

# DEBT SERVICE

## Overview

### *City of Dallas Total Outstanding Summary As of 09/30/2025*

Entity	Total Outstanding Principal	Total Outstanding Interest <sup>1</sup>	Total Outstanding Balance
General Obligation Debt	1,931,893,583	1,000,051,637	2,931,945,220
Equipment Acquisition Notes	116,400,000	9,548,849	125,948,849
Certificates of Obligation	484,670,000	95,030,250	579,700,250
<b>Tax Supported Debt</b>	<b>\$ 2,532,963,583</b>	<b>\$ 1,104,630,736</b>	<b>\$ 3,637,594,319</b>
Convention Center	192,980,000	58,396,850	251,376,850
Dallas Water Utilities	2,682,240,000	1,181,341,855	3,863,581,855
<b>Total Revenue Bonds</b>	<b>\$2,875,220,000</b>	<b>\$1,239,738,705</b>	<b>\$4,114,958,705</b>
<b>Grand Total</b>	<b>\$5,408,183,583</b>	<b>\$2,344,369,441</b>	<b>\$7,752,553,024</b>

<sup>1</sup>Total Outstanding Interest does not include the 2010 BABs subsidy

# DEBT SERVICE

## GENERAL OBLIGATION DEBT

### *Introduction*

The General Obligation Debt Service Fund provides for the payment of principal and interest on the City's outstanding general obligation (GO) bonds, certificates of obligation (CO), tax notes and contractual obligations, as well as interest on outstanding GO commercial paper. Debt financing is used to pay for large capital projects. By using debt, the project costs are allocated over the life of the asset. Capital projects may include improvements to and/or construction of the City's street system, parks and recreational facilities, libraries, police and fire protection facilities, and flood protection and the storm drainage system. The Financial Management Performance Criteria (FMPC) address debt management and other requirements adopted by the City Council. The FMPC provide additional guidance on the issuance of debt, including restricting the length of maturities, use of COs, and the amount and purpose for which bonded debt may be issued.

The primary source of revenue for the Debt Service Fund is property tax, also known as the ad valorem tax. The ad valorem tax rate of 69.97 cents per \$100 assessed value is split into two rates: a debt service tax rate and a rate to support the City's operating and maintenance costs. Approximately 27.3% (19.13 cents) of the resulting tax revenue is used to pay principal and interest on the City's outstanding GO debt. The remaining 72.7% (50.84 cents) is used to pay for operating and maintenance costs incurred in the General Fund.

Due to the level principal structure of most bond issues, the principal and interest payments of the existing GO debt decline annually. This repayment schedule creates capacity to issue new debt within the existing debt service tax rate and lowers interest costs versus a level annual payment.

### *Credit Ratings*

The City of Dallas' long-term GO debt has been rated by Standard & Poor's Global Ratings, Fitch Ratings, and Moody's Investors Service since November 2015 and Kroll Bond Rating Agency since September 2020 and holds the following ratings:

Credit Rating Service	General Obligation Debt
Standard & Poor's	AA- (stable outlook)
Fitch Ratings	AA (stable outlook)
Kroll Bond Rating Agency	AA+ (stable outlook)
Moody's Investors Service	A1 (negative outlook)

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## *Legal Debt Margin*

The Dallas City Charter (Chapter XXI, Section 3) limits the maximum bonded indebtedness payable from taxation to 10 percent of assessed property value. However, the FMPC limit the net GO debt to four percent of the true market valuation of the taxable property of Dallas. Debt issued as of September 30, 2026 will comprise 1.0 percent of the assessed value of \$226.5 billion and 0.7 percent of the market value of taxable property of \$302.4 billion. Thus, the City will continue to comply with both requirements as of September 30, 2025.

Assessed Value	\$226,456,133,434
10% Legal Debt Margin	\$22,645,613,343
Projected GO Debt 9/30/26*	\$2,242,718,469
GO Debt as a Percentage of Assessed Property Value	1.0%

Market Value of Taxable Property	\$302,430,387,711
4% FMPC Limit	\$12,097,215,508
Projected GO Debt 9/30/26*	\$2,242,718,469
GO Debt as a Percentage of Market Value	0.7%

*\*Principal only*

## *FY 2025-26 Debt Service Budget*

The FY 2025-26 budget includes principal and interest payments of \$435.07 million on outstanding GO debt. Principal and interest expenses for existing debt in FY 2025-26 are \$290.25 million and 144.83 million, respectively. The City anticipates issuing \$250.0 million in GO bonds in FY 2025-26 and \$250.0 million in FY 2026-27, \$34.5 million in equipment acquisition notes in FY 2025-26 and \$36.5 million in FY 2026-27, and \$52.9 million in master lease in FY 2025-26 and \$63.3 million in FY 2026-27. General Obligation Bond funded projects will continue to be awarded using commercial paper and refunded later with GO bonds.

In FY 2010-11, the City implemented a commercial paper program to provide interim financing of voter-approved capital improvement projects. The fees associated with the commercial paper program and interest on outstanding commercial paper are included in the General Fund budget. The City may allow cash proceeds in the City's investment pool to cover the cash need that may exist between the time of project expense and when commercial paper is sold for the interim financing.

In FY 2024-25, the Master Lease Purchase Program transitioned from the General Fund to the Debt Service Fund. The structure of the program will remain largely unchanged and the General Fund's payment schedule will phase out in FY 2031-32.

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## *Selected Financial Management Performance Criteria—Debt Management*

These key criteria, established to ensure sound management of the City's financial resources, are listed below to detail the effects of the issuance of new debt.

