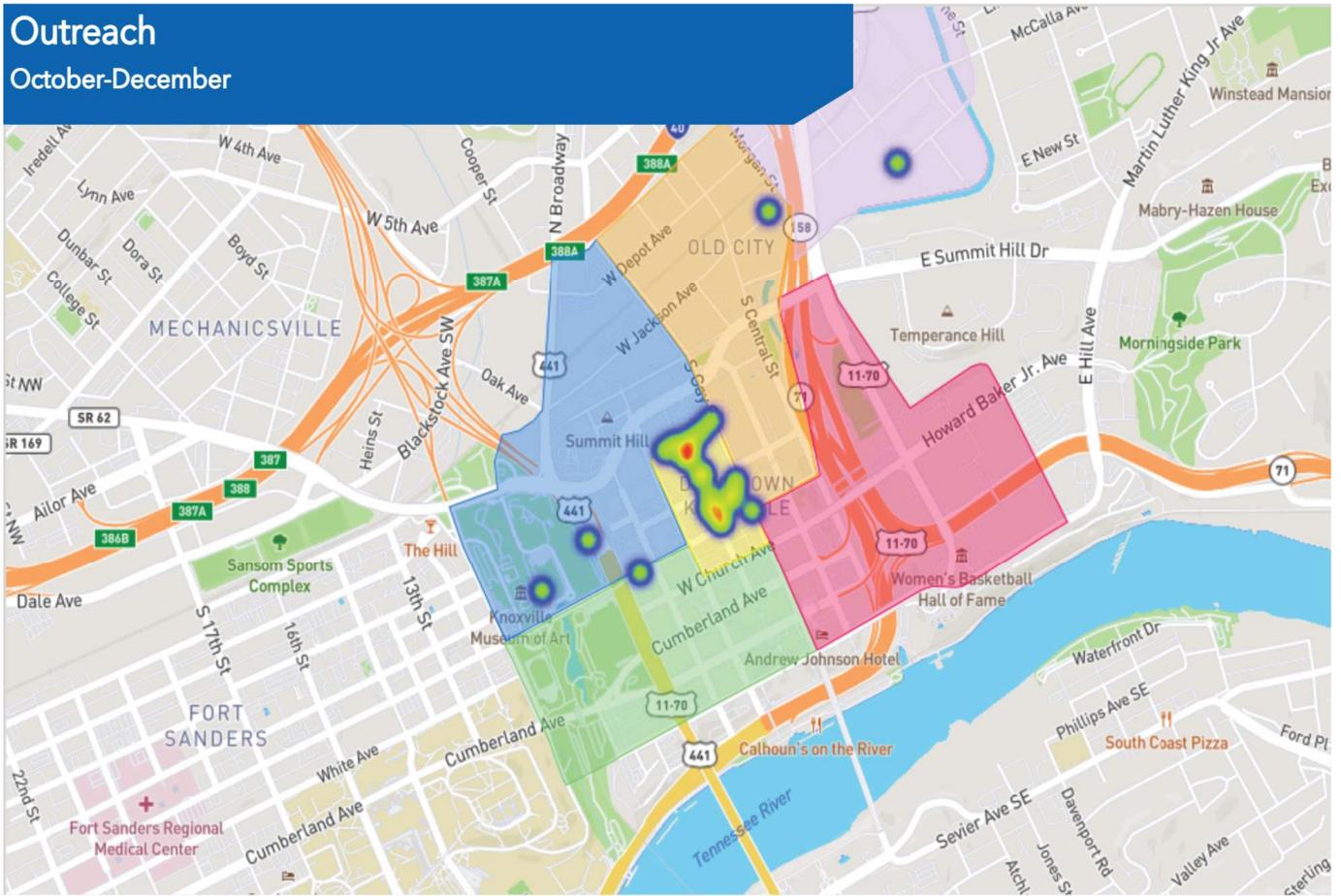
Safety October-December



Activity	10/2025	11/2025	12/2025	Total
Alley Check	0	0	2	2
City Maintenance Reported	15	9	8	32
Drug Paraphernalia Found	90	74	372	536
Ordinance Violation	11	7	14	32
Panhandling - Aggressive	22	4	0	26
Panhandling - Passive	5	10	5	20
Welfare Check	147	120	100	367



