



# CITY OF DALLAS, TEXAS

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Fiscal Year Ended  
September 30, 2022





# **CITY OF DALLAS, TEXAS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Fiscal Year Ended September 30, 2022**

### **Issued by City Controller's Office**

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# **INTRODUCTORY SECTION**





February 24, 2023

Honorable Mayor, City Council members, and residents of Dallas:

We are pleased to present the Annual Comprehensive Financial Report for the City of Dallas (City) for the fiscal year (FY) ended September 30, 2022. The City and our dedicated financial management staff are committed to responsibly stewarding the funds our residents and taxpayers entrust to us. We have produced this report to help the public better understand the City, our operations, and our finances.

We are proud to announce we received an unmodified (clean) audit opinion on our financial statements this year from our external auditor, Weaver and Tidwell, LLP. We can provide reasonable assurance the financial information contained in this report is complete, reliable, and accurate.

We present the report in three sections:

- The **Introductory Section** provides this transmittal letter, a list of City officials, and an organizational chart.
- The report from our external auditor, Weaver and Tidwell, LLP, is located at the front of the **Financial Section**, followed by Management's Discussion and Analysis (MD&A) and the annual financial statements. The MD&A includes a narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with this transmittal letter.
- The **Statistical Section** presents selected financial and demographic information.

We wish to take this opportunity to thank the staff of the City Controller's Office, as well as staff with financial management roles in all departments, for their dedication to excellence, transparency, and accountability. We could not have produced this report without them. We appreciate the guidance of the Executive Finance and Controls Committee, as well as the assistance of the Office of Economic Development and the Department of Information and Technology Services, which provided the necessary data to prepare this report. We look forward to implementing even stronger fiscal policies and practices to provide Dallas residents and taxpayers the maximum value for the resources entrusted to us.

Finally, our thanks to the Mayor and members of the City Council for their support in maintaining the highest standards of professionalism in the management of the financial operations of the City.

# ABOUT DALLAS

## HISTORY

John Neely Bryan established a permanent settlement in Dallas in 1841, though the region was long inhabited by Native Americans, particularly the Wichita, Cherokee, Caddo, and Comanche tribes. Dallas grew rapidly, serving the surrounding rural areas and securing new rail lines, which were a catalyst for further economic expansion. The City of Dallas was incorporated in 1856, and the 1860 census reported a population of about 700. Today, the City spans 385 square miles and four counties (Dallas, Collin, Denton, and Rockwall). It is the ninth-largest city in the nation and the largest local economy in Dallas-Fort Worth-Arlington, the nation's fourth-largest metropolitan area.

The City is home to 1,300,239 people \*as of September 30, 2022, and the Dallas Fort Worth Arlington metropolitan area increased by more than 97,290 people between July 1, 2020 and July 1, 2021 – the largest change of any metro area in the nation.<sup>1</sup> Additionally, DFW has the fastest year over year rate of job gain growth at 6.7 percent among major metropolitan areas within the U.S.<sup>2</sup>

Dallas is a diverse city, with the most recent census data showing 41.5 percent of residents identifying as Hispanic or Latino (of any race) and 58.5 percent identifying as non-Hispanic or Latino, including 28.8 percent as White, 24 percent as Black, 3.6 percent as Asian, and 2.1 percent as some other race.<sup>3</sup> The City also attracts domestic and international immigration. In 2020, foreign-born residents made up 22.5 percent of the overall population, and of these, 64.4 percent of the employed labor force.<sup>4</sup> Dallas' median household income in 2020 was \$54,747 and per capita income was \$34,487, both adjusted and inflation.<sup>5</sup>

Dallas has a council-manager form of government with 14 single-district City Council members and a Mayor elected at-large. The Mayor and City Council appoint the City Manager, City Attorney, City Auditor, City Secretary, and Municipal Court judges. The City provides a full range of municipal services established by statute or charter, including police and fire, infrastructure, culture and recreation, libraries, planning and zoning, and general administration. Additionally, Dallas Water Utilities, Airport Revenues, Convention Center, Sanitation Services, and several other enterprise and internal service fund activities are part of the City's legal entity. Refer to the *Financial Information* section in this transmittal letter for more information.

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<sup>1</sup> 2020 American Community Survey, 5-Year Estimates, Tables B01003

<sup>2</sup> U.S. Census Bureau: Top 10 Counties in Numeric Growth: July 1, 2020 to July 1, 2021

<sup>3</sup> 2020 American Community Survey, 5-Year Estimates, Table DP05

<sup>4</sup> 2020 American Community Survey, 5-Year Estimates, Table S0501

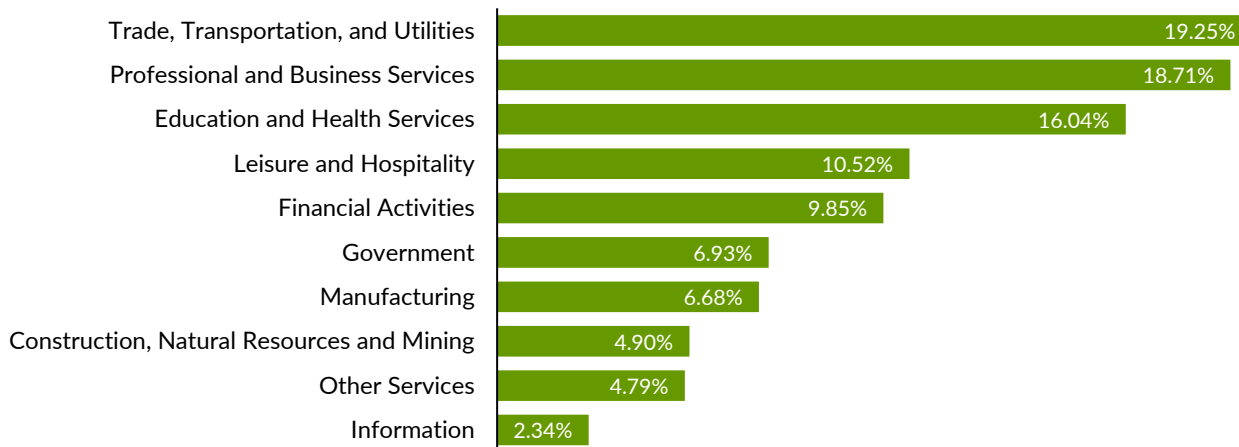
<sup>5</sup> 2020 American Community Survey, 5-Year Estimates, Tables B19013 and B19301

# ABOUT DALLAS

## ECONOMY

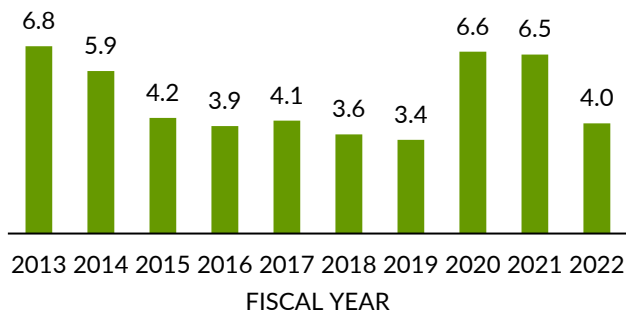
After the initial shock from COVID-19, the City's financial position remains strong, continuing to grow at a steady rate. The predicted drop-in economic activity was not fully realized, in large part due to steps taken by the federal government to mitigate the economic disruption. The city received \$355.4 million in American Rescue Plan Act state and local assistance grants and has thoughtfully integrated these funds into areas where they will provide immediate relief, advance equity, capitalize on regional partnerships, and fuel results through bold resource investments.

FIGURE 1.  
CITY OF DALLAS EMPLOYMENT BY INDUSTRY



Dallas is well positioned to capitalize on this recovery; its diverse industry mix dampening any single industry downturn and driving strong cross sector job growth. The City is home to nearly 65,000 businesses.<sup>6</sup> The Trade, Transportation, and Utilities sector remained the largest industry by employment in FY 2022, followed by Professional and Business Services, and Education and Health Services.<sup>7</sup>

FIGURE 2.  
CITY OF DALLAS UNEMPLOYMENT RATE  
(PERCENT)



The Dallas monthly labor force averaged 717,021 during FY 2022, while the monthly average of unemployed residents was 28,726, which was substantially less than last year. Dallas' FY 2022 average unemployment rate was 4 percent, which is lower than the nation's 6 percent average.<sup>8</sup>

<sup>6</sup> Estimated using data from ESRI Business Analyst, 2022

<sup>7</sup> Estimated using data from ESRI Business Analyst and U.S. Bureau of Labor Statistics, Dallas-Plano-Irving Metropolitan Division

<sup>8</sup> Texas Workforce Commission (TWC) and U.S. Bureau of Labor Statistics

# ABOUT DALLAS

The unemployment rate was highest in October 2021 at 4.7 percent and fluctuated through the year, with a low in April 2022 of 3.4 percent; for the year, the average was 4 percent.<sup>9</sup> The number of employed Dallas residents continues to grow with about 688,295 residents were working in FY 2022, compared to 655,419 in FY 2021, an increase of 5 percent.<sup>10</sup>

FIGURE 3.  
DALLAS HOUSEHOLD EMPLOYMENT  
(IN THOUSANDS)

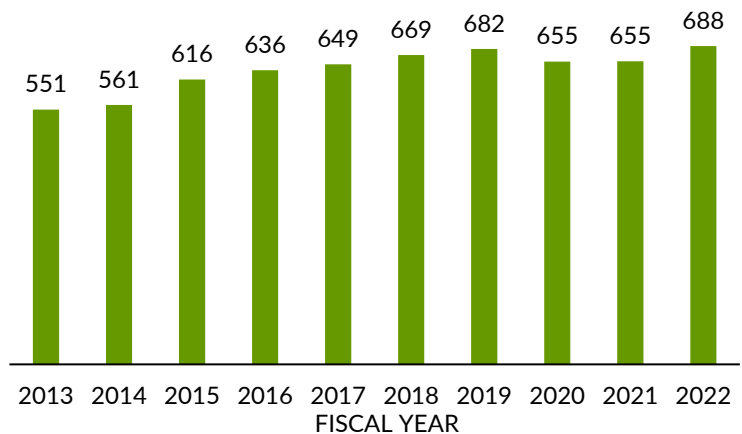
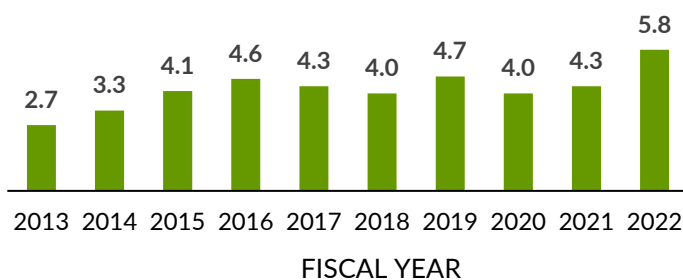


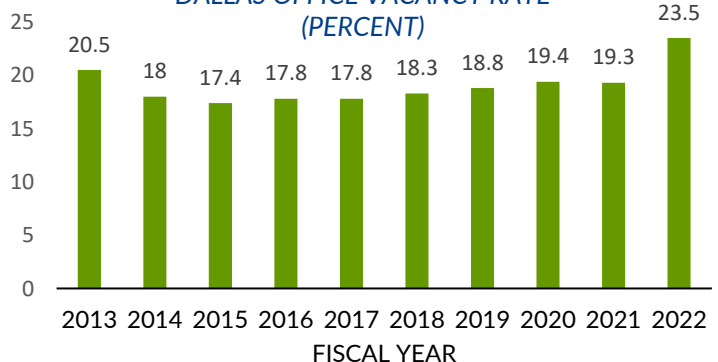
FIGURE 4.  
DALLAS BUILDING ACTIVITY  
(IN BILLIONS \$)



In FY 2022, the annual value of all construction permits was about \$5.8 billion, with 18,471 permits issued. New construction values increased from the previous year by approximately 34.88 percent.<sup>11</sup>

According to Moody's Analytics CRE, Dallas has almost 183 million square feet of office space, 497 million square feet of industrial/flex space, and 61 million square feet of retail space.<sup>12</sup> Strong economic underpinnings and a diverse economy have fostered a healthy office market. Despite lingering concerns regarding the pandemic and recession, the City expects vacancy rates to again remain relatively steady next year.<sup>13</sup>

FIGURE 5.  
DALLAS OFFICE VACANCY RATE  
(PERCENT)



<sup>9</sup> Texas Workforce Commission (TWC) and U.S. Bureau of Labor Statistics

<sup>10</sup> U.S. Bureau of Labor Statistics (non-seasonally adjusted values)

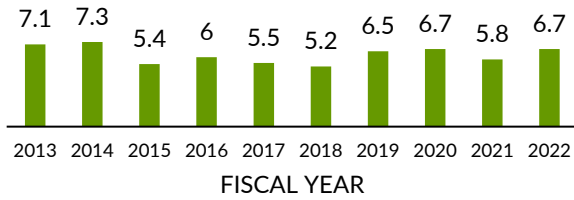
<sup>11</sup> City of Dallas Development Services

<sup>12</sup> Moody's Analytics CRE, October 2022 (The previous years are CoStar data, 2022 uses Moody's Analytics CRE data)

<sup>13</sup> Moody's Analytics CRE, October 2022; Data Axle, Inc's Reference Solution, October 2022. In prior years, the source data used was from CoStar.

# ABOUT DALLAS

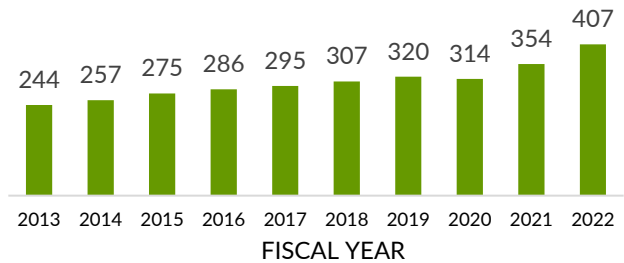
FIGURE 6.  
DALLAS INDUSTRIAL VACANCY RATE  
(PERCENT)



According to the Moody's Analytics CRE, the industrial vacancy rate was 6.7 percent in FY 2022. Post-COVID-19, economic growth in distribution activity increased Dallas' demand for warehousing and production space. With approximately 497 million square feet of industrial space in Dallas, the City's inventory grew slightly since last year. Projections for industrial space include a slight decrease in vacancy next year.<sup>14</sup>

Total sales tax revenue for FY 2022 was \$407.3 million, which is \$53 million, or 15 percent more than the revenue reported in FY 2021, and actual revenue exceeded the FY 2022 amended budget by 3.3 percent. Sales tax revenue has increased 66.8 percent since FY 2013.<sup>15</sup>

FIGURE 7.  
DALLAS SALES TAX REVENUE  
(IN MILLIONS \$)



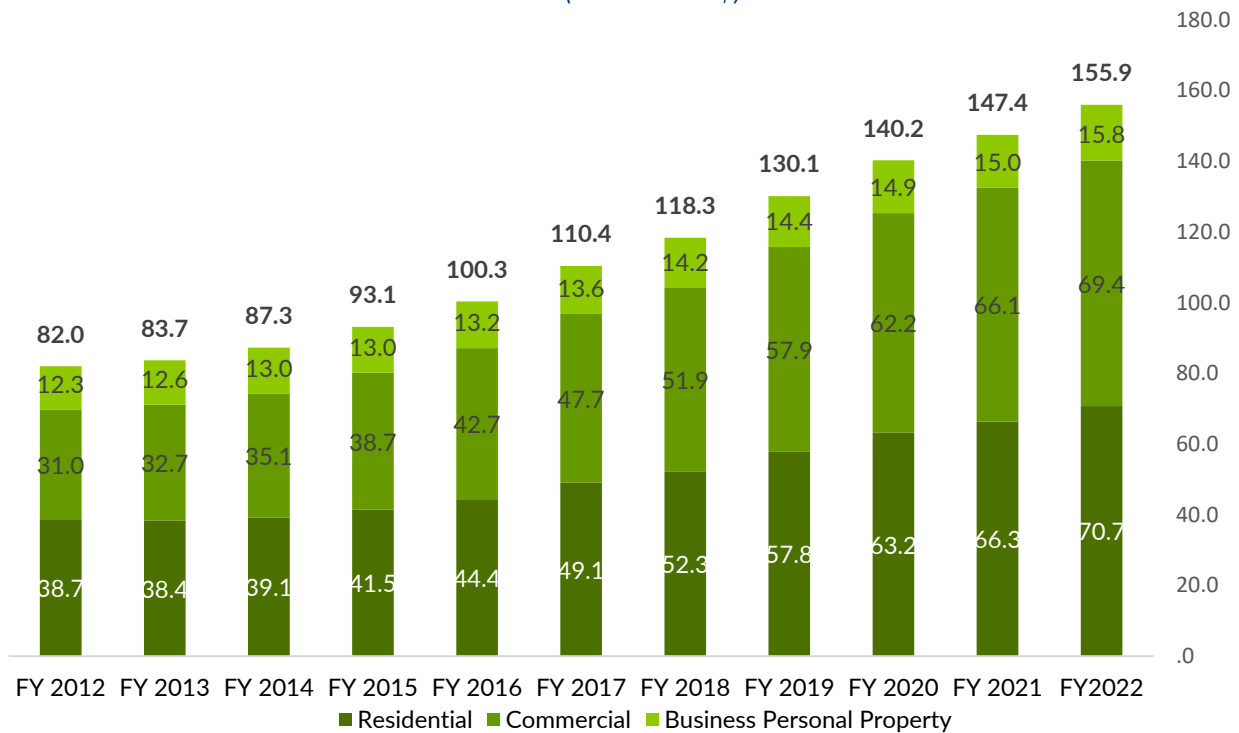
<sup>14</sup> Moody's Analytics CRE, October 2022. In prior years, the source data used was from CoStar.