Criteria	09/30/2024 Actual	09/30/2025 Actual	09/30/2026 Budget
Total direct plus overlapping debt not to exceed 8% of the market value of taxable property*	3.8% In compliance	3.6% In compliance	3.9% In compliance
Weighted average GO bond maturities (exclusive of pension obligation bonds) not to exceed 10 years	8.0 years In compliance	7.0 years In compliance	7.0 years In compliance
CO debt not to exceed 15% of total authorized and issued GO debt**	19.9% Not In compliance	14.6% In compliance	14.3% In compliance
Per capita GO debt not to exceed 10% of latest authoritative computation of per capita annual income*	4.6% In compliance	3.6% In compliance	3.2% In compliance

\* Calculations based on principal only.

\*\* CO's issued on behalf Fair Park are reflected in this calculation, the debt is paid by these sources.

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## Statement of General Obligation (GO) Bonded Indebtedness As of 09/30/2025

Unit Number	Issue Name	Issue Date	Original Issue Amount	True Interest Cost	Outstanding Principal
600	GO Pension Bonds (Current Interest), Taxable Series 2005A	2/16/2005	186,575,000	5.0%	47,635,000
601	GO Pension Bonds (Capital Appreciation), Taxable Series 2005B	2/16/2005	137,772,609	5.4%	39,643,583
628	GO Bonds (Build America Bonds), Taxable Series 2010B	3/30/2010	85,380,000	4.7%	39,650,000
638	GO Refunding and Improvement Bonds, Series 2013A	8/6/2013	194,470,000	3.5%	10,230,000
1700	GO Refunding and Improvement Bonds, Series 2015	12/10/2015	195,075,000	3.1%	0
1843	GO Refunding and Improvement Bonds, Series 2017	12/12/2017	301,960,000	2.9%	178,400,000
W257	GO Refunding Bonds, Backpay Lawsuit 1, Series 2018B	8/7/2018	58,715,000	3.3%	45,110,000
1887	GO Refunding Bonds, Backpay Lawsuit 2, Series 2019B	5/15/2019	153,950,000	2.7%	107,750,000
1886	GO Improvement Bonds, Series 2019A (2006, 2012, and 2017 BP)	5/15/2019	235,595,000	2.7%	164,915,000
640	GO Refunding and Improvement Bonds, Series 2020A	11/12/2020	208,875,000	1.9%	129,955,000
3483	GO Refunding & Improvement Bonds, Series 2021	11/18/2021	237,115,000	1.7%	139,090,000
3483	GO Improvement Bonds, Taxable Series 2021	11/18/2021	3,135,000	1.6%	2,190,000
W974	GO Refunding and Improvement Bonds, Series 2023A	6/6/2023	381,135,000	3.4%	348,655,000
X067	GO Refunding Bonds, Series 2024A	3/26/2024	48,970,000	3.3%	46,390,000
X048	GO Refunding and Improvement Bonds, Series 2024B	4/30/2024	371,935,000	3.2%	311,100,000
X144	General Obligation Refunding and Improvement Bonds, Series 2024C	12/19/2024	321,180,000	3.5%	321,180,000
<b>Total GO Bonds</b>			<b>\$3,121,837,609</b>		<b>\$1,931,893,583</b>
643	Equipment Acquisition Note, Series 2020	7/2/2020	29,665,000	0.4%	0
649	Equipment Acquisition Note, Series 2020B	11/12/2020	24,565,000	0.5%	4,910,000
3482	Equipment Acquisition Note, Series 2021	11/18/2021	26,880,000	0.6%	10,750,000
2395	Equipment Acquisition Note, Series 2023	1/12/2023	71,600,000	3.4%	28,640,000
X047	Equipment Acquisition Note, Series 2023A	12/7/2023	76,270,000	4.4%	45,760,000
X137	Equipment Acquisition Notes, Series 2024A	12/19/2024	32,920,000	2.8%	26,340,000
<b>Total Equipment Acquisition Notes</b>			<b>\$261,900,000</b>		<b>\$116,400,000</b>
644	Certificates of Obligation, Series 2020	7/2/2020	16,000,000	1.5%	8,000,000
3481	Certificates of Obligation, Series 2021	11/18/2021	45,920,000	1.0%	30,605,000
W975	Combination Tax and Revenue Certificates of Obligation, Series 2023	6/6/2023	55,185,000	2.7%	44,145,000
X053	Certificates of Obligation, Series 2024A	1/31/2024	213,680,000	2.6%	189,935,000
X069	Certificates of Obligation, Series 2024B	4/30/2024	197,850,000	3.2%	175,865,000
Multiple	Certificates of Obligation, Series 2025A	1/30/2025	36,120,000	3.1%	36,120,000
<b>Total Certificates of Obligation</b>			<b>\$564,755,000</b>		<b>\$484,670,000</b>
<b>Total GO Debt</b>			<b>\$3,948,492,609</b>		<b>\$2,532,963,583</b>

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## *General Obligation Debt Service Requirements As of 09/30/2025*

Fiscal Year	Outstanding Debt <sup>1</sup>		
	Principal	Interest <sup>2</sup>	Total
2026	290,245,114	144,826,033	435,071,146
2027	275,757,694	132,859,570	408,617,263
2028	234,729,062	121,954,566	356,683,628
2029	208,698,642	112,526,629	321,225,272
2030	202,360,730	104,089,599	306,450,329
2031	192,175,840	96,273,172	288,449,012
2032	188,038,960	89,111,940	277,150,900
2033	177,617,046	82,662,871	260,279,917
2034	126,514,198	77,945,528	204,459,726
2035	105,626,297	68,446,950	174,073,247
2036	90,845,000	19,306,544	110,151,544
2037	90,995,000	15,784,894	106,779,894
2038	76,720,000	12,497,281	89,217,281
2039	72,435,000	9,609,609	82,044,609
2040	52,965,000	7,128,050	60,093,050
2041	52,965,000	4,999,200	57,964,200
2042	44,845,000	3,051,125	47,896,125
2043	37,245,000	1,313,475	38,558,475
2044	12,185,000	243,700	12,428,700
	<b>\$2,532,963,583</b>	<b>\$1,104,630,736</b>	<b>\$3,637,594,318</b>

<sup>1</sup>Total Outstanding Debt does not include outstanding Commercial Paper notes.