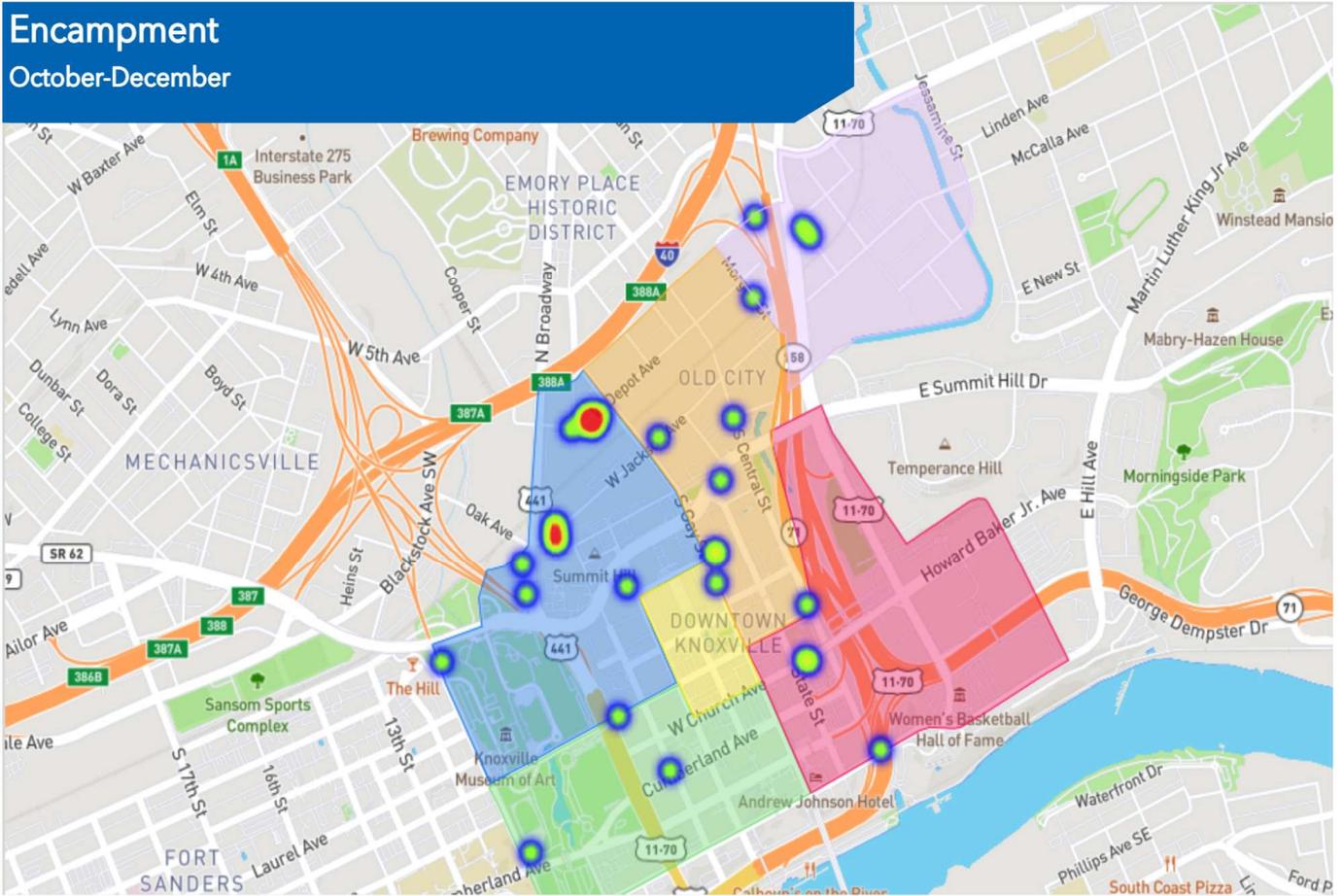
Outreach October-December



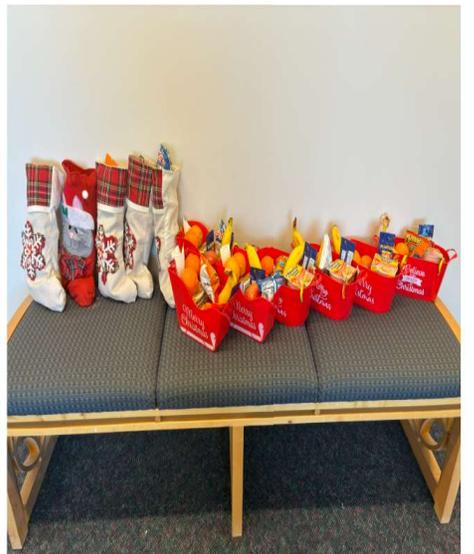
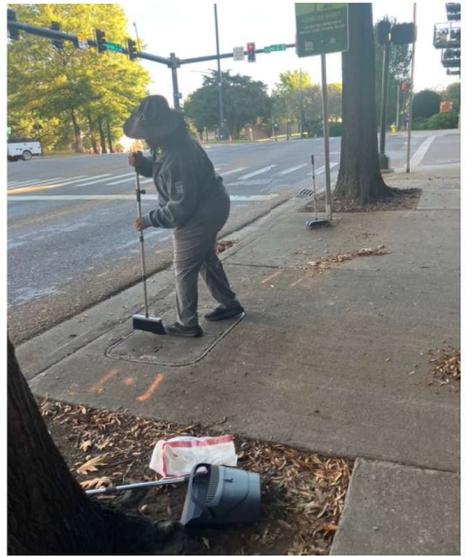
Activity	10/2025	11/2025	12/2025	Total
Outreach Contact	16	4	5	25
Outreach Referral	1	0	1	2



Encampment October-December



Activity	10/2025	11/2025	12/2025	Total
Encampment Reported	24	11	14	49



These are just a few of the highlights that we (Ambassadors) enjoy doing in and around our district.

Bible Harris Smith, P.C.

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Program
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of Certified Public Accountants

February 2, 2026

To the Board of Directors
Downtown Knoxville Alliance
Knoxville, Tennessee

We have audited the financial statements of Downtown Knoxville Alliance for the year ended June 30, 2025, and we will issue our report thereon dated, February 2, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 5, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Downtown Knoxville Alliance are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2025. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the time allocation used to allocate expenses for the Statement of Activities
This estimate is based on hours per employee involved in the activities shown on the statement. We evaluated the methods, assumptions, and data used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

The disclosure of availability and liquidity in Note 2 to the financial statements,

The disclosure of services provided by the Knoxville Area Chamber Partnership in Note 3 to the financial statements, and

The disclosure of future grants payable and commitments in Note 4 to the financial statements.

he financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 2, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Downtown Knoxville Alliance and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bible Harris Smith, P.C.

Bible Harris Smith, P.C.