<sup>15</sup> City Controller's Office

# ABOUT DALLAS

The total certified property tax base value, including business personal property (BPP), increase to \$155.9 billion in FY 2022 from \$147.4 billion in FY 2021, a 21.7 percent increase. Despite the COVID-19 pandemic, FY 2022 is the tenth consecutive year of growth for Dallas taxable property values.<sup>16</sup>

FIGURE 8.  
DALLAS TAXABLE PROPERTY VALUES  
(IN BILLIONS \$)



Development in Dallas continued as the economy continues to rebound from impacts from COVID-19. The downtown loop is now home to more than 14,000 residents living in 50 residential properties, with three new residential projects with more than 550 new units delivered in 2021. Downtown is home to 140 commercial office buildings, 30 hotels, and 20 projects that are planned or underway.<sup>17</sup> In a 2.5-mile radius from the Central Business District (CBD) midpoint, the resident count increases to more than 91,483 a 41.9 percent increase since 2010.<sup>18</sup>

<sup>16</sup> Ibid

<sup>17</sup> Downtown Dallas Inc, State of the Market, Q1 2022

<sup>18</sup> PolicyMap, accessed October 30th, 2022



# ABOUT DALLAS

Recently completed projects include 300 Pearl, a new 20-story mixed use development with retail, office, and residential space and The Galbraith, mixed-income multi-family housing, and Carpenter Park, which offers 5.6 acres of park space. 300 Pearl features 200,000 square feet of offices, 25,000 square feet of retail space, and 336 Class A multifamily units, complete with an eighth-floor amenity deck with a swimming pool and outdoor areas. The Galbraith brings 217 new mixed-income units to Downtown Dallas, with 51 percent of those designated as affordable housing units and 49 percent market rate units plus 12,000 SF of retail space. Finally, Carpenter Park reopened as downtown's largest park after a renovation and expansion to eliminate the bisection by roads. The expanded new park hosts a broad range of amenities including a basketball court, dog play area, interactive fountain, children's environmental playscape, gardens and walking paths.

Residents and visitors to the CBD and immediate vicinity enjoy visiting AT&T's \$100 million Discovery District Campus, which features a public plaza, multiple interactive sculptures, and events like movie nights, light shows, and watch parties. The campus includes more than 10,000 square feet of food and beverage space, including The Exchange, a multi-restaurant food hall that opened in 2021. Other recently completed projects include the East Quarter project near the Farmers Market and Deep Ellum, which includes dining, residential and retail space, and the Cortland Farmers Market multi-family development.

Construction is underway on the North End development. The project which redevelops 11.5 acres of land situation between the American Airlines Center (AAC) and the Perot Museum, will be anchored by Goldman Sachs' new Dallas office building, and will house 5,000 employees at completion. The North End development also includes a 1.5-acre private park, which will enhance walkability and bike access between the AAC and Perot Museum.

Progress continues at the Reimage RedBird redevelopment project at RedBird Mall, with UT Southwestern opening a two-story, 150,000-square-foot outpatient medical center offering primary, heart, and cancer care. The facility also provides lab services, a full-service pharmacy, and advanced imaging technologies such as MRI and CT scans, and will soon offer its culinary medicine program, with a focus on community education that empowers people to make diet, nutrition, and healthy foods a component of preventing and managing disease. Additionally, Dallas College has leased 25,000 square feet for a training and education center, and a Courtyard and Residence Inn by Marriot Hotels has also been announced.

At the International Inland Port of Dallas, a major logistics hub featuring warehouse, distribution, and ecommerce functions in the southeast quadrant of the City, we have seen the creation of over 8,000 jobs to date. More than 38 million square feet of industrial and warehouse space are currently built, under construction, or announced, with more than 12 million square feet in the City. Recent openings in the Inland Port area include the Kroger's new high-tech delivery fulfillment center, in partnership with Ocado Group, to provide Kroger groceries for at home delivery and KeHE Distributors, a fresh, natural, organic and specialty food distributors.

# ABOUT DALLAS

The City of Dallas serves an area covering about 385 square miles, including 340 square miles of land and 44 square miles of lakes – that’s one-third of the entire state of Rhode Island!

Below are just a few ways that we are proud to serve the residents of this city.



Dallas maintains 11,770 paved lane miles and 9,057 miles of water and wastewater mains, not to mention stormwater and drainage infrastructure. We also offer 84 lane miles of on-street bicycle facilities, plus 174 lane miles of trails and other off-street facilities.



Last year, Dallas Water Utilities (DWU) provided 139 billion gallons of water to Dallas residents, plus 23 other cities, from six reservoirs across an area of about 700 square miles. DWU also treated 72 billion gallons of wastewater.



The City supports 58 fire stations, 45 full-time ambulances, and eight police stations. We also employ more than 3,000 uniformed police officers and over 2,000 firefighters and inspectors. These vital public safety services grow as our population expands.



Dallas Animal Services (DAS) operates one of the largest municipal shelters in the country, taking in any Dallas pet in need, regardless of space. As of June 2022, DAS holds a 81.1 percent live release rate for dogs and cats for the fiscal year. DAS has also responded to more than 40,000 resident service calls this year.



Park and Recreation maintains and operates six golf courses, five tennis centers, 43 recreation centers, and more than 23,400 acres of park land. We also provide financial support to the Dallas Arboretum, Texas Discovery Gardens, Trinity River Audubon Center, and Dallas Zoo.



The City operates 30 libraries that serves over six million residents annually. Arts and Culture supported more than 150 local artists and arts providers this year and provided nearly 11,000 in-person arts experiences to residents and visitors—not to mention hundreds of virtual activities.

# STRATEGIC DIRECTION

## ONE DALLAS

During the February 2020 City Council strategic planning session, the City Council affirmed the City’s overarching strategic priorities with persistence in our ongoing commitment to putting Service First by imagining new, nontraditional, and more efficient ways of safely meeting the needs of our residents, as ever, with empathy, high ethical standards, a commitment to excellence, and a focus on equity.

Strategic Priorities	Strategic Goals
 <b>ECONOMIC DEVELOPMENT</b>	<i>To be known as a business-friendly city that supports job creation, private investment, a broadened tax base, and economic opportunities for all members of our community</i>
 <b>ENVIRONMENT &amp; SUSTAINABILITY</b>	<i>To be a global leader focused on sustainability, conservation, climate change, and environmental justice to build a more resilient city</i>
 <b>GOVERNMENT PERFORMANCE &amp; FINANCIAL MANAGEMENT</b>	<i>To be a well-managed and fiscally responsible city focused on delivering effective and efficient government services</i>
 <b>HOUSING &amp; HOMELESSNESS SOLUTIONS</b>	<i>To ensure housing opportunities for all residents while promoting fair housing and affordable choices throughout every area of the city while working to eliminate homelessness</i>
 <b>PUBLIC SAFETY</b>	<i>To be the safest large city in the United States while serving and protecting our diverse community with integrity, respect, and equity</i>
 <b>QUALITY OF LIFE, ARTS, &amp; CULTURE</b>	<i>To be a world-class city that fosters clean and appealing neighborhoods while offering recreational, educational, and cultural activities that enhance the quality of life for our residents and visitors</i>
 <b>TRANSPORTATION &amp; INFRASTRUCTURE</b>	<i>To protect and enhance the city’s transportation and infrastructure network while continuing to deliver innovative, safe, and equitable infrastructure solutions and moving Dallas forward with a “service first” mentality</i>
 <b>WORKFORCE, EDUCATION, &amp; EQUITY</b>	<i>To be recognized as a city that is equitable, inclusive, and welcoming for all residents and visitors</i>

# MAJOR BUDGET INVESTMENTS

## ECONOMIC DEVELOPMENT

### Economy and Support for Small Business

The launch of the economic development entity called for in the Economic Development Policy of \$7 million to pay formation costs and hire staff to begin the entity’s business and real estate development work over 3 years, after which it will be self-sustaining. During FY 2021-23 the Office of Economic Development (ECO) will spend \$2 million to launch operations, hire a new Economic Development Corporation (EDC) Director, develop a 3-year work plan, and develop an operational budget. City Council approved creation of the EDC on January 12, 2022, and the certificate of formation was filed with the State of Texas in February. The City Council approved the initial Board of Directors to the EDC on August 24, 2022. Additionally, the City of Dallas works to support local businesses, creating the Small Business Center (SBC). The SBC was established to focus on business diversity, effective October 1, 2021, and a director was hired in November 2021. The SBC convenes and leverages existing external efforts to address challenges affecting workforce readiness, capacity building of minority, women, and veteran owned businesses, business startups and retention strategies, and re-entry services for formerly incarcerated residents.

### Tax abatements

Tax abatements are economic development tools that provide a temporary abatement of either real estate, personal property, sales tax, or hotel occupancy taxes for new investment within the City of Dallas. The City has three major types of tax abatement programs: Historic Preservation Program, Public Private Partnership Program, and Tax Increment Financing Program. The Historic Preservation Program encourages economic development through the revitalization and preservation of the City’s historic properties. The Public Private Partnership Program is used to stimulate private investment and job creation in the City. The Tax Increment Financing Program is utilized to promote development or redevelopment in certain areas of the City. The expected long-term benefits include encouraging capital improvements, increasing the tax base, and creating or retaining jobs in the City. More information about the city’s tax allotments is presented in Note 4 to the financial statements.

# MAJOR BUDGET INVESTMENTS

## ENVIRONMENT & SUSTAINABILITY

### Dallas as a Clean City

The Department of Sanitation Services (SAN) residential collection services continue to show improvements from FY 2020-21. SAN keeps Dallas a clean and beautiful place to live by improving trash, recycling, and brush and bulky trash service delivery, including increasing employee pay to attract enough staff to meet our requirements and creating an outreach/compliance division to strengthen customer experience. The on-time brush and bulky waste service has remained consistently at the 99.9 percent target since the beginning of FY 2021-22. The pay increase for truck drivers, heavy equipment operators, and crew leaders was implemented in July 2021. Through September 2022, the Department's filled truck driver positions increased by 5 percent compared to this same month last fiscal year. SAN is now approximately 13 percent short from the target of 240 truck drivers. and continues to hold weekly interviews and extend same-day job offers for qualified candidates. The Outreach Team Manager was hired in February 2022, the Enforcement Manager was hired in July 2022, and hiring for the Outreach Specialist positions is underway at this time.

### Air Quality & Energy Efficiency Improvements

The City installation of first batch of air quality monitors around the city to collect data on air quality and inform policy decisions affecting residents' health and quality of life were installed at the Texas Commission of Environmental Quality (TCEQ) Hinton station in October 2022. As of November 2022, all eight monitors are transmitting data. To further improve environmental initiatives, in FY 2021-22 the City invested approximately \$1.5 million in energy efficiency and solar panel installation projects are in development for a solar energy initiative. Dallas City Council approved the project contracts on April 13, 2022. Construction of solar PV projects at Dallas West Branch Library, Pleasant Oaks Recreation Center, and Fretz Park Recreation Center began October to November 2022. Construction of high efficiency lighting & lighting controls projects at Juanita Craft Recreation Center, Hampton Illinois Branch Library, and City Hall Parking Garage will also start in October to November 2022. All six projects are estimated to be completed by December 2022.

### Comprehensive Food & Urban Agriculture Plan

The Office of Environmental Quality and Sustainability (OEQS) staff are continuing efforts under the contract for the Comprehensive Food & Urban Agriculture Plan to prioritize Dallas communities' access to healthy local food to implement a Comprehensive Food & Urban Agriculture Plan in collaboration with external stakeholders, including internal and external engagement with over 35 different farms (both community and commercial scale) and other Dallas food stakeholders. The final draft has been completed and is currently on the street for public review and comments. The plan will be presented to the Environment & Sustainability (ENVS) Committee on December 5. OEQS staff are also working with the City's internal Food Equity Working group, the Office of Community Care, and the Office of Procurement Services to pilot a project to provide 200 small growing units for food desert homes. Once implemented, the units will be deployed on a rolling basis.

# MAJOR BUDGET INVESTMENTS

## Community Improvements

The City held the FY 2021-22 Branch Out Dallas event on November 6, 2021 and distributed 2,500 trees to plant in yards across the City for residential properties to reduce the heat island effect and stormwater runoff to our drainage system. The Water Quality Group has determined the total number of schools and daycare centers that will be impacted by the new Lead and Copper Rule Revision: 389 Public and Charter Schools, 73 Private Schools and 412 Childcare and Daycare Centers. Dallas Water Utilities (DWU) has reclassified two existing positions who are developing a Lead Service Line inventory, contacting schools and day care centers to develop a facilities database and distribute education material, and developing the plan to conduct sampling and lead testing. The process is expected to continue into FY 2023-24.

## GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

### Equipment and Fleet

The FY 2021-22 fleet acquisition includes 13 departments, including 640 vehicles on order with a replacement cost of approximately \$75.8 million to achieve a state of good repair in five years for all City fleet vehicles, including sanitation trucks, fire apparatus, police cruisers, and heavy vehicles used by Public Works (PBW) and DWU.

### Data & Analytics

By harnessing the power of data to increase transparency and accountability, the City will add six new positions to the Office of Data Analytics & Business Intelligence (DBI), investing in the City's Data Inventory, and embracing data-driven decision making across our organization. As of September 2022, one Data Coordinator, one Geographic Information System (GIS) intern, and two Data Science Analysts have been hired. The department continues to grow the data team and is currently in the recruitment process for one Sr. Data Science Analyst and one Sr. GIS Analyst.

### Total Compensation Study

Continuing to implement the Total Compensation Study and ensuring competitive pay, the City will invest in our City employees and improve recruiting and retention of high-caliber and diverse employees by continuing to implement the Total Compensation Study and ensuring competitive pay. Phase one of the compensation study was completed in 2021. Phase two was completed in April 2022 and was focused on moving positions that were not able to be moved to market in phase one and addressing internal pay compression. Phase three, beginning in FY 2022-23, will continue to address internal pay compression.

# MAJOR BUDGET INVESTMENTS

## HOUSING AND HOMELESSNESS SOLUTIONS

### Addressing Homelessness

From October 2021 to September 2022, the Dallas Real Time Rapid Rehousing Initiative housed 1,260 individuals, exceeding the goal for FY 2021-22. Of this, 54 percent are households consisting of adults with children and 46 percent are adults only. The Office of Homeless Solutions (OHS) is partnering with Metro Dallas Homeless Alliance (MDHA) to launch the encampment decommissioning effort to offer individuals in established encampments housing solutions.