<sup>2</sup> Total Outstanding Interest does not include the 2010 BABs subsidy.

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## General Obligation Debt Service Fund Statement of Revenues and Expenditures

	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Forecast	FY 2025-26 Budget	FY 2026-27 Planned
<b>Beginning Balance</b>	<b>\$100,972,008</b>	<b>\$126,407,727</b>	<b>\$129,424,259</b>	<b>\$97,684,743</b>	<b>\$84,041,053</b>
Revenues					
Ad Valorem Taxes	391,589,395	410,545,551	404,581,306	424,621,609	443,662,457
Interest Earnings	3,274,839	500,000	2,768,905	2,500,000	2,500,000
Department Transfers	16,103,405	26,779,765	24,654,649	30,083,921	37,411,233
Pension Obligation Bond Transfers	16,965,453	18,942,958	18,942,958	19,527,098	20,130,695
Insurance Payout		8,000,000	0	0	8,000,000
"Build America Bonds" Federal Subsidy	764,140	760,014	760,014	639,015	512,750
<b>Total Revenues</b>	<b>428,697,232</b>	<b>465,528,288</b>	<b>451,707,832</b>	<b>477,371,642</b>	<b>512,217,134</b>
<b>Total Available Resources</b>	<b>529,669,240</b>	<b>591,936,015</b>	<b>581,132,091</b>	<b>575,056,385</b>	<b>596,258,187</b>
Expenses					
Principal and Interest	371,595,283	427,182,324	446,027,667	435,071,146	408,617,263
Commercial Paper Payment and Fees	0	1,900,000	1,900,000	1,900,000	1,300,000
TIF Increment Payment	34,095,355	35,519,680	35,519,680	36,381,622	39,655,968
General Obligation (GO) Bonds		13,750,000		10,000,000	34,157,895
Certificate of Obligation (COs)					0
Master Lease		5,504,630		5,765,065	19,465,559
Equipment Acquisition Notes		1,897,500		1,897,500	10,891,111
<b>Total Expenses</b>	<b>405,690,638</b>	<b>485,754,134</b>	<b>483,447,348</b>	<b>491,015,332</b>	<b>514,087,796</b>
Changes in Encumbrances and other Balance sheet Accounts	5,445,657				
<b>Ending Balance</b>	<b>\$129,424,259</b>	<b>\$106,181,881</b>	<b>\$97,684,743</b>	<b>\$84,041,053</b>	<b>\$82,170,392</b>

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## *General Obligation Bond Authority*

The City's current authority to issue voted GO debt originates from bond elections conducted in May 4, 2024. The table below lists the amount of debt authorized, the amount issued to date, and the amount remaining unissued.

Proposition	Amount Authorized	Amount Issue to Date	Amount Unissued
<b>2024 Bond Program- Authorized by voters in May 2024</b>			
Street and Transportation [A]	521,200,000	93,879,198	427,320,802
Park & Recreation [B]	345,270,000	69,413,629	275,856,371
Flood Protection and Storm Drainage [C]	52,100,000	1,799,106	50,300,894
Library Facilities [D]	43,530,000	3,029,900	40,500,100
Cultural Arts Facilities [E]	75,200,000	7,809,300	67,390,700
Public Safety Facilities [F]	90,000,000	50,199,235	39,800,765
Economic Development [G]	72,300,000	9,789,632	62,510,368
Housing [H]	26,400,000	5,280,000	21,120,000
Homeless [I]	19,000,000	3,800,000	15,200,000
Information Technology [J]	5,000,000	5,000,000	0
<b>Total 2024 Bond Program</b>	<b>\$1,250,000,000</b>	<b>\$250,000,000</b>	<b>\$1,000,000,000</b>



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## *Master Lease Purchase Program*

The Master Lease Purchase Program (MLPP) is a lease revenue finance program used by the City to finance capital equipment and technology items. The City has used this program since FY 2011-12. The financing vehicle for the MLPP is a tax-exempt revenue commercial paper program established pursuant to Public Property Finance Act, Texas Local Gov't. Code Ann. §271.001 et seq.

Under the program, the City borrows money to pay for equipment or other eligible equipment-type projects by issuing tax-exempt revenue, known as "Schedule A," to the Master Equipment Lease/Purchase Agreement. The financing agent and the City enter a lease pursuant to which the lessor acquires the equipment or other project and leases it to the City, who is required to make lease payments to the lessor to repay the principal and interest on the lease. When the lease is fully paid, possession of the equipment or other financed project is transferred to the City. The City may pay off the lease at any time without penalty.

The City entered a Master Equipment Lease/Purchase Agreement with Bank of America Public Capital Corp. on December 1, 2011, which expired in FY 2015-16. A second five-year agreement was entered on May 24, 2016. On April 14, 2021, an amendment was executed to extend the term of the agreement until September 30, 2022. As of September 2022, the City has entered 67 Schedule A agreements totaling \$337.8 million (principal \$313.0 million and interest \$24.9 million). The MLPP under this structure ended on September 30, 2022. The City entered into a new Master Equipment Lease/Purchase Agreement with J. P. Morgan Chase Bank on May 14, 2024 and anticipates financing capital equipment purchases starting in FY 2024-25.

The MLPP may be used to finance the City's acquisition of heavy equipment, computer hardware/software, and other personal property with a minimum useful life of three years. Lease drawdowns are used to pay invoices or provide up-front funding for systems subject to multi-year implementation schedules. The City has drawn down lease funding in three term types depending on the useful life of the purchased equipment. Technology items such as computer hardware and software are leased over a three-year term, vehicles and heavy equipment are leased over a five-year term, and fire apparatus are leased over a 10-year term.

