

Memorandum



CITY OF DALLAS

DATE April 5, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **External Audit Presentation to GPFM**

On March 25, 2024, our external auditors, Weaver and Tidwell, L.L.P. (Weaver) presented the results of the fiscal year 2023 financial audit at the Government Performance and Financial Management Committee meeting.

As a reminder, the FY23 Annual Comprehensive Financial Report (ACFR) was finalized in February, and the City received an unmodified audit opinion on our financial statements by Weaver.

Attached is a follow-up response provided by Weaver for a question asked during the presentation regarding how the City of Dallas expenditures over the last five years compares to our peer Texas cities. Weaver's response provided the five-year percentage change for each city for fiscal years ending 2019 through 2023.

- Austin 24.5%
- Dallas 23.6%
- Fort Worth 23.1%
- Houston 9.3%
- San Antonio 16.3%

Please contact me, Sheri Kowalski City Controller, or Lance Sehorn Assistant City Controller if you have any questions.

A handwritten signature in blue ink that reads "Jack Ireland".

Jack Ireland
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager

Jon Fortune, Deputy City Manager
Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors



DATE April 3, 2024

TO Honorable Mayor and Members of the Government Performance and Financial Management Committee: Chad West (Chair), Paula Blackmon (Vice Chair), Cara Mendelsohn, Jesse Moreno, Jaime Resendez

SUBJECT Responses from Weaver and Tidwell, L.L.P., regarding the 2023 External Audit Presentation and Discussion in the Government Performance and Financial Management Committee on March 25, 2024.

Question: How do the expenditures for the City of Dallas compare to the other cities in the presentation for the previous five years?

The table in Attachment A on the following page shows net departmental expenditures, annual percentage changes, and five-year percentage changes for each city for fiscal years ended 2019 through 2023.

Due to procedural differences in accounting treatment among the cities, principal, interest, and capital expenditures were removed from the analysis. This allows for comparison of only departmental expenditures in the general funds of each entity.

We appreciate the opportunity to provide clarification to our presentation and are available for any additional questions.

Sincerely,

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
April 3, 2024

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000, Dallas, Texas 75201
Main: 972.490.1970

CPAs AND ADVISORS | WEAVER.COM

Attachment A

Amounts Below are Reported in Thousands (000's)

City	Description	Fiscal Year				
		2023	2022	2021	2020	2019
Dallas	Total Expenditures	\$1,674.4	\$1,477.2	\$1,378.3	\$1,285.4	\$1,280.7
	Capital Expenditures	(\$99.3)	(\$15.5)	(\$16.1)	(\$14.0)	(\$10.3)
	Debt Service Expenditures	(\$37.2)	(\$29.5)	(\$31.8)	(\$32.5)	(\$26.6)
	Net Departmental Expenditures ⁽¹⁾	\$1,537.9	\$1,432.2	\$1,330.4	\$1,238.9	\$1,243.8
	Yearly percentage change	7.4%	7.7%	7.4%	-0.4%	0.6%
	5-year change	23.6%				
Austin	Total Expenditures	\$1,271.7	\$1,187.2	\$1,139.2	\$1,022.3	\$1,013.9
	Capital Expenditures	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Debt Service Expenditures	(\$9.9)	(\$6.0)	\$0.0	\$0.0	\$0.0
	Net Departmental Expenditures ⁽¹⁾	\$1,261.8	\$1,181.2	\$1,139.2	\$1,022.3	\$1,013.9
	Yearly percentage change	6.8%	3.7%	11.4%	0.8%	0.7%
	5-year change	24.5%				
Fort Worth	Total Expenditures	\$805.4	\$750.1	\$694.1	\$662.4	\$654.8
	Capital Expenditures	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Debt Service Expenditures	(\$2.3)	(\$2.3)	(\$2.2)	(\$2.2)	(\$2.2)
	Net Departmental Expenditures ⁽¹⁾	\$803.1	\$747.8	\$691.9	\$660.2	\$652.6
	Yearly percentage change	7.4%	8.1%	4.8%	1.2%	6.4%
	5-year change	23.1%				
Houston	Total Expenditures	\$2,395.9	\$2,273.0	\$2,124.0	\$2,128.6	\$2,145.7 ⁽²⁾
	Capital Expenditures	(\$61.1)	(\$36.4)	(\$35.7)	(\$22.4)	(\$31.0)
	Debt Service Expenditures	(\$27.9)	(\$1.6)	(\$2.3)	(\$2.5)	(\$3.8)
	Net Departmental Expenditures ⁽¹⁾	\$2,306.9	\$2,235.0	\$2,086.0	\$2,103.7	\$2,110.9
	Yearly percentage change	3.2%	7.1%	-0.8%	-0.3%	-29.2%
	5-year change	9.3%				
San Antonio	Total Expenditures	\$1,335.2	\$1,254.7	\$1,174.6	\$1,162.7	\$1,145.2
	Capital Expenditures	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Debt Service Expenditures	(\$7.6)	(\$3.4)	\$0.0	(\$3.4)	(\$3.4)
	Net Departmental Expenditures ⁽¹⁾	\$1,327.6	\$1,251.3	\$1,174.6	\$1,159.3	\$1,141.8
	Yearly percentage change	6.1%	6.5%	1.3%	1.5%	4.4%
	5-year change	16.3%				

⁽¹⁾ Total expenditures were reduced for capital and debt service expenditures, in order to compare only departmental expenditures among the cities.

⁽²⁾ In FY18, Houston issued \$935.1 million in pension obligation bonds, which were used to make contributions to their pension plans.