### Affordable Housing Units

To incentivize developers, the city to build affordable housing units by subsidizing \$10 million worth of water and sewer infrastructure required for up to 250 new affordable single family and 1,000 multifamily units over the life of the program (based on the mix of projects and the amount of funding requested). The program will be implemented from FY 2021-22 to FY 2023-24 with new units projected in years 2 and 3 due to construction timelines. Housing is implementing this new funding along with other measures through the existing Notice of Funding Availability. On January 12, 2022, City Council approved the first project utilizing these funds, providing \$1.8 million to be used for water infrastructure related to the development of 125 for-sale single family homes. On August 24, 2022, City Council approved the second project, authorizing \$4.1 million in American Rescue Plan Act (ARPA) funds to Cypress Creek at Montfort, a 168-unit mixed-income multifamily development in District 11. Both developments are still undergoing predevelopment processes and have not yet begun construction. The Program will continue into FY 2022-23.

### Preservation of Affordable Housing

In December 2021, City Council approved the program design to develop \$11.3 million for the use of American Resource Plan Act (ARPA) funding for home repairs and infrastructure improvements within specific qualified neighborhoods in Dallas. Staff are currently engaged in the hiring process, as well as communications and outreach planning. The application opened in May 2022, and Housing & Revitalization (HOU) has received 67 applications year to date. 48 of the applications have already had their homes inspected and five have begun construction. Home rehab activities are anticipated to continue through FY 2023-24 and HOU is on track to complete its expenditures by the end of the ARPA funding period.

# MAJOR BUDGET INVESTMENTS

## PUBLIC SAFETY

### Improving Response Times

To improve response times to high priority calls by hiring 250 police officers to end FY 2021-22 at 3,155 police officers, and by continuing to implement the recommendations of the KPMG efficiency study, the Dallas Police Department (DPD) readjusted staffing at all patrol divisions for optimized efficiency in order to help better answer the call volume at each division. DPD hired 200 sworn officers in FY 2021-22 and ended the fiscal year with 3,084 officers. As it relates to 911 Response, in September 2022 the service level was 98.26 percent, with an average answer time of 4 seconds. Pay increases were implemented in August 2021 and year to date, DPD has hired 180 new call takers and 9 dispatchers. The 911 Call Center is currently staffed at 83 percent, with 110 call takers and 7 trainees.

### Rapid Integrated Group Healthcare Team (RIGHT) Care

The RIGHT Care team performance continues to excel as it becomes more established. Nine teams (one for each of the seven police patrol divisions and two dedicated roving teams) are currently operating from 7am-11pm, seven days a week. Two additional Citywide overnight roving teams are expected to launch in early FY 2022-23. The Office of Integrated Public Safety Solutions (IPSS) anticipates a continual increase in the number of calls handled by the RIGHT Care Team.

### Street Safety

In September 2022, a street racing remediation pilot project measures such as raised pavement markers and ceramic buttons were installed on Cesar Chavez Boulevard (from Marilla Street to Commerce Street) to address city wide speeding and unsafe drivers. Traffic calming installations and modifications in neighborhoods, such as speed cushions, were completed at 5 locations. Road diet installation has been completed for Jefferson Boulevard to reduce the current configuration of six lanes to four lanes. Pavement markings and signage have been installed.

### Non-Emergency Enforcement

Alleviate Police Department call volume by transferring non-emergency calls such as handicapped/fire lane parking enforcement and street blockage clearance from DPD to the Department of Transportation (TRN). Parking violations services have been fully transferred from DPD to TRN and most of the Parking team will relocate to the new 7800 Stemmons Freeway facility in FY 2022-23. "Train the Trainer" courses began in early November 2022 and will eventually be incorporated into the Parking Enforcement training program. Road blockages services will be partially transferred to TRN starting January 2023. Full transfer is expected by March 2023.



# MAJOR BUDGET INVESTMENTS

## Single-Role Paramedic Program

The City has developed and piloted a new Single-Role Paramedic Program to introduce a new career path within Dallas Fire-Rescue (DFR) to better meet workload demands and calls for medical service. Phase One of the Single Role Paramedic program is to introduce a new career path within Dallas Fire-Rescue. Phase Two (pilot program) began in February 2022, consisting of two DFR rescues staffed with existing personnel. Phase Two will be utilized to evaluate the feasibility, extent, and direction of Phase Three, which will be implemented in FY 2022-23.

## Emergency Preparedness

City Council approved the purchase of the eight generators in September 2021 to prepare for emergency situations that may require sheltering through the purchase and installation of eight generators in City facilities and the purchase of six mobile “power packs” that can be used to provide warming or cooling for up to 5,000 square-foot facility. Generators have been installed at four locations (Jaycee-Zaragoza, Timberglen, Beckley Saner, and Kleberg-Rylie Recreation Centers) and are awaiting final DFR inspections. Construction is underway at the Audelia Road Branch Library and will begin at the three remaining locations in November (Marcus Park and Pleasant Oaks Recreation Centers and Mountain Creek Library). The entire project is expected to be completed by the end of December 2022. With the use of additional funding sourced from the Homeland Security Grant Program, Office of Emergency Management (OEM) has been able to procure two additional power packs, for a total of eight. All eight power packs have been received. Five are fully operational and the last three are waiting on final deliveries for connecting parts. OEM is currently developing Standard Operating Procedures (SOPs) for deploying the power pack units. To improve tornado warning siren coverage, the City will purchase and install ten additional sirens for a total of 178 sirens citywide. All ten sites have been identified and approved by Oncor, but several sites may need to be relocated due to conflicts with existing privately owned underground utilities. Installation is anticipated by December 2022. The OEM staff has coordinated with Information & Technology Services (ITS) to ensure P25-compliant radios and associated hardware are on hand for installation. The project is considered substantially complete and moved to complete status.

## City Facility Security Assessment

In FY 2021-22, the City initiated \$3.5 million (of \$6.4 million allocated) of high-priority improvements identified through the City Facility Security Assessment including perimeter access control, security camera systems, radio systems, officer shelter space, vehicles access control, panic notification, lighting, weapons screening, security operating center upgrades, security staffing, and intrusion detection. Security enhancement projects are underway at various parks, recreation centers, City Hall Oak Cliff Municipal Center, Municipal Courts, Libraries and Dallas Animal Services (DAS). These enhancements include interior and exterior lighting, fencing, and surveillance systems. Year-to-date obligations for FY 2021-22 totaled over \$2.9 million.

# MAJOR BUDGET INVESTMENTS

## QUALITY OF LIFE, ARTS, & CULTURE

### Park Enhancements

Through September 2022, Public Works (PBW) has completed cleanup of 1,363 unimproved alleys spanning 129 miles. Two alleys were not cleaned, as once field inspected it was determined that no cleanup was needed. The launch of a pilot trail program added two additional alleys for a total of 35 alleys. Of the 35 alleys, 14 have been approved to be converted to trails, and eight alleys located in historic preservation areas were approved to be converted to trails by the Landmark Commission. The remaining 13 alleys were disqualified from converting to trails due to property owner rejection of improvements or other factors. Construction on the 14 alleys is 75 percent complete, with all construction expected to be completed by December 2022.

### Wi-Fi at Park Facilities

The installation to install Wi-Fi at 63 facilities using \$3 million of ARPA funding that has been allocated for Park & Recreation (PKR) enhancements. The funds have been encumbered; however, due to supply chain and contractor issues a full timeline is unavailable. The anticipated date for equipment delivery is the first quarter of FY 2022-23. A scaled down approach will complete 14 high priority sites by December 2022 using refurbished equipment. The project will continue into FY 2022-23.

### Library Facilities Planning

A new Request for Proposal (RFP) was posted for a Library Master Plan and closed on June 28, 2022 to utilize federal ARPA funds to leverage private funds and initiate a new Library master plan. Procurement evaluations of proposals are nearing completion, and the contract is scheduled for City Council consideration in December 2022. Upon contract execution, the Friends of the Dallas Public Library are prepared to issue payment of matching funds directly to the vendor.

## TRANSPORTATION & INFRASTRUCTURE

### Sidewalk Master Plan

In FY 2021-22, Public Works will spend \$9.7 million in bond funds (certificate of obligation and general obligation bonds), and \$0.3 million from the General Fund to complete 28 sidewalk projects, which equates to approximately 20.4 miles of sidewalk improvements to improve pedestrian mobility. PBW is on track to complete all 28 sidewalk improvement projects by December 2022. Construction on 19 of the 28 projects has been completed and eight projects are under construction. Several projects have been impacted by a cement shortage.

# MAJOR BUDGET INVESTMENTS

## Traffic Signals

Transportation is currently waiting to receive the match fund agreement from Texas Department of Transportation (TxDOT) in addition to the ones received from Dallas County and North Central Texas Council of Governments (NCTCOG) for the design of 44 signals in total. Design is expected to begin this fiscal year and the project to replace traffic lights as part of our Vision Zero strategy will be a multi-year effort. The program will continue into FY 2022-23 with additional goals for FY 2022-23.

## Pedestrian Safety

Through September 2022, 1,020.41 lane miles have been restriped for crosswalks which exceeds the fiscal year-end goal of 540 lane miles, as well as 1,380 crosswalks that have been refreshed as of September 2022. The project to replace 1,000 outdated school zone flashing beacons with state-of-the-art technology to protect students as they walk to school is a multi-year effort and is expected to complete in FY 2023-24 that will be implemented in three phases. As of September 2022, 300 school zone flashing beacons have been installed.

## Bike Lanes

The city has an annual investment of \$2 million to design and/or implement approximately 18 lane miles of bicycle facilities per year to extend and improve our bike lane network. As of September 2022, 2.6 lane miles have been completed, 0.3 bike lane miles are in engineering study, 2 bike lane miles are in design, and 6.4 bike lane miles under construction. The program will continue into FY 2022-23 with additional goals for FY 2022-23.

## WORKFORCE, EDUCATION, & EQUITY

### Language Access

Four Spanish-speaking customer service agents were hired in January 2022 and completed training in February 2022. The Language Access Coordinator position has closed, first round interviews with HR have been scheduled, and second round interviews will include a full panel with representatives from Dallas Police Department (DPD), Office of Community Care (OCC), Office of Communications (COM), and Planning and Urban Design (PUD). The Language Skill Assignment Pay audit was published on February 25, 2022. COM and the Office of Equity and Inclusion (OEI) will work in conjunction with HR to review the policy, research peer city policies, and implement recommendations.

### Accessibility

The City has implemented a software system to track identified American Disabilities Act (ADA) compliance issues and barrier removal costs that meets security requirements and is compatible with the City's systems after testing of a comparative ADA tracking program was completed. Currently, ITS is conducting a documentation process with stakeholder interviews and their ADA department recording processes. The final report is anticipated in November before the project is moved to the procurement phase. The program will continue into FY 2022-23.

# MAJOR BUDGET INVESTMENTS

## Water/Wastewater Service

DWU has awarded approximately \$9.5 million engineering work for the remaining occupied and unserved areas began in February 2022 and includes the design of approximately 211,219 feet of new pipelines to the remaining unserved areas. Upon completion of design, these projects will be packaged and awarded for construction beginning in FY 2022-23. Construction in the University Hills area is expected to start in October 2022. In addition, approximately 11,146 feet of new pipelines to four unserved locations that were designed in-house are planned to be awarded for construction in November 2022. The program will continue into FY 2022-23.

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# AWARDS & ACCOLADES

The pages below highlight several of Dallas' award-winning achievements in FY 2022.

## Pursuing Financial Excellence and Performance

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dallas for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized report that satisfied both generally accepted accounting principles and applicable program requirements. The City first received this award for FY 1981 and has received it consecutively for the past 16 years—every year since FY 2006.

A Certificate of Achievement is valid for a period of only one year. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2021. This is the highest award in governmental budgeting. To receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device. This is the 23<sup>rd</sup> consecutive year that GFOA has recognized the City for its annual budget document.

Additionally, the City received the International City/County Management Association (ICMA) Certificate of Excellence in Performance Management, the highest level of recognition. The Budget Accountability Report (BAR), Dallas 365 dashboard, Financial Transparency website, Community Survey results, and other Citywide efforts to enhance transparency are best practices that helped us achieve this distinction. Since 2014, the City has received the Certificate of Distinction award three times and the Certificate of Excellence award five times.

# AWARDS & ACCOLADES

## “Green” Initiatives

Dallas achieved a Federal Emergency Management Administration (FEMA) Community Rating System grade of 4, for improvements to the floodplain management program. This gives Dallas residents additional programmatic discounts for their flood insurance premiums. Dallas is the first city in Texas to achieve this designation and one of very few nationally to achieve this designation.

The City has attained several awards for ongoing efforts around implementing the Comprehensive Environmental & Climate Action Plan (CECAP). Awards include but are not limited to: United Nations Day Global Leadership Award for Goal 11, Sustainable Cities & Communities, Resilient Dallas Plan/Comprehensive Environmental & Climate Action Plan (CECAP); and NCTCOG Celebrating Leadership in Development Excellence (CLIDE), the City of Dallas awarded, because this plan puts inclusivity and equity at the forefront of implementation by describing the equity considerations for marginalized communities.

In addition to the highlights mentioned, the City of Dallas also received the following awards/accolades as it relates to Strategic Priority areas:

### Economic Development

In 2022, the Office of Economic Development were the winners of two of the 2022 Dallas Business Journal Best Real Estate Deals: Southpoint Community Market – Community or Neighborhood Impact and The Stack – Urban Office Development. Aviation was awarded the Voice of the Customer Recognition (ACI World) for 2022.

### Environment and Sustainability

Dallas Water Utilities was awarded the National Association of Clean Water Agencies Peak Performance Gold Award for Southside Water Treatment plant and Peak Performance Silver Award for Central Wastewater Treatment Plant. DWU was the first and only plant to receive the Texas Commission on Environmental Quality (TCEQ) Texas Optimization Program (TOP) 20-year Participation Award. The American Water Works Association (AWWA) Partnership for Safe Water awarded DWU with the Director’s Award and the North Central Texas Council of Governments (NCTCOG) awarded DWU the DFW Silver Clean Fleet Award.

### Government Performance and Financial Management

Procurement Services received the National Institute of Governmental Purchasing (NIGP) Outstanding Agency Accreditation Achievement Award for excellence in Public Procurement. The Budget & Management Services received Audrey Nelson Community Development Achievement Award (National Community Development Association) of Exemplary and Innovative use of CDBG and HOME funds to address the needs of low-and moderate-income families, homes, and neighborhoods.

# AWARDS & ACCOLADES

## Public Safety

The Dallas Police Department (DPD) was honored for Violent Crime Reduction Plan in IDC Government Insights' Fifth Annual Smart Cities North America Awards. On March 21, 2022 DPD was named a winner in the International Data Corporation Government Insights' fifth annual Smart Cities North America Awards (SCNAA). DPD was recognized for its "Violent Crime Evidence-Based Reduction Plan" in the Data-14Driven Policing category. The awards were designed to recognize the progress North American municipalities have made in executing Smart Cities projects, as well as providing a forum for sharing best practices to help accelerate Smart City development in the region. DPD will be honored at Smart Cities Connect held on April 4-7, 2022 at the Greater Columbus Convention Center in Columbus, OH. Winners in the Smart Cities North America Awards (SCNAA) illustrate best practice examples of how forward-thinking municipalities are effectively leveraging technology and innovation to offer new services and economic opportunities to meet the needs and expectations of citizens and residents.

## Quality of Life, Arts, and Culture

Dallas Public Library won the Urban Libraries Council Innovator Award in the Anti-Racism, Equity, Diversity and Inclusion category for our Budgeting for Equity Plan. Park & Recreation won two Preservation Dallas Awards and the DFW Inclusion Award for Teen All Access Pass.

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# FINANCIAL INFORMATION

## FINANCIAL REPORTING ENTITIES

The financial statements of the City include all activities, organizations, and functions for which the City is financially accountable. In addition to the general government, enterprise, and internal service functions described in the *About Dallas* section of this transmittal letter, 19 tax increment financing districts are also included in the City's reporting entity.