## *Lease Payments*

The interest rate for each lease is set at the time the funds are drawn and is fixed for the term of the lease. The interest rate is determined through a calculation based on the "Swap Index" published by the Intercontinental Exchange, Inc.

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The table that follows displays detail for completed draws of \$15.4 for FY 2025-26 and \$14.1 million for FY 2026-27.

Lease Schedule	Date of Issue	FY 2025-26			FY 2026-27		
		Principal	Interest	Total	Principal	Interest	Total
Schedule A No. 16	5/24/2016	262,756	2,285	265,041	—	—	—
Fire Apparatus		262,756	2,285	265,041	—	—	—
Schedule A No. 18	3/30/2017	119,328	3,588	122,915	60,733	724	61,458
Fire Apparatus		119,328	3,588	122,915	60,733	724	61,458
Schedule A No. 24	11/15/2017	578,649	23,630	602,279	592,041	10,238	602,279
Fire Apparatus		578,649	23,630	602,279	592,041	10,238	602,279
Schedule A No. 29	3/7/2018	130,563	15,072	145,635	116,673	28,962	145,635
Fire Apparatus		130,563	15,072	145,635	116,673	28,962	145,635
Schedule A No. 30	4/30/2018	1,808,028	142,745	1,950,773	1,858,701	92,072	1,950,773
P25 Radio System		1,808,028	142,745	1,950,773	1,858,701	92,072	1,950,773
Schedule A No. 33	9/26/2018	343,387	32,341	375,728	354,816	20,912	375,728
Fire Apparatus		343,387	32,341	375,728	354,816	20,912	375,728
Schedule A No. 35	12/27/2018	302,528	27,695	330,222	312,322	17,900	330,222
Fire Apparatus		302,528	27,695	330,222	312,322	17,900	330,222
Schedule A No. 39	3/27/2019	3,265,345	328,227	3,593,573	3,349,840	243,732	3,593,573
P25 Radio System		3,265,345	328,227	3,593,573	3,349,840	243,732	3,593,573
Schedule A No. 40	5/24/2019	464,523	43,181	507,703	477,406	30,297	507,703
Fire Apparatus		464,523	43,181	507,703	477,406	30,297	507,703
Schedule A No. 46	9/26/2019	239,173	20,135	259,308	244,386	14,923	259,308
Fire Apparatus		239,173	20,135	259,308	244,386	14,923	259,308
Schedule A No. 50	4/16/2020	62,692	4,353	67,045	63,690	3,355	67,045
EFM Shop Equipment		62,692	4,353	67,045	63,690	3,355	67,045
Schedule A No. 54	10/5/2020	695,257	52,197	747,454	705,935	41,519	747,454
Fire Apparatus		695,257	52,197	747,454	705,935	41,519	747,454
Schedule A No. 57	6/15/2021	280,035	1,820	281,855	—	—	—
Ambulance & Fire Equipment		13,706	89	13,795	—	—	—
EFM Shop Equipment		30,672	199	30,872	—	—	—
General Fleet & Equipment		235,657	1,532	237,188	—	—	—
Schedule A No. 58	6/15/2021	302,717	1,968	304,685	—	—	—
Sanitation Fleet & Equipment		302,717	1,968	304,685	—	—	—
Schedule A No. 59	6/15/2021	510,359	54,142	564,501	520,256	44,244	564,501
Fire Apparatus		33,389	3,542	36,931	34,036	2,895	36,931
Fire Mobile Air Supply		476,970	50,600	527,570	486,220	41,350	527,570
Schedule A No. 61	7/29/2022	697,097	29,266	726,363	357,251	5,930	363,182
Ambulance & Fire Equipment		350,139	14,700	364,838	179,440	2,979	182,419
General Fleet & Equipment		346,959	14,566	361,525	177,811	2,952	180,762

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Lease Schedule	Date of Issue	FY 2025-26			FY 2026-27		
		Principal	Interest	Total	Principal	Interest	Total
Schedule A No. 62	7/29/2022	20,071	843	20,914	10,286	171	10,457
Sanitation Fleet & Equipment		20,071	843	20,914	10,286	171	10,457
Schedule A No. 63	7/29/2022	52,952	2,223	55,175	27,137	450	27,588
EFM Shop Technology		18,481	776	19,257	9,471	157	9,629
Fire Apparatus		8,849	372	9,220	4,535	75	4,610
Fire Mobile Air Supply		25,622	1,076	26,698	13,131	218	13,349
Schedule A No. 65	8/30/2022	3,283,893	229,009	3,512,902	3,412,953	99,949	3,512,902
Ambulance & Fire Equipment		34,343	2,395	36,737	35,692	1,045	36,737
EFM Shop Technology		3,702	258	3,960	3,847	113	3,960
General Fleet & Equipment		3,245,849	226,356	3,472,205	3,373,413	98,791	3,472,205
Schedule A No. 66	8/30/2022	43,589	3,040	46,629	45,302	1,327	46,629
Sanitation Fleet & Equipment		43,589	3,040	46,629	45,302	1,327	46,629
Schedule A No. 67	9/30/2022	725,070	224,361	949,431	754,621	194,810	949,431
Ambulance & Fire Equipment		6,007	1,859	7,866	6,252	1,614	7,866
Fire Apparatus		115,483	35,734	151,218	120,190	31,028	151,218
P25 Radio System		603,580	186,768	790,348	628,179	162,169	790,348
<b>Total Completed Draws</b>		<b>\$14,188,011</b>	<b>\$1,242,121</b>	<b>\$15,430,132</b>	<b>\$13,264,351</b>	<b>\$851,517</b>	<b>\$14,115,868</b>

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The table that follows displays detail for anticipated draws of \$24.3 million for FY 2025-26 and \$15.4 million for FY 2026-27.

Lease Schedule	Date of Issue	FY 2025-26			FY 2026-27		
		Principal	Interest	Total	Principal	Interest	Total
Schedule A No. 77	12/1/2025	2,502,553	422,286	2,924,839	2,588,269	336,571	2,924,839
Ambulance & Fire Equipment		373,552	64,703	438,255	386,331	51,924	438,255
DPD In-Car DVR Replacement		150,423	14,875	165,298	155,672	9,625	165,298
EFM - General Fleet & Equipment		610,752	105,788	716,540	631,646	84,894	716,540
EFM - General Fleet & Equipment DPD		1,367,826	236,920	1,604,747	1,414,619	190,127	1,604,747
Schedule A No. 78	12/1/2025	835,878	82,659	918,537	865,050	53,487	918,537
Public Safety MDC Replacement		107,322	10,613	117,935	111,068	6,867	117,935
DPD TAAG Surveillance Camera Replacement		114,137	11,287	125,424	118,120	7,304	125,424
IT Network Equipment		225,376	22,287	247,664	233,242	14,422	247,664
IT Security Equipment		42,929	4,245	47,174	44,427	2,747	47,174
Laptop/Desktop Annual Replacement		241,475	23,879	265,354	249,902	15,452	265,354
IT Infrastructure		104,639	10,348	114,987	108,291	6,696	114,987
Schedule A No. 80	3/1/2026	1,166,176	213,595	1,379,771	2,392,025	367,516	2,759,542
Ambulance & Fire Equipment		185,206	33,922	219,128	379,888	58,367	438,255
EFM - General Fleet & Equipment		302,808	55,462	358,270	621,111	95,429	716,540
EFM - General Fleet & Equipment DPD		678,162	124,211	802,373	1,391,026	213,720	1,604,747
Schedule A No. 81	3/1/2026	488,921	52,996	541,917	1,003,364	80,471	1,083,835
Public Safety MDC Replacement		53,201	5,767	58,968	109,179	8,756	117,935
DPD In-Car DVR Replacement		74,566	8,083	82,649	153,025	12,273	165,298
DPD TAAG Surveillance Camera Replacement		56,579	6,133	62,712	116,112	9,312	125,424
IT Network Equipment		111,722	12,110	123,832	229,275	18,388	247,664
IT Security Equipment		21,280	2,307	23,587	43,671	3,503	47,174
Laptop/Desktop Annual Replacement		119,702	12,975	132,677	245,652	19,702	265,354
IT Infrastructure		51,871	5,623	57,493	106,449	8,537	114,987
Schedule A No. 83	9/1/2026	-	-	-	2,502,553	422,286	2,924,839
Ambulance & Fire Equipment		-	-	-	373,552	64,703	438,255
DPD In-Car DVR Replacement		-	-	-	150,423	14,875	165,298
EFM - General Fleet & Equipment		-	-	-	610,752	105,788	716,540
EFM - General Fleet & Equipment DPD		-	-	-	1,367,826	236,920	1,604,747
Schedule A No. 84	9/1/2026	-	-	-	835,878	82,659	918,537
Public Safety MDC Replacement		-	-	-	107,322	10,613	117,935
DPD TAAG Surveillance Camera Replacement		-	-	-	114,137	11,287	125,424
IT Network Equipment		-	-	-	225,376	22,287	247,664
IT Security Equipment		-	-	-	42,929	4,245	47,174
Laptop/Desktop Annual Replacement		-	-	-	241,475	23,879	265,354
IT Infrastructure		-	-	-	104,639	10,348	114,987
Schedule A No. 85	12/1/2026	-	-	-	3,276,315	567,488	3,843,803
Ambulance & Fire Equipment		-	-	-	311,294	53,919	365,213
EFM - General Fleet & Equipment		-	-	-	610,752	105,788	716,540
EFM - General Fleet & Equipment DPD		-	-	-	2,354,269	407,781	2,762,050
Schedule A No. 86	12/1/2026	-	-	-	1,044,255	103,265	1,147,520
Public Safety MDC Replacement		-	-	-	107,322	10,613	117,935
DPD In-Car DVR Replacement		-	-	-	150,423	14,875	165,298
DPD TAAG Surveillance Camera Replacement		-	-	-	172,091	17,018	189,109

# DEBT SERVICE

Lease Schedule	Date of Issue	FY 2025-26			FY 2026-27		
		Principal	Interest	Total	Principal	Interest	Total
IT Network Equipment		-	-	-	225,376	22,287	247,664
IT Security Equipment		-	-	-	42,929	4,245	47,174
Laptop/Desktop Annual Replacement		-	-	-	241,475	23,879	265,354
IT Infrastructure		-	-	-	104,639	10,348	114,987
Schedule A No. 87	12/1/2026	-	-	-	212,453	86,511	298,964
Helicopter		-	-	-	212,453	86,511	298,964
Schedule A No. 88	3/1/2027	-	-	-	1,624,382	297,520	1,921,901
Ambulance & Fire Equipment		-	-	-	154,338	28,268	182,606
EFM - General Fleet & Equipment		-	-	-	302,808	55,462	358,270
EFM - General Fleet & Equipment DPD		-	-	-	1,167,236	213,789	1,381,025
Schedule A No. 89	3/1/2027	-	-	-	517,650	56,110	573,760
Public Safety MDC Replacement		-	-	-	53,201	5,767	58,968
DPD In-Car DVR Replacement		-	-	-	74,566	8,083	82,649
DPD TAAG Surveillance Camera Replacement		-	-	-	85,308	9,247	94,554
IT Network Equipment		-	-	-	111,722	12,110	123,832
IT Security Equipment		-	-	-	21,280	2,307	23,587
Laptop/Desktop Annual Replacement		-	-	-	119,702	12,975	132,677
IT Infrastructure		-	-	-	51,871	5,623	57,493
Schedule A No. 90	3/1/2027	-	-	-	105,296	44,186	149,482
Helicopter		-	-	-	105,296	44,186	149,482
<b>Total Anticipated Draws</b>		<b>\$4,993,528</b>	<b>\$771,536</b>	<b>\$5,765,065</b>	<b>\$16,967,488</b>	<b>\$2,498,071</b>	<b>\$19,465,559</b>