Although the pension trust funds are separate legal entities, they exist to exclusively serve or benefit the City's employees, retirees, and their beneficiaries, and are included in the City's reporting entity as blended component units. The pension trust funds include: Employees' Retirement Fund; Dallas Police and Fire Pension System; Police and Fire Supplemental Pension Fund; 401(k) Retirement Savings Plan; 457 Deferred Compensation Plan; and 457 Deferred Compensation Plan for Part-time, Seasonal, Temporary Employees, and City Councilmembers. The Love Field Airport Modernization Corporation (LFAMC) and the Trinity River Corridor Local Government Corporation (LGC) are also separate legal entities included in the City's reporting entity as blended component units. The LFAMC was created to facilitate construction at Love Field Airport, while the Trinity River Corridor LGC was created for the design, planning, development, financing, operation, and maintenance of City fee-owned property for public recreation uses in a portion of the Trinity River Corridor. More information regarding the blended component units is included in Note 1(B).

Discretely presented component units are other legally separate entities that are also included in the City's reporting entity based on the criteria set forth in the Codification of Governmental Accounting Standards, Section 2100, *Defining the Financial Reporting Entity*.

The criteria considered in determining the activities to be reported within the City's financial statements are included in Note 1(B). Based on those criteria, the following organizations are included as discretely presented component units of the City for financial reporting purposes:

- The Housing Finance Corporation issues tax-exempt mortgage revenue bonds to encourage opportunities for single-family residential home ownership among low- to moderate-income residents
- The Housing Acquisition and Development Corporation provides safe and affordable housing for low- and moderate-income persons
- The Dallas Development Fund was organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities
- The Downtown Dallas Development Authority is a separate legal entity established to promote economic development of the downtown area and improve the tax base



# FINANCIAL INFORMATION

- The North Oak Cliff Municipal Management District was organized to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, the public welfare in the District, and educational scholarships for college-bound students residing in or out of the District
- The Cypress Waters Municipal Management District was organized to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, and the public welfare in the District
- The Dallas Convention Center Hotel Development Corporation was created to promote the development of the geographic area of the city included at or in the vicinity of the Dallas Convention Center to promote, develop, encourage, and maintain employment, commerce, convention and meeting activity, tourism, and economic development in the City including specifically, without limitation, the development and financing of a convention center hotel located within 1,000 feet of the Dallas Convention Center

Related organizations not included as part of the reporting entity are the Dallas-Fort Worth International Airport, the Dallas Housing Authority, and Dallas Area Rapid Transit. The reason for not including these entities is because the City's accountability does not extend beyond appointing members to the boards.

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# FINANCIAL INFORMATION

## FINANCIAL MANAGEMENT

Strong financial management within the City begins with adherence to a comprehensive set of financial policies. The City Council originally adopted the Financial Management Performance Criteria (FMPC) on March 15, 1978, to provide standards and guidelines for the City's financial managerial decision making and to provide for a periodic review of the criteria to maintain standards and guidelines consistent with current economic conditions. The FMPC have been revised periodically since their adoption. The status of each criterion is updated annually and presented with the annual budget, at year-end, and for each debt issuance. The FMPC contains 55 criteria in seven different categories, in addition to 13 criteria specific to Dallas Water Utilities:

- Operating Program: Criteria 1-14
- Pension Program: Criteria 15-16
- Budgeting and Planning: Criteria 17-25
- Capital and Debt Management: Criteria 26-41
- Economic Development: Criteria 42-49
- Accounting, Auditing, and Financial Planning: Criteria 50-52
- Grants and Trusts: Criteria 53-55
- Dallas Water Utilities: Criteria DWU 1-13

The City's management is responsible for establishing and maintaining internal controls designed to ensure the assets of the government are protected from loss, theft, or misuse, and to ensure adequate accounting data are compiled to allow for preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

In late 2017, the City established an Executive Finance and Controls Committee (EFCC), chaired by the Chief Financial Officer and consisting of the assistant city managers and chiefs, Chief Information Officer, City Controller, and director of the Office of Budget and Management Services. The EFCC lays the foundation for our internal control framework, monitors the external audit including any findings, and leads by example to demonstrate the City's commitment to ethics and integrity.

The City also established a new contract management program under the oversight of the Chief Financial Officer to ensure parties meet their respective commitments and deliver the intended outcomes. As part of the program, each department has authorized individuals to monitor specific aspects of contract performance.

More than 386 individuals have participated in a certification program to become Dallas Contracting Officer Representatives (D-COR). The D-COR program is a collaboration between the City Controller's Office and the Office of Procurement Services designed to strengthen knowledge and standardize the City's approach to contract management, including the development of contract monitoring plans. The City Controller's Office is responsible for auditing departments' use of contract monitoring plans, as well as reviewing complex financial data when received.

# FINANCIAL INFORMATION

The City Controller's Office is accountable for internal accounting controls designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; 2) the reliability of financial records for preparing financial statements; and 3) accountability for assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Annually, each department is required to conduct a self-assessment of internal controls. The results of these assessments are reported to the City Manager with an action plan to correct any identified deficiencies. In addition, beginning with the FY 2017 audit, each department director was required to sign a management representation letter in connection with the preparation of these financial statements. In FY 2020, the City Controller's Office significantly revised the Internal Control Self-Assessment (ICSA) and increased its scrutiny of department responses to ensure quality.

Furthermore, as a recipient of federal and state assistance, the City is also responsible for ensuring adequate internal controls are in place to comply with applicable laws, regulations, contracts, and grants related to those programs. As part of the City's single audit, tests are made to determine the adequacy of the internal control, including that portion relative to federal and state financial awards, as well as to determine whether the City has complied with applicable laws, regulations, contracts, and grants.

Internal controls are also subject to periodic evaluation by management and the City Auditor. The City Council is required by charter to appoint a City Auditor who is independent of City management and reports directly to the City Council. The City Auditor supports the internal control structure within the City by performing independent evaluations of existing accounting and administrative controls and by ascertaining compliance with existing plans, policies, and procedures.

To increase accountability and internal controls, the City Controller's Office created an audit liaison function to support departments in responding comprehensively and accurately to internal audit findings and recommendations. This includes attending entrance and exit conferences and status meetings, facilitating communication between the departments and the City Auditor's Office, assisting with implementation of recommended process improvements, and updating executive management as needed.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

# FINANCIAL INFORMATION

The City Charter provides that the City Council shall annually appropriate adequate funds in an amount to execute the policies and service delivery plans of the City. City management annually prepares the plan of services for the upcoming fiscal year and the estimated costs, along with a five-year forecast. The annual plan is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The ordinance provides for budgetary control at the department level and these budgets cannot be exceeded without City Council approval. Budgetary control is enforced at the department level by reserving appropriations and encumbering purchase orders and contracts. Open encumbrances are reported, where applicable, as assigned fund balance.

## MANAGEMENT DISCLAIMER

Chapter III, Section 19 of the City Charter requires, “the annual financial statements and related records and accounts of the City to be audited annually by a firm registered with the Texas State Board of Public Accountancy as a firm practicing public accountancy.” We were pleased to continue a relationship with Weaver Tidwell, LLP this year; we appreciate their professionalism.

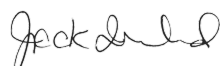
Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the costs of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Thank you for your attention to this summary of the state of the City’s finances and our achievements in the last fiscal year. We strive to be good stewards of the resources with which we are entrusted. Please refer to the following sections for the full auditor’s report, the City’s annual financial statements, and supporting statistical information.

Respectfully submitted,



T.C. Broadnax City Manager



Jack Ireland  
Chief Financial Officer



Sheri Kowalski, CPA, CHC, CIA, CISA City Controller

**CITY OF DALLAS, TEXAS**  
**ELECTED OFFICIALS SEPTEMBER 30, 2022**



**Back Row (left to right)**

**Chad West**  
District 1

**Paul E. Ridley**  
District 14

**Jaynie Schultz**  
District 11

**Jesse Moreno**  
District 2

**Adam Bazaldua**  
District 7

**Gay Donnell Willis**  
District 13

**Cara Mendelsohn**  
District 12

**Omar Narvaez**  
Deputy Mayor Pro Tem, District 6

**Front Row (left to right)**

**Casey Thomas, II**  
District 3

**Paula Blackmon**  
District 9

**Tennell Atkins**  
District 8

**Mayor Eric Johnson**  
At-Large

**B. Adam McGough**  
District 10

**Jaime Resendez**  
District 5

**Carolyn King Arnold**  
Mayor Pro Tem, District 4



Empathy | Ethics | Excellence | Engagement | Equity

# CITY OF DALLAS, TEXAS

## APPOINTED OFFICIALS

### SEPTEMBER 30, 2022

Your elected officials, the Mayor and City Council, appoint the executive leadership of the City, specifically:

- City Manager T.C. Broadnax, appointed in February 2017
- City Attorney Christopher J. Caso, appointed in April 2020
- City Auditor Mark S. Swann, appointed in May 2019
- City Secretary Bilierae Johnson, appointed in April 2018
- Municipal Court judges

The City Manager appoints an executive leadership team that collectively oversees the City's approximately 13,000 employees and over \$4 billion budget.

### EXECUTIVE LEADERSHIP TEAM



**T. C. Broadnax**  
*City Manager*



**Kimberly Bizer Tolbert**  
*Deputy City Manager*



**Jon Fortune**  
*Deputy City Manager*



**Majed Al-Ghafry**  
*Assistant City Manager*



**Liz Cedillo-Pereira**  
*Assistant City Manager*



**Robert Perez**  
*Assistant City Manager*



**Carl Simpson**  
*Assistant City Manager*

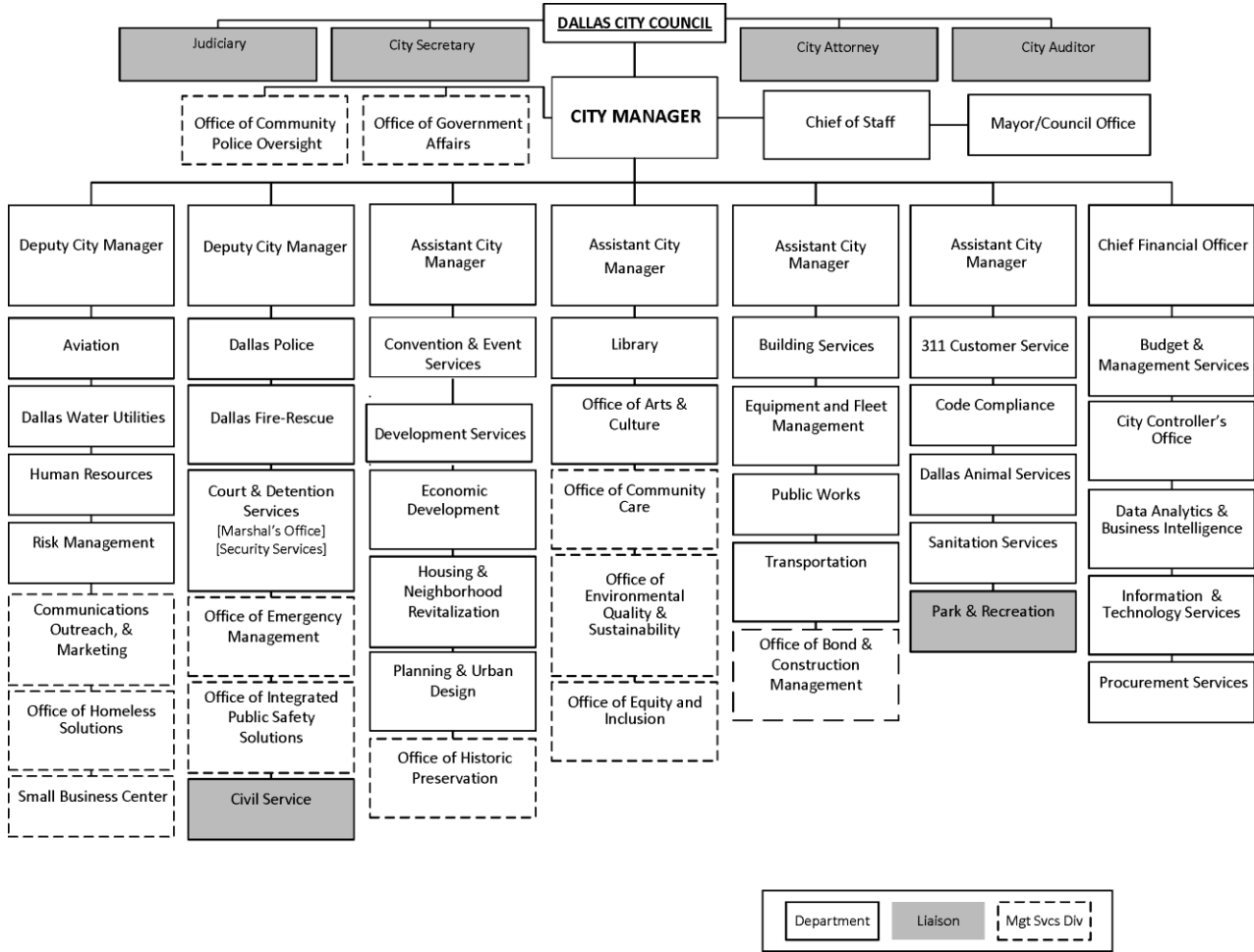


**Jack Ireland**  
*Chief Financial Officer*

Additionally, the City Manager appoints all department directors except:

- The Director of Civil Service, who is appointed by the Civil Service Board; and
- The Director of the Park and Recreation Department, who is appointed by the Park and Recreation Board.

# CITY OF DALLAS, TEXAS ORGANIZATIONAL CHART SEPTEMBER 30, 2022







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Dallas  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO



“Our Product is Service”  
Empathy | Ethics | Excellence | Engagement | Equity

# **FINANCIAL SECTION**





## Independent Auditor's Report

The Honorable Mayor and Members of City Council  
City of Dallas, Texas

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dallas, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dallas, Texas, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements the Dallas Police and Fire Pension System and the Supplemental Police and Fire Pension Plan of the City of Dallas, which are blended component units, which represent 24%, 28%, and 24%, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information. We also did not audit the financial statements of the Dallas Housing Acquisition and Development Corporation and the Dallas Development Fund, which are discretely presented component units, which represent 1%, -13%, and 1%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter

As discussed in Note 1X to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Beginning net position of the governmental activities, airport revenues fund, and business-type activities have been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 5 through 15, and the Schedule of Changes in the City's Net Pension Liability and Related Ratios-Pension Plans, Schedule of City Contributions to Pension Plans, Notes to Schedule of City Contributions to Pension Plans, and Schedule of Changes in the City's Total Liability and Related Ratios - Other Postemployment Benefits, on pages 128 through 134, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary comparison schedule-debt service fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and budgetary comparison schedule-debt service fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the combining and individual fund financial statements and budgetary comparison schedule-debt service fund are fairly stated in all material respects in relation to the basic financial statements as a whole.

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The Honorable Mayor and Members of City Council  
City of Dallas, Texas

Page 4

***Other Information Included in the Annual Comprehensive Financial Report (ACFR)***

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 24, 2023



**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2022  
(Unaudited)

As management of the City of Dallas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. The City's management's discussion and analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual major fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, which can be found on pages v-xxviii of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$3 billion.
- The City's governmental activities net position increased from the beginning net position by \$622.5 million while the business-type activities net position increased by \$245.3 million.
- As of the close of fiscal year 2022, the City's governmental funds reported combined ending fund balances of \$1.4 billion, an increase of \$7.7 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$370.6 million, or approximately 24.5 percent of the total general fund expenditures, including transfers out.
- The City's governmental long-term liabilities had a net decrease of \$1.3 billion from the prior balance of \$7.9 billion. The City's business-type activities long-term liabilities decreased \$489.6 million from the prior year's balance of \$5.5 billion.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business and are made up of the following two statements: the statement of net position and the statement of activities. Both of these statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base, the condition of the City's property tax base, and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.) to assess the overall health or financial condition of the City.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and unused compensated absences).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, code enforcement, environmental and health services, streets, streets, public works, and transportation, equipment and building services, culture and recreation services, housing, and human services.