# DEBT SERVICE

## CONVENTION CENTER

### *Introduction*

The Convention Center Debt Service Fund provides for the payment of principal and interest on the Convention Center's outstanding revenue bonded indebtedness. In October 2021, the Convention Center issued Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021, resulting in an annual debt service savings of approximately \$4.0 million that is reallocated to support the Kay Bailey Hutchison Convention Center Dallas Master Plan.

Per Chapter 351 of the Texas Tax Code, 4.718 percent of the City's seven percent Hotel Occupancy Tax is pledged for repayment of the debt. Revenues from this source are transferred to the Debt Service Fund to meet annual principal and interest payments.

### *Credit Ratings*

The Convention Center complex currently holds AA and A ratings from Fitch Ratings and Standard & Poor's, respectively.

### *FY 2025-26 and FY 2026-27 Debt Service Budget*

The FY 2025-26 budget includes \$11.5 million in principal payments and \$7.8 million in interest payments on existing debt. The FY 2026-27 budget provides for estimated principal and interest of \$12.1 million and \$7.3 million, respectively.

# DEBT SERVICE

*Convention Center  
Statement of Revenue Bonded Indebtedness  
As of 09/30/2025*

Unit Number	Issue Name	Issue Date	Original Issue Amount	True Interest Cost	Outstanding Principal
9295	Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021	11/16/2021	232,895,000	2.7 %	192,980,000
			<u>\$232,895,000</u>		<u>\$192,980,000</u>

# DEBT SERVICE

*Convention Center  
Debt Service Requirements  
As of 09/30/2025*

Fiscal Year	Outstanding Debt		
	Principal	Interest	Total
2026	11,505,000	7,834,250	19,339,250
2027	12,080,000	7,259,000	19,339,000
2028	12,560,000	6,775,800	19,335,800
2029	13,065,000	6,273,400	19,338,400
2030	13,585,000	5,750,800	19,335,800
2031	14,130,000	5,207,400	19,337,400
2032	14,695,000	4,642,200	19,337,200
2033	15,280,000	4,054,400	19,334,400
2034	15,890,000	3,443,200	19,333,200
2035	16,530,000	2,807,600	19,337,600
2036	17,190,000	2,146,400	19,336,400
2037	17,880,000	1,458,800	19,338,800
2038	18,590,000	743,600	19,333,600
	<b>\$192,980,000</b>	<b>\$58,396,850</b>	<b>\$251,376,850</b>



# DEBT SERVICE

## Convention Center

### Statement of Debt Service Revenues and Expenditures

	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Forecast	FY 2025-26 Budget	FY 2026-27 Planned
<b>Beginning Balance</b>	<b>2,647,696</b>	<b>2,647,696</b>	<b>2,647,696</b>	<b>2,647,696</b>	<b>2,647,696</b>
Revenues					
Transfers	19,335,250	19,337,000	19,337,000	19,339,250	19,339,000
Interest/Other	0	0	0	0	0
<b>Total Revenues</b>	<b>19,335,250</b>	<b>19,337,000</b>	<b>19,337,000</b>	<b>19,339,250</b>	<b>19,339,000</b>
<b>Total Available Resources</b>	<b>21,982,946</b>	<b>21,984,696</b>	<b>21,984,696</b>	<b>21,986,946</b>	<b>21,986,696</b>
Expenses					
Principal Payments	9,935,000	10,955,000	10,955,000	11,505,000	12,080,000
Interest Payments	9,400,250	8,382,000	8,382,000	7,834,250	7,259,000
<b>Total Expenses</b>	<b>19,335,250</b>	<b>19,337,000</b>	<b>19,337,000</b>	<b>19,339,250</b>	<b>19,339,000</b>
<b>Ending Balance</b>	<b>\$2,647,696</b>	<b>\$2,647,696</b>	<b>\$2,647,696</b>	<b>\$2,647,696</b>	<b>\$2,647,696</b>

# DEBT SERVICE

## DALLAS WATER UTILITIES

### Introduction

The debt service component of the operating budget for Dallas Water Utilities (DWU) provides for payment of principal and interest on DWU’s indebtedness. The budget for these payments is prescribed by the following standards:

- The Dallas City Charter provides in Chapter XI, Section 14 that all water and wastewater costs (including debt requirements) shall be paid for from customer service revenues
- Revenue bond ordinances provide that customer service revenues solely secure water and wastewater bonds
- Financial Management Performance Criteria (FMPC) for DWU provide for financing of capital improvements (effectively defined as capital projects with useful life of 20 years or longer) either from debt or directly from revenues, to maintain system equity levels

In addition to revenue bonds, debt sources include tax-exempt commercial paper notes, which are used for interim financing of capital construction projects. On at least a biannual basis, commercial paper is refinanced and retired with revenue bonds. This process lowers overall interest costs and provides greater financing flexibility. Debt sources also include certain contractual obligations whereby DWU will reimburse other agencies for debt incurred to construct joint-use facilities. Under these contractual agreements, DWU makes payments in proportion to its allocated share of the joint-use facilities.