The business-type activities of the City include water and sewer utilities, convention center, airport, sanitation and landfill, municipal radio, and building inspections. The airport revenue fund includes the activities of the Love Field Airport Modernization Corporation (LFAMC), a blended component unit.

The government-wide financial statements reflect not only the activities of the City itself (known as the primary government), but also those of the seven separate legal entities for which the City is financially accountable – the Downtown Dallas Development Authority (DDDA), North Oak Cliff Municipal Management District, Cypress Waters Municipal Management District, Housing Finance Corporation, Housing Acquisition and Development Corporation, Dallas Development Fund, and Dallas Convention Center Hotel Development Corporation, which are reported as discretely presented component units separately from the primary government itself.

The government-wide financial statements can be found on pages 17-19 of this report.

**CITY OF DALLAS, TEXAS**  
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**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, debt service funds, which are considered to be major funds. Data from the other twenty-one funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the combining financial statements section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

**Proprietary Funds:** Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or to other units within the City. Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The proprietary funds financial statements provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the airport, convention center, municipal radio, building inspection, sanitation, and water utilities operations. All of the City's enterprise funds, except the municipal radio and building inspection, are considered major funds.
- Internal Service funds accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its equipment services, communication equipment, office services, information services, risk management programs, and bond program administration. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining financial statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 26-33 of this report.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's pension trust and custodial funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

**Notes to the Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the basic financial statements. The notes to the financial statements can be found on pages 36-127 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City's combined net position was approximately \$3 billion as of September 30, 2022. Analyzing the net position of governmental and business-type activities separately, the governmental activities had a deficit balance of approximately \$822.1 million and the business-type activities net position was approximately \$3.9 billion. This analysis focuses on the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position (Table 1), and changes in revenues and expenses (Table 2) of the City's governmental and business-type activities.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2022  
(Unaudited)

**Table 1**  
**Net Position (in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2022	2021*	2022	2021*	2022	2021*
Current and other assets	\$ 2,333,542	\$ 2,110,905	\$ 1,868,482	\$ 1,729,563	\$ 4,202,024	\$ 3,840,468
Capital assets	4,894,845	4,738,183	7,553,294	7,370,008	12,448,139	12,108,191
Total assets	7,228,387	6,849,088	9,421,776	9,099,571	16,650,163	15,948,659
Deferred outflows of resources	762,836	1,248,608	211,882	334,701	974,718	1,583,309
Long-term liabilities*	6,596,701	7,932,560	4,973,551	5,546,169	11,570,252	13,478,729
Other liabilities	547,532	441,587	277,774	226,346	825,306	667,933
Total liabilities	7,144,233	8,374,147	5,251,325	5,772,515	12,395,558	14,146,662
Deferred inflows of resources	1,669,122	1,168,173	526,610	51,353	2,195,732	1,219,526
Net position:						
Net investment in capital assets	3,104,432	3,078,939	3,661,142	3,446,193	6,765,574	6,525,132
Restricted	626,035	418,226	350,215	429,744	976,250	847,970
Unrestricted (deficit)	(4,552,599)	(4,941,789)	(155,634)	(265,533)	(4,708,233)	(5,207,322)
Total net position (deficit)	\$ (822,132)	\$ (1,444,624)	\$ 3,855,723	\$ 3,610,404	\$ 3,033,591	\$ 2,165,780

\*Restated-see note 1X

The largest portion of the City's net position reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens and, consequently, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Overall, net position of the governmental activities increased \$622.5 million. Overall revenues and transfers increased \$65.7 million, due primarily to increased tax revenues, capital grants and contributions, and charges for services, offset by decreases in operating grants and contribution and investment income. Additionally, expenses increased \$300.1 million from 2021 to 2022. The increases in tax revenues and charges for services were mainly reflective of increased property values and improvements in the overall economy of the area. Operating grants and contributions decreased primarily due to a reduction in the recognition of revenues for federal COVID-19 financial assistance. Investment income decreased \$32.4 million, mainly due to declines in the fair value of fixed income investments in the City's investment pool.

Long-term liabilities decreased by \$1.3 billion in the governmental activities due primarily to an decrease in net pension liability of approximately \$1.2 billion.

The business-type activities long-term liabilities decreased \$572.6 million, due mainly to decreases in the overall net pension liability and pension obligation bonds of \$484 million. Additionally, the water revenue bonds decreased \$80.1 million, the general airport revenue bonds decreased \$17 million, and the water transmission financing agreement decreased \$20.3 million. These decreases were offset by increases of \$87.8 million in Dallas Water Utilities commercial paper notes payable, as well as an increase of \$47.7 million in Airport Revenues commercial paper notes payable.

An additional portion of the City's net position (\$626 million governmental activities and \$350.2 million business-type activities) represents resources that are subject to external restrictions on how they may be used. The remaining balance in net position is unrestricted.

In governmental activities, there is a deficit unrestricted net position of \$4.6 billion as a result of long-term liabilities for items such as bonds, compensated absences, unfunded risk liabilities, net pension liability, other postemployment benefits, pollution remediation, pension obligation bonds, and sales tax liability. Because of the focus on current assets and liabilities, the City's budget is developed to address the needs of current operations. The City plans to fund long term liabilities in future budgets as those liabilities consume current assets. In business-type activities, there is a deficit unrestricted net position of \$155.6 million, primarily for items such as the sanitation landfill closure/postclosure liability, as well as compensated absences, net pension liability and other postemployment benefits for all business-type activities.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**Analysis of the City's Operations**

The table on the following page provides a summary of the City's operations for the fiscal year ended September 30, 2022, with comparative totals for the fiscal year ended September 30, 2021. The governmental activities net position increased by \$622.5 million and business-type activities net position increased by \$245.3 million. Key elements of these changes in net position are as shown in the following table.

**Table 2**  
**Change in Net Position (in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2022	2021*	2022	2021*	2022	2021*
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 269,330	\$ 257,273	\$ 1,190,532	\$ 1,036,680	\$ 1,459,862	\$ 1,293,953
Operating grants and contributions	194,660	253,997	33,768	15,414	228,428	269,411
Capital grants and contributions	71,662	54,979	24,260	56,880	95,922	111,859
General revenues:						
Ad valorem tax	1,204,389	1,154,660	-	-	1,204,389	1,154,660
Tax increment financing revenue	11,466	11,136	-	-	11,466	11,136
Special assessments	36,379	27,766	-	-	36,379	27,766
Sales tax	407,309	354,288	-	-	407,309	354,288
Franchise fees	144,603	131,130	-	-	144,603	131,130
Hotel occupancy tax	-	-	70,365	40,416	70,365	40,416
Alcohol beverage tax	-	-	16,940	12,935	16,940	12,935
Investment income	(27,985)	4,404	(15,555)	4,515	(43,540)	8,919
Other	26,920	23,321	1,139	849	28,059	24,170
Total revenues	<u>2,338,733</u>	<u>2,272,954</u>	<u>1,321,449</u>	<u>1,167,689</u>	<u>3,660,182</u>	<u>3,440,643</u>
<b>Expenses:</b>						
General government	437,888	534,764	-	-	437,888	534,764
Public safety	618,090	306,796	-	-	618,090	306,796
Code enforcement	52,944	51,616	-	-	52,944	51,616
Environmental and health services	15,949	16,660	-	-	15,949	16,660
Streets, public works, and transportation	279,743	216,691	-	-	279,743	216,691
Equipment and building services	40,417	50,843	-	-	40,417	50,843
Culture and recreation	198,455	179,249	-	-	198,455	179,249
Housing	4,074	3,528	-	-	4,074	3,528
Human services	33,906	32,214	-	-	33,906	32,214
Interest on long-term debt	69,798	58,792	-	-	69,798	58,792
Dallas Water Utilities	-	-	606,180	623,532	606,180	623,532
Convention center	-	-	106,758	86,849	106,758	86,849
Airport revenues	-	-	154,951	160,158	154,951	160,158
Sanitation	-	-	131,315	125,350	131,315	125,350
Municipal radio	-	-	2,054	2,013	2,054	2,013
Building inspection	-	-	39,849	42,584	39,849	42,584
Total expenses	<u>1,751,264</u>	<u>1,451,153</u>	<u>1,041,107</u>	<u>1,040,486</u>	<u>2,792,371</u>	<u>2,491,639</u>
Excess before transfers	587,469	821,801	280,342	127,203	867,811	949,004
Transfers	35,023	35,121	(35,023)	(35,121)	-	-
Increase in net position	<u>622,492</u>	<u>856,922</u>	<u>245,319</u>	<u>92,082</u>	<u>867,811</u>	<u>949,004</u>
Net position (deficit) - beginning of year	(1,444,624)	(2,303,770)	3,610,404	3,525,502	2,165,780	1,221,732
Restatement for GASB 87	-	2,224	-	(7,180)	-	(4,956)
Net position (deficit) - end of year	<u>\$ (822,132)</u>	<u>\$ (1,444,624)</u>	<u>\$ 3,855,723</u>	<u>\$ 3,610,404</u>	<u>\$ 3,033,591</u>	<u>\$ 2,165,780</u>

\*Restated, see note 1X

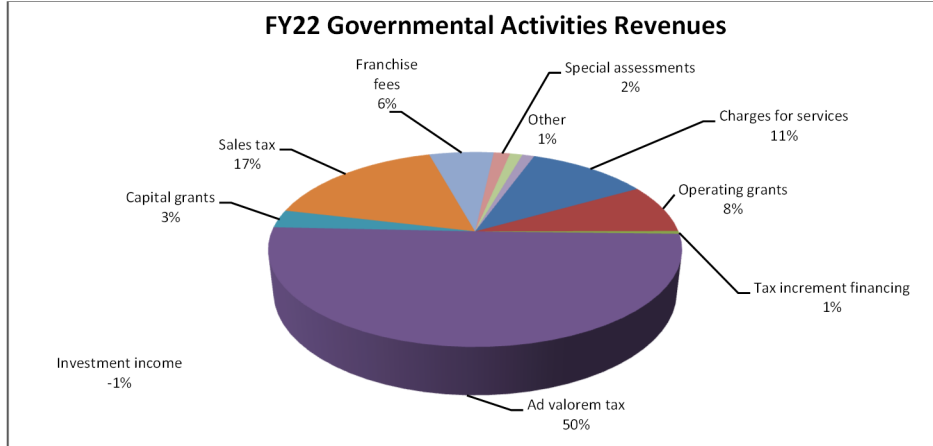
**Governmental Activities**

The governmental activities deficit net position decreased \$622.5 million in fiscal year 2022. Total revenues and transfers increased \$65.7 million, or 2.85 percent from fiscal year 2021. Significant changes in revenue include the following:

- Ad valorem tax revenues increased \$49.7 million due to an increase in the certified property tax values.
- Sales tax revenue increased \$53 million due to increased discretionary customer spending as the effects and restrictions related to continued recovery from the COVID-19 pandemic.
- Operating grants and contributions decreased by \$59.3 million, due primarily to decreases in revenue recognized for COVID-19 response.
- Capital grants and contributions increased \$16.7 million, due mainly to increases in contributions for economic development projects, capital improvements at Fair Park, and street improvements.

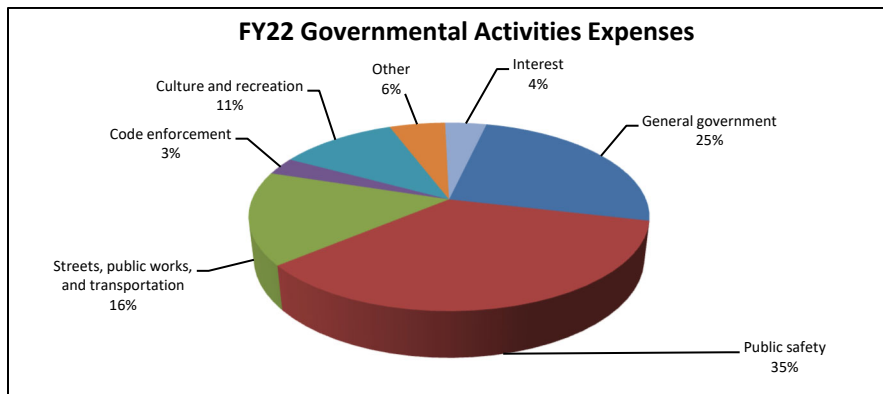
**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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- The average interest rate on investments increased from 0.28 percent in 2021 to 0.606 in 2022; however, the increase in interest income was offset by decreases in the fair value of fixed income investments in the City's investment portfolio related to declines in the bond market. This resulted in negative investment income of \$28 million, a decrease of \$32.4 million from 2021 to 2022.



Total governmental activities expenses increased approximately \$301 million, or 21 percent, from fiscal year 2021.

- General government expenses decreased \$96.9 million, primarily due to decreases in expenses related to the City's response to the COVID-19 pandemic, as well as an increase in pension expense.
- Public safety expenses increased \$311.3 million, due mostly to increases in salaries and benefits and an increase in pension expense.
- Streets, public works, and transportation expenses increased \$63.1 million, due primarily to increases of approximately \$48 million in expenses for repairs and maintenance, a \$5.8 million increase in salaries and benefits, and \$2.5 million increase in lighting and power, a \$1.2 million in street lighting maintenance, and a \$2 million increase in street supplies and materials.
- Equipment and building services expenses decreased \$10.4 million, primarily due to decreased expenses related to the COVID-19 response.
- Culture and recreation expenses increased by \$19.2 million, due primarily to an increase of \$13.1 million in contractual services, and an increase of \$5.2 million in supplies and materials, related to a return to providing services after the COVID-19 pandemic.
- Interest on long-term debt increased \$11 million, primarily to increase in long-term debt and increases in long-term borrowing rates.



**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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(Unaudited)

**Business-type Activities**

Business-type activities net position increased \$245.3 million during fiscal year 2022. Total revenues increased \$153.8 million from fiscal year 2021.

Significant changes in revenues include the following:

- During fiscal year 2022, Dallas Water Utilities operating revenues increased \$100.4 million from increased consumption combined with a 9.6 percent increase in wholesale rates and a 1.5 percent increase in retail rates. Investment income decreased \$11.2 million, mainly due to declines in the fair value of fixed income investments in the City's investment pool.
- Convention Center hotel occupancy taxes and alcohol and beverage tax increased \$29.9 million and \$4 million, respectively. Additionally, customer charges increased \$6.2 million. These increases were due to recovery of convention and event services at the end of the COVID-19 pandemic.
- During fiscal year 2022, total airport revenues increased \$46.4 million. Customer charges and passenger facility charges increased primarily due to continuing recovery from the COVID-19 pandemic. Intergovernmental revenues increased due primarily to the receipt of federal COVID funding.
- Sanitation customer charges increased \$12.4 million or 9.4 percent due to a rate increase of approximately 12.4 percent, offset by a decrease in user fees related to debris collection from a major winter storm that occurred in fiscal year 2021.
- Operating revenues in the nonmajor enterprise funds increased \$6.7 million, due mainly to increases in building inspections.

Total business-type activities expenses increased \$621 thousand from fiscal year 2021. The following items contributed to changes in expenses during fiscal year 2022:

- Dallas Water Utilities contractual services expense decreased \$24.4 million. There was an \$11.8 million decrease in bad debt expense as a result of increased collection efforts at the end of the COVID-19 pandemic. Disposal fees decreased \$12.2 million, related to the cleaning of Bachman Lake in fiscal year 2021, and this expense did not occur in fiscal year 2022. The removal of wastewater at the Elm Fork water treatment plant and other repairs and maintenance in fiscal year 2021 in the amount of \$16.5 million in contractual services did not occur in fiscal year 2022. These decreases were offset by increases of \$5.8 million for street rental and \$11.5 million for maintenance and operation expenses for the integrated pipeline. Supplies and materials expense increased \$15 million, primarily due to increases in chemical costs of \$11.5 million and water supplies of \$3.9 million. Personnel expenses decreased \$17.9 million, due to a \$3.4 million increase in salaries and a \$24.3 million increase in other post-employment benefits, offset by a \$45.5 million decrease in pension expense.
- Convention Center contractual services increased \$23.9 million, due primarily due to increases of \$7.2 million in advertising, \$6.2 million in food and laundry services, and \$2.9 million in custodial services, all resulting from increased activity at the end of the COVID-19 pandemic. Additionally, professional services increased \$6.8 million for the new convention center master plan.
- Airport personnel expenses decreased \$3.6 million due primarily to an increase of \$5.2 million in other post-employment benefits and a \$1.4 million in salaries and wages, offset by a \$10.5 million decrease in pension expense. Supplies and materials expense increased \$2.1 million and contractual services increased \$7.1 million, due to overall increases in operating costs for increases in passenger traffic. Interest expense decreased \$9.8 million mainly due to the refunding of the airport revenue credit agreement in fiscal year 2021.
- Sanitation expenses increased \$4.7 million. This was due primarily to an increase of \$6.5 million in contractual services related to the use of contracted services during a nation-wide labor shortage, combined with overall increases in operational costs. Additionally, there was a \$2.6 million increase in supplies and materials, mainly due to increases in fuel prices. These increases were offset by a decrease of \$5.6 million in personnel expenses, due primarily to a \$17.7 million decrease in pension expense, offset by increases in other post-employment benefits and salaries and benefits of \$8.7 million and \$3.2 million, respectively.
- Personnel services in the nonmajor enterprise funds decreased \$6.8 million, due mainly to a decrease in pension expense of \$11 million, offset by an increase in other post-employment benefits expense of \$5.3 million, and a slight decrease in overall salaries. Contractual services in the nonmajor enterprise funds increased \$2.8 million, primarily due to continuing increases in building inspections after COVID-19 pandemic.

**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2022  
(Unaudited)

As of the end of fiscal year 2022, the City's governmental funds reported combined ending fund balance of \$1.4 billion, an increase of \$7.7 million in comparison with the prior fiscal year fund balance. The general fund, debt service fund, and management improvement fund balances increased by \$41.8 million, \$15 million, and \$16.5 million respectively, while the nonmajor fund balances decreased by \$65.6 million. The increase in the debt service fund was primarily due to an increase in ad valorem taxes related to increases in property values. The decrease in the nonmajor fund balances was mainly due to a \$77.8 million decrease in the capital projects funds, as the City is utilizing bond proceeds to finance capital improvements, repairs, and maintenance.

The general fund is the chief operating fund of the City, and its fund balance increased \$41.8 million in fiscal year 2022 compared to the prior year's increase of \$55.9 million. This increase was primarily due to increases of \$28.7 million in ad valorem tax related to increases in property tax valuations. Additionally, sales tax revenues increased \$53 million, due to continually increased consumer activity as the result of recovery from the COVID-19 pandemic. Franchise fees increased \$11.6 million due to weather fluctuations and rate increases. These increases in revenues were offset by overall increases in expenditures for payroll, supplies and materials, and contractual services. Transfers out increased \$14.1 million, mainly due to transfers to the Information Technology Equipment internal service fund for information technology improvements and the Management Improvement special revenue fund for implementation of the City's racial equity plan.

Approximately \$370.6 million of the general fund's total fund balance of \$442.3 million constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it is 1) nonspendable in form or required to be maintained intact; 2) restricted for a specific purpose by constitution, external resource providers, or through enabling legislation; 3) committed by a formal action of Council for a specific purpose; or 4) assigned and intended to be used by the government for a specific purpose for contracts and purchase orders of the prior period.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.5 percent of total general fund expenditures and transfers out, while total fund balance represents 29.2 percent of that same amount.

The debt service fund had a total fund balance of \$84.5 million at September 30, 2022 restricted for the payment of debt service. The debt service fund balance increased during the current year by \$15 million primarily due to increases in ad valorem tax revenues, offset by increases in principal and interest on long-term debt.

**Proprietary funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in Dallas Water Utilities and Sanitation at the end of the year amounted to deficit balances of \$133.8 million and \$169.1 million, respectively. The unrestricted net position was \$121.4 million in the Convention Center and \$87.4 million in the Airport Revenues Fund. The total change in net position was an increase of \$157.5 million in Dallas Water Utilities, an increase of \$7.2 million in Convention Center, an increase of \$72.3 million in the Airport Revenues Fund, and an increase of \$7.6 million in Sanitation. Factors regarding the finances of these funds are addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

During the fiscal year, the final amended revenue budget represented a 3.5 percent increase from the original budget and the final amended expenditure budget represented a 3.6 percent increase from the original budget.

Actual budgetary basis revenues and transfers-in were higher by \$29.5 million, or 1.8 percent from final budgeted amounts. This was primarily due to revenues being unexpectedly higher than the final budgeted ad valorem, sales tax, and other taxes and franchise fee revenues in the amounts of \$4 million, \$13.2 million, and \$14.5 million, respectively. These differences were primarily due to increases in property values and improvements to the economy, as well as increased franchise tax revenues related to a cooler winter and warmer summer than the previous year, as well as rate increases for natural gas. Actual budgetary expenditures and transfers out were lower than the final amended budget by \$18.6 million, or 1.2 percent, due mainly to most general fund departments experiencing overall cost savings during fiscal year 2022.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2022  
(Unaudited)

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of September 30, 2022, the City had approximately \$12.4 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, water and sewer lines, and right-to-use leased assets (see table 3). This amount represents a net increase of \$340.3 million or approximately 2.8 percent over the prior fiscal year.

**Table 3**  
**Capital Assets**  
**(Net of Accumulated Depreciation/Acumulated Amortization,**  
**in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2022	2021*	2022	2021	2022	2021*
Land	\$ 573,001	\$ 551,764	\$ 275,949	\$ 345,264	\$ 848,950	\$ 897,028
Artwork	50,323	49,999	5,574	5,574	55,897	55,573
Construction in progress	592,839	527,474	1,469,186	1,219,339	2,062,025	1,746,813
Water rights	-	-	215,762	219,301	215,762	219,301
Buildings	883,998	881,757	1,186,596	1,202,448	2,070,594	2,084,205
Improvements other than buildings	496,422	483,384	365,777	396,219	862,199	879,603
Equipment	268,823	246,678	297,368	308,734	566,191	555,412
Infrastructure assets	1,993,293	1,961,155	305,152	307,680	2,298,445	2,268,835
Utility property	-	-	3,351,008	3,282,463	3,351,008	3,282,463
Right-to-use assets-land*	3,813	4,009	62,281	62,465	66,094	66,474
Right-to-use assets-buildings*	27,888	25,898	18,641	20,521	46,529	46,419
Right-to-use assets-equipment*	4,445	5,685	-	-	4,445	5,685
<b>Totals</b>	<b>\$ 4,894,845</b>	<b>\$ 4,737,803</b>	<b>\$ 7,553,294</b>	<b>\$ 7,370,008</b>	<b>\$ 12,448,139</b>	<b>\$ 12,107,811</b>

\*The FY 21 balances were restated due to the implementation of GASB 87, Leases.

Some of the major additions for fiscal year 2022 included (gross additions – in millions):

Carpenter Park	\$ 15.8
Forest Green Branch Library	6.6
Fire Station #59	6.7
Fire Station #46	6.6
Land acquisitions	21.6
Equipment acquisitions	62.9
Water and wastewater facilities	226.1
<b>Total</b>	<b>\$ 346.3</b>

The general purpose capital improvement program provides for improvements to, and/or construction of, the City's street system; parks and recreational facilities; libraries; police and fire protection facilities; cultural art facilities; the flood protection and storm drainage systems; other City-owned facilities; and economic initiatives. General obligation bonds are the primary financing mechanism for these capital improvements.

The capital improvement program for the enterprise funds consists primarily of improvements to, and/or construction of, water and wastewater systems, and air transportation facilities. The primary financing mechanism for these capital improvements are enterprise fund net revenues and issuance of debt such as commercial paper and revenue bonds.

More detailed information about the City's capital assets is presented in Note 8 to the financial statements.



**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2022  
(Unaudited)

**Debt**

At fiscal year-end, the City had \$5.9 billion in bonds for both governmental and business-type activities, an obligation for revenue credit agreement (including accrued unpaid interest), and water transmission facilities financing agreement outstanding, as shown in Table 4.

**Table 4**  
**Outstanding Debt at Fiscal Year-end (in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 1,659,848	\$ 1,667,560	\$ 776	\$ 2,330	\$ 1,660,624	\$ 1,669,890
Certificates of obligation	64,325	48,295	-	-	64,325	48,295
Equipment acquisition obligations	58,720	17,065	-	-	58,720	17,065
Pension obligation bonds	115,522	138,304	52,977	63,424	168,499	201,728
Revenue bonds	-	-	3,119,030	3,224,270	3,119,030	3,224,270
Water transmission facilities financing agreement	-	-	655,174	675,491	655,174	675,491
Obligation for revenue credit agreement	-	-	79,340	88,620	79,340	88,620
<b>Total</b>	<b>\$ 1,898,415</b>	<b>\$ 1,871,224</b>	<b>\$ 3,907,297</b>	<b>\$ 4,054,135</b>	<b>\$ 5,805,712</b>	<b>\$ 5,925,359</b>

Bond proceeds for governmental activities will be used to pay costs of various equipment purchases, street systems, playgrounds, recreation facilities, library facilities, and other City infrastructure and facilities.

In November 2021, the City issued General Obligation Refunding and Improvement Bonds, Series 2021, of \$237.1 million with a premium of \$32.7 million, stated interest rates ranging from 2.25% to 5%, and a final maturity of February 15, 2042. The bonds were issued for the purpose of refunding outstanding commercial paper notes, refunding certain general obligation bonds, and financing capital construction projects. Proceeds of \$168 million were used to refund commercial paper and this liability has been removed from the financial statements. Proceeds of \$93.9 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$91.6 million of the refunded bonds are considered defeased and the liability for these bonds have been removed from the financial statements. Total debt service payments decreased by \$8.6 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$8.4 million. The remaining portion of the bonds issued will be used to finance capital construction projects.

In November 2021, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2021, of \$45.9 million with a premium of \$9.3 million, stated interest rate of 5 percent, and a final maturity of February 15, 2031. These bonds were issued for the purpose of financing capital construction projects.

In November 2021, the City issued Equipment Acquisition Contractual Obligations, Series 2021, of \$26.8 million with a premium of \$3.8 million, a stated interest rate of 5%, and a final maturity of February 15, 2027. The certificates will be used for financing the purchase of City equipment.

In November 2021, the City issued General Obligation Bonds, Taxable Series 2021, of \$3.1 million with a premium of \$39 thousand, stated interest rates ranging from 1.35% to 2%, and a final maturity of February 15, 2032. These bonds were issued for the purpose of financing certain economic development programs.

In May 2022, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds Series 2022A and Series 2022B of \$66 million and interest rates ranging from 0.02 percent to 1.29 percent. Final maturity will occur on October 1, 2051. The bonds were issued to fund capital construction projects.

In October 2021, the Convention Center issued Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021 of \$232.9 million with a premium of \$27.7 million, and stated interest rates ranging from 4.0 percent to 5.0 percent. Final maturity of the refunding bonds will occur on August 15, 2038. Proceeds of \$258.9 plus additional funds from the City in the amount of \$6.5 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$260.8 million of refunded bonds are considered defeased and the liability for these bonds have been removed from the financial statements. Total debt service payments decreased by \$70.5 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$53.2 million.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2022  
(Unaudited)

The City's General Obligation, General Obligation Pension, Waterworks and Sewer System, General Airport Revenue, Civic Center Convention Complex, Dallas Convention Center Development Corp, and Downtown Dallas Development Authority bonds' underlying ratings as of September 30, 2022 are listed below.

	Moody's Investors Service	Standard & Poor's	Fitch	Kroll
General Obligation Bonds	A1	AA-	AA	AA+
General Obligation Pension Bonds	A1	AA-	AA	N/R
Revenue Bonds:				
Waterworks and Sewer System	Aa2	AAA	AA	N/R
General Airport Revenue	A1	A	A	N/R
Civic Center Convention Complex	N/R	A	A+	N/R
Dallas Convention Center Development Corporation	Baa1	A	N/R	N/R
Downtown Dallas Development Authority	A2	A+	N/R	N/R

More information about the City's debt is presented in Note 11 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Dallas City Council has identified eight strategic priorities – Economic Development; Environment and Sustainability; Government Performance and Financial Management; Housing and Homelessness Solutions; Public Safety; Quality of Life, Arts, and Culture; Transportation and Infrastructure; and Workforce, Education, and Equity. Property value for the tax roll as of January 1, 2022 was \$179.4 billion; which is a 15.07 percent increase from the 2021 supplemental tax roll of \$155.9 billion. The adopted fiscal year 2022-23 tax rate of \$0.7458 per \$100 valuation is a \$0.0275 reduction from the fiscal year 2021-22 adopted tax rate of \$.7733. The fiscal year 2022-23 budget of \$4.5 billion is balanced, utilizing various cost containment strategies, revenue enhancements, and operational efficiencies.

With the multitude of water challenges across Texas, the City will continue to focus on maintaining infrastructure, conserving resources, and providing for future needs through replacement of aged water and wastewater mains; improvements at water treatment plants to improve reliability and water quality as well as increase capacity; continued water conservation efforts; and the TRWD integrated pipeline project to connect Lake Palestine to Dallas' water supply system to meet future needs. The retail water and sewer rates increased approximately 5% for fiscal year 2022-23.

The City of Dallas is experiencing areas of economic growth. The City's unemployment rate of 4 percent is lower than the national average of 6 percent. Property tax revenue is the single largest revenue source and accounts for 56.3 percent of general fund revenue. Fiscal year 2023 will mark the tenth consecutive year of growth in property value. As the second largest revenue source in general fund, sales tax revenue is projected at \$417.2 million for fiscal year 2022-23; which is a 4.5 percent increase from the fiscal year 2021-22 budget. The combined property tax and sales tax revenues in the general fund budget is projected to increase \$138 million from the fiscal year 2022 budget to the fiscal year 2023 budget.

In fiscal year 2023, the City will continue to focus on service first to meet the citizens needs with empathy, ethics, excellence, and equity This R.E.A.L. Impact budget reinforces our commitment to pursue clear plans and evidence-based strategies to improve the city government.. This budget makes significant investments in the following areas:

Responsible Impact means that we are planning today for challenges in our future. This budget includes investments in proactive and long-term solutions to ongoing challenges, including a multi-pronged approach to improving the City's permitting process.

Equitable Impact means a commitment to eliminating disparities while improving outcomes for all. This budget makes investments to bridge access gaps across strategic priorities, including enhanced funding to ensure that the City implements the Comprehensive Environmental and Climate Action Plan (CECAP) with consideration for the disproportionate nature with which environmental challenges impact equity priority areas.

Accountable Impact means delivering our programs and services with a commitment to transparency and continuous process improvement. This budget includes investments to secure our technology through strong data governance and information infrastructure.

Legitimate Impact means that we will continue to put the priorities of our residents first. Public Safety and Infrastructure remain two of the top priorities for Dallas residents. This budget reinforces those priorities by funding the anticipated Meet and Confer agreement with police officers and firefighters and investing in the Vision Zero Action Plan. The Vision Zero Action Plan is a plan to eliminate all traffic related deaths and reach a 50 percent reduction in severe injuries from crashes by 2030.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2022  
(Unaudited)

The City's fiscal year 2022 capital budget also provides \$58.7 million for aviation facilities, \$114.3 million for city facilities, \$18 million for convention and event services, \$134.6 million for economic development, \$47.5 million for flood protection and storm drainage management, \$35 million for parks and recreation, \$12.3 million for sanitation services, \$196 million for streets and transportation, and \$342.8 million for water utilities capital improvements.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances, and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the City Controller's Office, at City of Dallas, 1500 Marilla, Room 2BS, Dallas, Texas 75201.