### Credit Ratings

The City of Dallas Waterworks and Sewer System Revenue Bonds are judged to be of high quality by all standards. These credit ratings reflect the sound management of DWU financial resources and allow issuance of bonds with relatively low interest costs. The City of Dallas Waterworks and Sewer System Commercial Paper Notes hold similarly high credit ratings. Ratings as of June 2025 of DWU’s debt instruments are shown in the table below.

Credit Rating Service	Revenue Bonds	Commercial Paper Notes
Standard & Poor’s	AAA	A-1+
Fitch Ratings	AA	F1+
Moody’s Investors Service	Aa2	Not Rated

# DEBT SERVICE

## *Revenue Bond and Commercial Paper Note Coverage*

The following standards have been established for DWU net revenue in relation to future debt service payments:

- Revenue bond ordinances require net revenues equal to at least 1.25 times bond principal and interest requirements of the future year when those requirements are highest
- DWU financial criteria state that net revenues should be 1.5 times maximum annual bond requirements at the end of each fiscal year
- Commercial paper coverage requirements state that net revenues should be 1.10 times the maximum annual principal and interest payments required on all debt outstanding in the future year when those requirements are highest

The latest available audited financial statements coverage from September 30, 2024, are summarized in the table below.

### Debt Service Coverage Requirements As of 09/30/25 (000 omitted)

Coverage Net Revenue (CNR) = \$453,777.

Authority	Ratio	Requirement	Denominator \$	Actual
Bond Ordinance	CNR/Max Year	1.25	204,054	2.22
DWU Criteria	CNR/Max Year	1.50	204,054	2.22
DWU Criteria	CNR/Max CP	1.10	204,054	2.22
Rating Agencies	CNR/Average Annual Debt	N/A	125,138	3.63

DWU FAs: 2.1 is Max DSCR for FYE22 and 2.26 is for FYE23, using FYE23 revenues, which includes the 2024 debt issuances.

Max Year = Maximum amount of debt service required in a single fiscal year for principal and interest payments on outstanding revenue bond indebtedness.

Max CP = Maximum amount of debt service required in a single fiscal year for principal and interest payments on all outstanding debt.

# DEBT SERVICE

## *FY 2025-26 and FY 2026-27 Debt Service Budget*

The FY 2025-26 budget provides principal and interest on existing debt of \$105.8 million and \$97.3 million, respectively. Commercial paper issues in FY 2025-26 and FY 2026-27 are forecast at \$272.1 million and \$340.8 million, with an estimated interest cost and fees of \$5.7 million, which are paid from the Water Utilities Operating Fund. The FY 2026-27 budget provides estimated principal and interest on proposed debt of \$114 million and \$93.2 million.

## *DWU Financial Criteria for Debt Management*

Financial criteria have been established to ensure sound management of DWU's financial resources. Financial criteria that apply to DWU indebtedness are listed below. Compliance with each of the criteria is projected for FY 2025-26 unless otherwise noted.

1. Current revenues will be sufficient to support current expenditures, including debt service and other obligations of the system.
2. Long-term debt will be used only for capital expansion, replacement, and improvement of plants, not for current expenses.
3. Short-term debt, including tax-exempt commercial paper, will be used as authorized for interim financing of projects that will result in capital improvements.
4. Capital projects financed through the issuance of debt will be financed for a period not to exceed the expected useful lives of the projects.
5. An equity target will be maintained for each fiscal year-end of at least 20 percent of the total capital structure, excluding current liabilities.
6. Net revenues available for debt service should be at least 1.50 times the maximum annual principal and interest requirements of relevant outstanding revenue bonds at the end of the same fiscal year, and at least 1.25 times maximum-year requirements at all times, measured during a fiscal year using the previous year net revenues available for debt service.
7. Capital financing will be provided through revenue bonds, current revenues, contributed capital, and short-term debt.
8. Revenue bonds will be issued with serial maturities not to exceed 30 years.
9. Debt refinancing will only be considered when the current refunding has an overall net present value savings of at least three percent of the principal amount to be refunded, and the advance refund has an overall net present value savings at four percent of the principal amount to be refunded.
10. Fully funded debt service reserves shall be maintained. A surety bond (or other type of credit facility such as a letter of credit) may be used in lieu of funding the reserve if the former is economically advantageous.