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“Our Product is Service”  
Empathy | Ethics | Excellence | Engagement | Equity

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
September 30, 2022  
(in thousands)

	Primary Government			Discretely Presented Component Units	
	Governmental	Business-Type	Total	Governmental	Business-type
	Activities	Activities		Governmental	Business-type
<b>Assets</b>					
Cash and cash equivalents	\$ 1,213,998	\$ 709,788	\$ 1,923,786	\$ 16,276	\$ 103,048
Other investments, at fair value	33,242	-	33,242	-	3,053
Receivables, net	378,456	228,635	607,091	37	13,847
Internal balances	(5,593)	5,593	-	-	-
Prepaid items	16,580	9,262	25,842	-	703
Inventories, at cost	23,396	21,937	45,333	-	630
Other assets	-	-	-	-	1,604
Restricted assets:					
Cash and cash equivalents	673,463	572,390	1,245,853	8,304	26,937
Other investments, at fair value	-	109,229	109,229	-	35,723
Future pipeline reserve capacity rights	-	206,136	206,136	-	-
Customer assessments	-	629	629	-	-
Escrow deposit	-	4,883	4,883	-	-
Capital assets:					
Capital assets, non-depreciable	1,216,163	1,750,709	2,966,872	-	27,511
Capital assets, depreciable, net of accumulated depreciation	3,642,536	5,721,663	9,364,199	-	307,438
Right-to-use assets, net of amortization	36,146	80,922	117,068	-	-
Total assets	<u>7,228,387</u>	<u>9,421,776</u>	<u>16,650,163</u>	<u>24,617</u>	<u>520,494</u>
<b>Deferred outflows of resources</b>					
Deferred loss on refunding	-	71,394	71,394	-	-
Deferred outflows of resources related to pensions	742,288	135,314	877,602	-	-
Deferred outflows of resources related to other postemployment benefits	20,548	5,174	25,722	-	-
Other deferred outflows of resources	-	-	-	-	94
Total deferred outflows of resources	<u>762,836</u>	<u>211,882</u>	<u>974,718</u>	<u>-</u>	<u>94</u>
<b>Liabilities</b>					
Accrued payroll	19,248	6,088	25,336	-	630
Accounts payable	64,226	51,600	115,826	3	7,149
Due to other governments	3,709	1,199	4,908	-	-
Contracts payable	49,401	-	49,401	-	-
Other liabilities	12,293	3,298	15,591	328	1,290
Construction accounts payable	18,969	70,000	88,969	-	-
Accrued bond interest payable	11,490	55,492	66,982	168	14,573
Unearned revenue	356,163	56,271	412,434	-	40,757
Customer deposits	12,033	27,803	39,836	-	-
Customer construction advances	-	6,023	6,023	-	-
Noncurrent liabilities:					
Due within one year	428,059	209,797	637,856	3,249	10,690
Due in more than one year	6,168,642	4,763,754	10,932,396	81,964	427,666
Total liabilities	<u>7,144,233</u>	<u>5,251,325</u>	<u>12,395,558</u>	<u>85,712</u>	<u>502,755</u>
<b>Deferred inflows of resources</b>					
Deferred gain on refunding	1,325	-	1,325	-	-
Deferred inflows of resources related to pensions	1,492,192	430,302	1,922,494	-	-
Deferred inflows of resources related to other postemployment benefits	73,469	16,798	90,267	-	-
Deferred inflows of resources related to leases	102,136	79,510	181,646	-	-
Total deferred inflows of resources	<u>1,669,122</u>	<u>526,610</u>	<u>2,195,732</u>	<u>-</u>	<u>-</u>
<b>Net position</b>					
Net investment in capital assets	3,104,432	3,661,142	6,765,574	-	(58,009)
Restricted for:					
Capital projects	242,138	-	242,138	-	-
Debt service	74,372	286,096	360,468	8,149	-
General government	64,619	-	64,619	-	-
Storm water operations	97,405	-	97,405	-	-
Public safety	7,757	-	7,757	-	-
Culture and recreation	57,386	-	57,386	-	-
Streets and transportation	26,472	-	26,472	-	-
Other purposes	46,652	-	46,652	-	-
Permanent funds - nonexpendable	9,234	-	9,234	-	-
Emergency repairs and replacements	-	5,000	5,000	-	-
Operation and maintenance expenses	-	18,471	18,471	-	-
Passenger facility charges	-	40,648	40,648	-	-
Unrestricted (deficit)	(4,552,599)	(155,634)	(4,708,233)	(69,244)	75,842
Total net position (deficit)	<u>\$ (822,132)</u>	<u>\$ 3,855,723</u>	<u>\$ 3,033,591</u>	<u>\$ (61,095)</u>	<u>\$ 17,833</u>

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2022  
(in thousands)

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 437,888	\$ 131,682	\$ 28,069	\$ 39,906
Public safety	618,090	81,417	41,086	2,680
Code enforcement	52,944	13,237	100	-
Environmental and health services	15,949	302	21,663	-
Streets, public works, and transportation	279,743	17,393	15,564	12,256
Equipment and building services	40,417	954	298	-
Culture and recreation	198,455	23,139	4,786	16,820
Housing	4,074	787	-	-
Human services	33,906	419	83,094	-
Interest on long-term debt	69,798	-	-	-
Total governmental activities	<u>1,751,264</u>	<u>269,330</u>	<u>194,660</u>	<u>71,662</u>
Business-Type activities:				
Dallas water utilities	606,180	775,576	-	22,290
Convention center	106,758	32,570	416	-
Airport revenues	154,951	195,140	33,352	1,970
Sanitation	131,315	143,645	-	-
Municipal radio	2,054	1,396	-	-
Building inspection	39,849	42,205	-	-
Total business-type activities	<u>1,041,107</u>	<u>1,190,532</u>	<u>33,768</u>	<u>24,260</u>
Total primary government	<u>2,792,371</u>	<u>1,459,862</u>	<u>228,428</u>	<u>95,922</u>
Component units:				
Governmental	34,639	-	-	-
Business-Type	86,835	67,500	-	-
Total component units	<u>121,474</u>	<u>67,500</u>	<u>-</u>	<u>-</u>

General revenues:

- Ad valorem tax
- Tax increment financing, intergovernmental revenue
- Special assessments
- Sales taxes
- Franchise fees
- Hotel occupancy tax
- Alcohol beverage tax
- Investment loss
- Other revenues

Transfers

Total general revenues and transfers

Change in net position

Net position (deficit), beginning of year (restated, see Note 1X)

Net position (deficit), end of year

Net (Expense) Revenue and Changes in Net Position

Primary Government				
Governmental	Business-Type		Component Units	
Activities	Activities	Total	Governmental	Business-Type
\$ (238,231)	\$ -	\$ (238,231)	\$ -	\$ -
(492,907)	-	(492,907)	-	-
(39,607)	-	(39,607)	-	-
6,016	-	6,016	-	-
(234,530)	-	(234,530)	-	-
(39,165)	-	(39,165)	-	-
(153,710)	-	(153,710)	-	-
(3,287)	-	(3,287)	-	-
49,607	-	49,607	-	-
(69,798)	-	(69,798)	-	-
<u>(1,215,612)</u>	<u>-</u>	<u>(1,215,612)</u>	<u>-</u>	<u>-</u>
-	191,686	191,686	-	-
-	(73,772)	(73,772)	-	-
-	75,511	75,511	-	-
-	12,330	12,330	-	-
-	(658)	(658)	-	-
-	2,356	2,356	-	-
-	207,453	207,453	-	-
<u>(1,215,612)</u>	<u>207,453</u>	<u>(1,008,159)</u>	<u>-</u>	<u>-</u>
			(34,639)	-
			-	(19,335)
			<u>(34,639)</u>	<u>(19,335)</u>
1,204,389	-	1,204,389	-	-
11,466	-	11,466	37,696	-
36,379	-	36,379	-	-
407,309	-	407,309	-	-
144,603	-	144,603	-	-
-	70,365	70,365	-	-
-	16,940	16,940	-	-
(27,985)	(15,555)	(43,540)	144	1,126
26,920	1,139	28,059	12	15,391
35,023	(35,023)	-	-	-
<u>1,838,104</u>	<u>37,866</u>	<u>1,875,970</u>	<u>37,852</u>	<u>16,517</u>
622,492	245,319	867,811	3,213	(2,818)
<u>(1,444,624)</u>	<u>3,610,404</u>	<u>2,165,780</u>	<u>(64,308)</u>	<u>20,651</u>
<u>\$ (822,132)</u>	<u>\$ 3,855,723</u>	<u>\$ 3,033,591</u>	<u>\$ (61,095)</u>	<u>\$ 17,833</u>

**CITY OF DALLAS, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
September 30, 2022  
(in thousands)

	General	Debt Service	Management Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Pooled cash and cash equivalents	\$ 384,022	\$ 83,323	\$ 392,596	\$ 203,212	\$ 1,063,153
Other investments, at fair value	-	-	-	33,242	33,242
Receivables:					
Ad valorem tax	33,125	12,693	-	-	45,818
Sales tax	71,736	-	-	-	71,736
Notes	455	-	-	65,207	65,662
Special assessments-paving notes	-	-	-	5,971	5,971
Accounts	110,023	-	417	23,341	133,781
Accrued interest	1,188	128	630	2,066	4,012
Leases	73,543	-	223	29,483	103,249
Allowance for uncollectible accounts	(63,795)	(10,995)	-	(35,801)	(110,591)
Due from other governments	13,303	522	172	44,043	58,040
Due from other funds	5,941	-	-	-	5,941
Prepaid items	-	-	-	15,695	15,695
Inventories, at cost	18,723	-	-	-	18,723
Restricted cash and cash equivalents	-	-	-	673,463	673,463
Notes receivable from other funds	-	-	-	4,161	4,161
Total assets	<u>648,264</u>	<u>85,671</u>	<u>394,038</u>	<u>1,064,083</u>	<u>2,192,056</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accrued payroll	16,270	-	40	1,205	17,515
Accounts payable	29,513	-	13,152	11,119	53,784
Due to other funds	268	-	-	5,941	6,209
Unearned revenue	3,720	-	336,411	16,032	356,163
Due to other governments	3,708	-	1	-	3,709
Construction accounts payable	-	-	-	18,969	18,969
Notes payable to other funds	-	-	-	9,486	9,486
Customer deposits	12,033	-	-	-	12,033
Contracts payable	-	-	-	49,401	49,401
Other liabilities	4,654	-	115	1,332	6,101
Total liabilities	<u>70,166</u>	<u>-</u>	<u>349,719</u>	<u>113,485</u>	<u>533,370</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue related to taxes, accounts receivable, and grants	62,832	1,134	-	49,919	113,885
Unavailable revenue related to leases	72,955	-	226	28,955	102,136
Total deferred inflows of resources	<u>135,787</u>	<u>1,134</u>	<u>226</u>	<u>78,874</u>	<u>216,021</u>
<b>Fund balances</b>					
Nonspendable	18,723	-	-	24,929	43,652
Restricted	5,653	84,537	44,093	806,981	941,264
Committed	3,000	-	-	39,814	42,814
Assigned	44,347	-	-	-	44,347
Unassigned	370,588	-	-	-	370,588
Total fund balance	<u>442,311</u>	<u>84,537</u>	<u>44,093</u>	<u>871,724</u>	<u>1,442,665</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 648,264</u>	<u>\$ 85,671</u>	<u>\$ 394,038</u>	<u>\$ 1,064,083</u>	<u>\$ 2,192,056</u>



**CITY OF DALLAS, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
September 30, 2022  
(in thousands)

Total fund balances - governmental funds \$ 1,442,665

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	571,305	
Artwork	50,323	
Construction in progress	592,819	
Infrastructure assets	3,226,214	
Buildings	1,571,194	
Improvements other than buildings	804,928	
Equipment	797,663	
Leased assets	29,117	
Accumulated depreciation and amortization	<u>(2,774,728)</u>	
Total capital assets		4,868,835

Deferred inflows from refunding of debt represent a decrease in net position that applies to future periods and, therefore, will not be recognized as an inflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. (1,325)

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 113,885

Internal service funds are used by management to charge the costs of certain activities, such as equipment services, communication equipment services, office services, information services, and insurance. The assets and deferred outflows and liabilities and deferred inflows of the internal service funds are included in the governmental activities in the statement of net position. (157,234)

Some long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds. Those liabilities consist of:

Bonds payable, plus unamortized bond premium and accretion	2,226,986	
Financed purchases	121,161	
Leases	28,077	
Accrued interest on bonds and notes	11,490	
Developer payable	99,640	
Notes payable	16,138	
Commercial paper notes payable	9,185	
Compensated absences	112,031	
Pollution remediation	<u>2,353</u>	
Total long-term liabilities		(2,627,061)

Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and, therefore, are not reported in the funds. These amounts consist of:

Net pension liability	3,594,102	
Deferred outflows of resources	(700,956)	
Deferred inflows of resources	<u>1,360,383</u>	
		(4,253,529)

Other postemployment benefits liability and related deferred outflows and inflows of resources are not due in the current period and, therefore, are not reported in the funds. These amounts consist of:

Other postemployment benefits liability	158,511	
Deferred outflows of resources	(19,367)	
Deferred inflows of resources	<u>69,224</u>	
		<u>(208,368)</u>

Net position (deficit) of governmental activities \$ (822,132)

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2022  
(in thousands)

	General	Debt Service	Management Improvement	Nonmajor Governmental Funds	Total
<b>Revenues:</b>					
Ad valorem tax	\$ 804,207	\$ 294,490	\$ -	\$ 104,248	\$ 1,202,945
Tax increment financing, intergovernmental	-	-	-	11,466	11,466
Sales tax	407,309	-	-	-	407,309
Franchise fees	132,060	-	-	12,543	144,603
Licenses and permits	11,522	-	-	5,121	16,643
Intergovernmental	18,211	-	94,729	86,615	199,555
Service to others	121,958	-	2,074	90,242	214,274
Fines and forfeitures	24,082	-	704	318	25,104
Investment loss	(4,922)	(1,043)	(5,865)	(13,756)	(25,586)
Special assessments	-	-	-	36,379	36,379
Contributions and gifts	67	-	96	50,102	50,265
Confiscated money awards	-	-	-	1,404	1,404
Other revenues	11,414	1,094	3,750	446	16,704
Total revenues	<u>1,525,908</u>	<u>294,541</u>	<u>95,488</u>	<u>385,128</u>	<u>2,301,065</u>
<b>Current expenditures:</b>					
General government	184,653	-	49,485	214,446	448,584
Public safety	910,006	-	23,705	16,393	950,104
Code enforcement	50,232	-	-	-	50,232
Environmental and health services	-	-	-	14,521	14,521
Streets, public works, and transportation	109,864	-	7,423	80,591	197,878
Equipment and building services	23,702	-	215	281	24,198
Culture and recreation	150,457	-	1,174	15,531	167,162
Housing	3,279	-	-	-	3,279
Human services	-	-	7,528	26,580	34,108
<b>Debt service:</b>					
Principal	26,955	372,254	-	1,672	400,881
Interest and fiscal charges	2,514	84,535	-	865	87,914
Capital outlay	15,517	-	10,303	275,402	301,222
Total expenditures	<u>1,477,179</u>	<u>456,789</u>	<u>99,833</u>	<u>646,282</u>	<u>2,680,083</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,729</u>	<u>(162,248)</u>	<u>(4,345)</u>	<u>(261,154)</u>	<u>(379,018)</u>
<b>Other financing sources (uses):</b>					
Transfers in	31,147	8,185	20,811	31,874	92,017
Transfers out	(38,511)	-	-	(12,259)	(50,770)
Inception of lease	187	-	-	3,194	3,381
Proceeds from sale of capital assets	261	-	-	5,910	6,171
Premium on debt issued	-	31,815	-	14,070	45,885
Issuance of certificates of obligation	-	-	-	45,920	45,920
Issuance of equipment acquisition notes	-	-	-	26,880	26,880
Issuance of general obligation bonds	-	-	-	9,135	9,135
Issuance of refunding bonds	-	231,115	-	-	231,115
Payment to refunded bond escrow agent	-	(93,895)	-	-	(93,895)
Proceeds of financed purchases	-	-	-	43,419	43,419
Issuance of commercial paper notes	-	-	-	27,509	27,509
Total other financing sources (uses)	<u>(6,916)</u>	<u>177,220</u>	<u>20,811</u>	<u>195,652</u>	<u>386,767</u>
Net change in fund balances	41,813	14,972	16,466	(65,502)	7,749
Fund balances, beginning of year	400,498	69,565	27,627	937,226	1,434,916
Fund balances, end of year	<u>\$ 442,311</u>	<u>\$ 84,537</u>	<u>\$ 44,093</u>	<u>\$ 871,724</u>	<u>\$ 1,442,665</u>

**CITY OF DALLAS, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2022  
(in thousands)

Net change in fund balances-total governmental funds \$ 7,749

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlay	301,222	
Capital contributions	16,568	
Capital assets transferred to business-type activities	(863)	
Depreciation and amortization expense	(150,425)	
Net adjustment	166,502	166,502

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

Proceeds from sale of capital assets	(6,171)	
Net loss on disposal of capital assets	(711)	
	(6,882)	(6,882)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues.