# DEBT SERVICE

## Dallas Water Utilities Statement of Indebtedness As of 09/30/2025

Unit Number	Issue Name	Issue Date	Original Issue Amount	True Interest Cost	Outstanding Principal
636	Waterworks & Sewer Revenue Refunding, Series 2012A	9/19/2012	259,420,000	2.7%	19,230,000
636	Waterworks & Sewer Revenue Refunding, Taxable Series 2012B	9/19/2012	106,720,000	2.7%	50,100,000
1530	Waterworks & Sewer Revenue Refunding, Series 2013	9/17/2013	156,540,000	4.5%	13,420,000
9712	Waterworks & Sewer Revenue Refunding, Series 2015A	3/25/2015	453,630,000	3.4%	357,520,000
1727	Waterworks & Sewer Revenue Refunding, Series 2016A	7/7/2016	370,100,000	3.0%	341,605,000
1727	Waterworks & Sewer Revenue Refunding, Taxable Series 2016B	7/7/2016	170,245,000	2.2%	55,815,000
W208	Waterworks & Sewer Revenue Refunding, Series 2017	8/17/2017	171,540,000	3.6%	148,750,000
W309	Waterworks & Sewer Revenue Bond, Series 2018A	5/14/2018	22,000,000	1.2%	17,920,000
W309	Waterworks & Sewer Revenue Bond, Series 2018B	5/14/2018	44,000,000	1.5%	36,130,000
W339	Waterworks & Sewer Revenue Refunding, Series 2018C	9/26/2018	152,965,000	3.6%	135,365,000
FS40	Waterworks & Sewer Revenue Bond, Series 2019A	5/13/2019	22,000,000	0.9%	18,400,000
FW40	Waterworks & Sewer Revenue Bond, Series 2019B	5/13/2019	44,000,000	1.2%	37,040,000
FS40	Waterworks & Sewer Revenue Bond, Series 2020A	5/12/2020	22,000,000	0.3%	18,980,000
FW40	Waterworks & Sewer Revenue Bond, Series 2020B	5/12/2020	44,000,000	0.5%	38,040,000
637	Waterworks & Sewer Revenue Refunding, Series 2020C	7/7/2020	281,825,000	2.6%	253,550,000
637	Waterworks & Sewer Revenue Refunding, Taxable Series 2020D	7/7/2020	363,665,000	2.3%	312,965,000
FS40	Waterworks & Sewer Revenue Bond, Series 2021A	5/19/2021	22,000,000	0.1%	19,720,000
FW40	Waterworks & Sewer Revenue Bond, Series 2021B	5/19/2021	44,000,000	0.2%	39,455,000
W931	Waterworks & Sewer Revenue Refunding, Series 2021C	9/23/2021	126,130,000	2.2%	118,995,000
FS40	Waterworks & Sewer Revenue Bond, Series 2022A	5/19/2022	22,000,000	1.0%	20,610,000
FW40	Waterworks & Sewer Revenue Bond, Series 2022B	5/19/2022	44,000,000	1.3%	41,325,000
8360/8361/8362	Waterworks & Sewer Revenue Bond, Series 2022C	12/1/2022	114,800,000	3.7%	108,060,000
X007	Waterworks & Sewer Revenue Bond, Series 2023A	3/23/2023	166,330,000	3.9%	163,640,000
8363	Waterworks & Sewer Revenue Bond, Series 2023C	12/5/2023	34,000,000	3.7%	33,070,000
X194	Waterworks & Sewer Revenue Bond, Series 2024	12/19/2024	248,535,000	4.0%	248,535,000
X195	Waterworks & Sewer Revenue Bond, Series 2024C	12/4/2024	34,000,000	3.1%	34,000,000
<b>Total Dallas Water Utilities Revenue Bonds</b>			<b>\$3,540,445,000</b>		<b>\$2,682,240,000</b>
<b>Total Dallas Water Utilities Debt</b>			<b>\$3,540,445,000</b>		<b>\$2,682,240,000</b>

# DEBT SERVICE

## Dallas Water Utilities Debt Service Requirements As of 09/30/2025

Fiscal Year	Outstanding Debt		
	Principal	Interest	Total
2026	105,755,000	97,278,381	203,033,381
2027	113,980,000	93,185,618	207,165,618
2028	118,205,000	88,927,617	207,132,617
2029	122,285,000	84,806,318	207,091,318
2030	119,035,000	80,423,654	199,458,654
2031	108,885,000	75,916,531	184,801,531
2032	113,160,000	71,611,024	184,771,024
2033	118,215,000	67,076,649	185,291,649
2034	122,815,000	62,435,642	185,250,642
2035	127,520,000	57,734,789	185,254,789
2036	132,280,000	52,928,809	185,208,809
2037	122,165,000	48,283,864	170,448,864
2038	114,415,000	44,006,446	158,421,446
2039	109,070,000	39,992,069	149,062,069
2040	113,010,000	36,018,534	149,028,534
2041	104,215,000	32,262,856	136,477,856
2042	98,650,000	28,627,545	127,277,545
2043	92,925,000	24,983,479	117,908,479
2044	89,940,000	21,428,737	111,368,737
2045	93,525,000	17,822,259	111,347,259
2046	85,130,000	14,368,310	99,498,310
2047	76,580,000	11,354,267	87,934,267
2048	68,345,000	8,778,786	77,123,786
2049	51,860,000	6,754,961	58,614,961
2050	48,860,000	5,091,034	53,951,034
2051	33,340,000	3,703,736	37,043,736
2052	25,350,000	2,648,906	27,998,906
2053	23,675,000	1,680,347	25,355,347
2054	14,225,000	904,922	15,129,922
2055	14,825,000	305,766	15,130,766
	<b>\$2,682,240,000</b>	<b>\$1,181,341,855</b>	<b>\$3,863,581,855</b>

# DEBT SERVICE

## Dallas Water Utilities Statement of Debt Service Revenues and Expenditures

	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Forecast	FY 2025-26 Budget	FY 2026-27 Planned
<b>Beginning Balance</b>	<b>155,553,809</b>	<b>154,906,057</b>	<b>149,421,395</b>	<b>150,086,566</b>	<b>168,894,627</b>
Revenues					
Transfers	205,995,478	204,719,451	204,719,451	221,841,442	231,095,882
<b>Total Revenues</b>	<b>205,995,478</b>	<b>204,719,451</b>	<b>204,719,451</b>	<b>221,841,442</b>	<b>231,095,882</b>
<b>Total Available Resources</b>	<b>361,549,287</b>	<b>359,625,508</b>	<b>354,140,846</b>	<b>371,928,008</b>	<b>399,990,509</b>
Expenses					
Principal Payments	119,380,000	114,850,000	114,850,000	105,755,000	113,980,000
Interest Payments	92,747,892	89,204,280	89,204,280	97,278,381	93,185,618
<b>Total Expenses</b>	<b>212,127,892</b>	<b>204,054,280</b>	<b>204,054,280</b>	<b>203,033,381</b>	<b>207,165,618</b>
<b>Ending Balance</b>	<b>\$149,421,395</b>	<b>\$155,571,228</b>	<b>\$150,086,566</b>	<b>\$168,894,627</b>	<b>\$192,824,891</b>

Note: Commercial paper costs, debt fees, and smaller debt expenses are paid directly from Water Utilities Operating Funds. These payments are made to bond holders and reservoir debt holders and do not include any additional fees or commercial paper interest.