2,181

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued:		
Premium on debt issued	(45,885)	
Certificates of obligation	(45,920)	
Equipment acquisition notes	(26,880)	
General obligation bonds	(9,135)	
Refunding bonds	(231,115)	
Notes payable	(27,509)	
Financed purchases	(43,418)	
Leases	(3,381)	
Repayments:		
Financed purchases payments	22,448	
Lease payments	3,292	
Note principal payments	180,887	
Bond principal payments	194,254	
Payment to refunded bond escrow agent	93,895	
Net adjustment	61,533	61,533

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in accrued interest payable	(675)	
Amortization of premium, discount and refunding deferral	34,915	
Accretion on capital appreciation bonds	(16,124)	
Decrease in pollution remediation liability	644	
Decrease in compensated absences	36	
Decrease in developer payable	40,452	
Total adjustment	59,248	59,248

Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, compensated absences, and computer replacement, to individual funds. The change in net position for these funds is reported with the governmental activities.

(16,275)

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

339,056

Changes to other postemployment benefits and related deferred inflows and outflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

9,380

Change in net position of governmental activities

\$ 622,492

The notes to financial statements are an integral part of this statement.

**CITY OF DALLAS, TEXAS**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-NON-GAAP BUDGETARY BASIS**  
Year Ended September 30, 2022  
(in thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 876,484	\$ 876,484	\$ 880,484	\$ 4,000
Sales tax	344,283	394,109	407,309	13,200
Other tax and franchise revenues	117,600	117,600	132,060	14,460
Licenses and permits	5,844	5,844	11,522	5,678
Intergovernmental	13,102	17,951	18,182	231
Services to others (plus for 911)	120,569	120,569	119,255	(1,314)
Fines and forfeitures	26,391	26,391	24,083	(2,308)
Investment income	967	967	2,683	1,716
Miscellaneous revenue	8,877	8,877	12,431	3,554
Total revenues	1,514,117	1,568,792	1,608,009	39,217
<b>Expenditures:</b>				
<b>General government</b>				
City attorney's office	17,814	18,665	18,646	19
City auditor's office	3,048	2,989	2,790	199
Office of Budget and management services	4,513	4,388	4,258	130
Non-departmental	115,542	138,518	136,143	2,375
Independent audit	745	752	752	-
City controller's office	7,765	7,805	7,588	217
City manager's office	2,933	3,237	3,236	1
Municipal court - Judiciary	3,676	4,220	3,940	280
Court and detention services	24,078	24,080	24,008	72
Jail contract-Lew Sterrett	9,450	8,990	8,990	-
Civil service	3,022	2,737	2,438	299
Office of Data Analysis and Business Intelligence	3,988	3,259	3,238	21
Office of economic development	3,252	3,542	3,539	3
Mayor and city council	5,351	5,432	5,428	4
Office of Management services	46,284	45,567	41,422	4,145
Human resources	7,199	7,312	6,850	462
Procurement services	3,083	2,813	2,806	7
Elections	105	283	141	142
City secretary's office	3,050	3,068	2,930	138
Total general government	264,898	287,657	279,143	8,514
<b>Public safety</b>				
Dallas police department	565,935	569,380	569,327	53
Dallas fire - rescue	335,699	351,664	345,730	5,934
9-1-1 systems operations	14,341	15,293	14,124	1,169
Total public safety	915,975	936,337	929,181	7,156
<b>Code enforcement</b>				
Code compliance	35,033	35,314	35,021	293
Dallas animal services	16,069	16,174	15,717	457
Total code enforcement	51,102	51,488	50,738	750

continued

**CITY OF DALLAS, TEXAS**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-NON-GAAP BUDGETARY BASIS (continued)**  
Year Ended September 30, 2022  
(in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
Public works and transportation				
Public works	\$ 76,358	\$ 81,871	\$ 81,852	19
Transportation	45,250	45,299	44,803	496
Total public works and transportation	<u>121,608</u>	<u>127,170</u>	<u>126,655</u>	<u>515</u>
Building services	<u>24,356</u>	<u>26,539</u>	<u>26,165</u>	<u>374</u>
Culture and recreation				
Library	32,917	32,693	32,059	634
Office of arts and culture	21,338	21,127	20,928	199
Park and recreation	99,627	102,369	102,353	16
Total culture and recreation	<u>153,882</u>	<u>156,189</u>	<u>155,340</u>	<u>849</u>
Housing and neighborhood revitalization	<u>3,825</u>	<u>3,715</u>	<u>3,489</u>	<u>226</u>
Planning and urban design	<u>4,210</u>	<u>6,605</u>	<u>6,342</u>	<u>263</u>
Total expenditures	1,539,856	1,595,700	1,577,053	18,647
Excess (deficiency) of revenues over (under) expenditures	(25,739)	(26,908)	30,956	20,570
Other financing sources (uses):				
Interfund transfers in	32,919	33,116	23,383	(9,733)
Interfund reserved and transfers out	(9,504)	(9,484)	(9,484)	-
Total other financing sources (uses)	<u>23,415</u>	<u>23,632</u>	<u>13,899</u>	<u>(9,733)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<u>(2,324)</u>	<u>(3,276)</u>	44,855	10,837
Fund balances, beginning of year	<u>212,553</u>	<u>212,056</u>	<u>302,522</u>	<u>-</u>
Fund balances, end of year	210,229	208,780	347,377	10,837
Fund balances, end of year	<u>\$ 210,229</u>	<u>\$ 208,780</u>	<u>\$ 347,377</u>	<u>\$ 10,837</u>

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
September 30, 2022  
(in thousands)

	Business-Type Activities Enterprise Funds						Governmental Activities- Internal Service Funds
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds	Total	
<b>Assets</b>							
<b>Current assets:</b>							
Pooled cash and cash equivalents	\$ 266,862	\$ 153,811	\$ 203,724	\$ 32,842	\$ 52,549	\$ 709,788	\$ 150,845
<b>Receivables:</b>							
Accounts	121,422	7,567	15,554	26,154	409	171,106	522
Taxes	-	2,945	-	-	-	2,945	-
Accrued interest	1,597	816	609	86	116	3,224	256
Leases	252	33,007	44,675	-	-	77,934	-
Allowance for uncollectible accounts	(26,495)	(141)	(5)	(10,183)	(14)	(36,838)	-
Due from other governments	123	-	10,141	-	-	10,264	-
Due from other funds	268	-	-	-	-	268	-
Prepaid items	7,283	1,979	-	-	-	9,262	885
Inventories, at cost	19,362	743	1,569	263	-	21,937	4,673
<b>Restricted assets:</b>							
Customer assessments	629	-	-	-	-	629	-
Pooled cash and cash equivalents for current debt service	167,935	2,399	-	-	-	170,334	-
Cash and cash equivalents Held for construction purposes	7,669	3,617	-	-	-	11,286	-
Customer deposits:							
Pooled cash and cash equivalents	24,172	-	-	1,347	-	25,519	-
<b>Total current assets</b>	<b>591,079</b>	<b>206,743</b>	<b>276,267</b>	<b>50,509</b>	<b>53,060</b>	<b>1,177,658</b>	<b>157,181</b>
<b>Noncurrent assets:</b>							
<b>Capital Assets:</b>							
Nondepreciable	1,412,673	89,594	239,415	3,759	5,268	1,750,709	1,716
Depreciable, net of accumulated depreciation	4,375,274	296,139	974,000	64,596	11,654	5,721,663	17,265
Right-to-use assets, net of amortization	340	-	77,554	-	3,028	80,922	7,029
<b>Total capital assets</b>	<b>5,788,287</b>	<b>385,733</b>	<b>1,290,969</b>	<b>68,355</b>	<b>19,950</b>	<b>7,553,294</b>	<b>26,010</b>
<b>Other noncurrent assets:</b>							
<b>Restricted assets:</b>							
Future pipeline reserve capacity rights	206,136	-	-	-	-	206,136	-
Held for construction purposes:							
Cash and cash equivalents	-	-	4,616	-	-	4,616	-
Pooled cash and cash equivalents for future debt service	29,015	19,335	32,660	-	-	81,010	-
Pooled cash and cash equivalents for emergency repairs and replacements	-	-	5,000	-	-	5,000	-
Pooled cash and cash equivalents for operation and maintenance expenses	-	-	13,588	-	-	13,588	-
Pooled cash and cash equivalents for passenger facility charges	-	-	40,648	-	-	40,648	-
Other investments for future debt service at fair value	90,000	-	19,229	-	-	109,229	-
Cash and cash equivalents held by escrow agent	220,389	-	-	-	-	220,389	-
Notes receivable from other funds	5,325	-	-	-	-	5,325	-
Prepaid escrow	4,883	-	-	-	-	4,883	-
<b>Total other noncurrent assets</b>	<b>555,748</b>	<b>19,335</b>	<b>115,741</b>	<b>-</b>	<b>-</b>	<b>690,824</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>6,344,035</b>	<b>405,068</b>	<b>1,406,710</b>	<b>68,355</b>	<b>19,950</b>	<b>8,244,118</b>	<b>26,010</b>
<b>Total assets</b>	<b>6,935,114</b>	<b>611,811</b>	<b>1,682,977</b>	<b>118,864</b>	<b>73,010</b>	<b>9,421,776</b>	<b>183,191</b>
<b>Deferred outflows of resources</b>							
Deferred loss on refunding	62,795	3,192	5,385	10	12	71,394	-
Deferred outflows of resources related to pensions	74,433	35	15,520	27,873	17,453	135,314	41,332
Deferred outflows of resources related to other postemployment benefits	2,922	74	593	1,005	580	5,174	1,181
<b>Total deferred outflows of resources</b>	<b>\$ 140,150</b>	<b>\$ 3,301</b>	<b>\$ 21,498</b>	<b>\$ 28,888</b>	<b>\$ 18,045</b>	<b>\$ 211,882</b>	<b>\$ 42,513</b>

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (continued)**  
September 30, 2022  
(in thousands)

	Business-Type Activities Enterprise Funds						Governmental Activities- Internal Service Funds
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds	Total	
<b>Liabilities</b>							
Current liabilities:							
Accrued payroll	\$ 3,137	\$ 300	\$ 653	\$ 1,269	\$ 729	\$ 6,088	\$ 1,733
Accounts payable	12,987	4,941	28,854	3,627	1,191	51,600	10,442
Compensated absences	5,071	139	995	1,336	1,128	8,669	3,016
Due to other governments	-	3	299	897	-	1,199	-
Unearned revenue	1	-	47,829	72	8,369	56,271	-
Estimated unpaid health claims	-	-	-	-	-	-	9,882
Estimated unpaid claims - general	-	-	-	-	-	-	50,442
Workers' compensation	-	-	-	-	-	-	11,237
Accrued interest payable on bonds, notes, and leases	93	5	332	96	14	540	-
General obligation bonds	-	-	-	776	-	776	-
Pension obligation bonds	6,721	480	630	2,198	1,224	11,253	-
Pollution remediation	-	63	18	75	-	156	-
Obligation for revenue credit agreement	-	-	9,745	-	-	9,745	-
Landfill closure/postclosure	-	-	-	332	-	332	-
Financed purchases	-	-	-	4,011	-	4,011	-
Leases	340	-	1,880	-	525	2,745	1,477
Other liabilities	-	-	-	-	3,298	3,298	6,192
Total current liabilities	<u>28,350</u>	<u>5,931</u>	<u>91,235</u>	<u>14,689</u>	<u>16,478</u>	<u>156,683</u>	<u>94,421</u>
Current liabilities (payable from restricted assets):							
Construction accounts payable	54,609	8,728	6,663	-	-	70,000	-
Accrued interest payable on bonds, notes, and leases	43,236	1,175	10,541	-	-	54,952	-
Water transmission facilities financing agreement	20,830	-	-	-	-	20,830	-
Revenue bonds	124,510	9,935	16,835	-	-	151,280	-
Total current liabilities (payable from restricted assets)	<u>243,185</u>	<u>19,838</u>	<u>34,039</u>	<u>-</u>	<u>-</u>	<u>297,062</u>	<u>-</u>
Total current liabilities	<u>271,535</u>	<u>25,769</u>	<u>125,274</u>	<u>14,689</u>	<u>16,478</u>	<u>453,745</u>	<u>94,421</u>
Noncurrent liabilities:							
Commercial paper notes payable	87,800	-	50,000	-	-	137,800	-
Revenue bonds	2,504,979	238,974	497,114	-	-	3,241,067	-
Obligation for revenue credit agreement	-	-	71,192	-	-	71,192	-
Accreted interest on pension obligation bonds	34,733	2,478	3,255	11,356	6,325	58,147	-
General obligation bonds	-	-	-	29	-	29	-
Pension obligation bonds	42,241	3,002	3,957	13,808	7,697	70,705	-
Water transmission facilities financing agreement	634,344	-	-	-	-	634,344	-
Financed purchases	-	-	-	4,422	-	4,422	-
Leases	-	-	74,432	-	2,559	76,991	5,598
Total long-term debt	<u>3,304,097</u>	<u>244,454</u>	<u>699,950</u>	<u>29,615</u>	<u>16,581</u>	<u>4,294,697</u>	<u>5,598</u>
Other long-term liabilities:							
Estimated unpaid claims - general	-	-	-	-	-	-	11,748
Other postemployment benefits	30,351	4,025	3,617	9,464	4,463	51,920	11,140
Net pension liability	219,061	21,499	17,844	60,043	39,263	357,710	77,435
Workers' compensation	-	-	-	-	-	-	43,501
Customer deposits	24,353	2,103	-	1,347	-	27,803	-
Customer construction advances	6,023	-	-	-	-	6,023	-
Pollution remediation	-	-	26	1,973	-	1,999	-
Landfill closure/postclosure	-	-	-	48,685	-	48,685	-
Compensated absences	5,114	140	1,004	1,347	1,138	8,743	3,041
Total other long-term liabilities	<u>284,902</u>	<u>27,767</u>	<u>22,491</u>	<u>122,859</u>	<u>44,864</u>	<u>502,883</u>	<u>146,865</u>
Total noncurrent liabilities	<u>3,588,999</u>	<u>272,221</u>	<u>722,441</u>	<u>152,474</u>	<u>61,445</u>	<u>4,797,580</u>	<u>152,463</u>
Total liabilities	<u>3,860,534</u>	<u>297,990</u>	<u>847,715</u>	<u>167,163</u>	<u>77,923</u>	<u>5,251,325</u>	<u>246,884</u>
<b>Deferred inflows of resources</b>							
Deferred inflows of resources related to pensions	232,790	5,356	49,192	87,163	55,801	430,302	131,809
Deferred inflows of resources related to other postemployment benefits	9,248	213	1,944	3,416	1,977	16,798	4,245
Deferred inflows of resources related to leases	250	34,727	44,533	-	-	79,510	-
Total deferred inflows of resources	<u>242,288</u>	<u>40,296</u>	<u>95,669</u>	<u>90,579</u>	<u>57,778</u>	<u>526,610</u>	<u>136,054</u>
<b>Net Position</b>							
Net investment in capital assets	2,857,801	134,901	592,447	59,127	16,866	3,661,142	18,935
Restricted:							
Debt service	243,533	20,559	22,004	-	-	286,096	-
Emergency repairs and replacements	-	-	5,000	-	-	5,000	-
Operation and maintenance expenses	4,883	-	13,588	-	-	18,471	-
Passenger facility charges	-	-	40,648	-	-	40,648	-
Unrestricted (deficit)	<u>(133,775)</u>	<u>121,366</u>	<u>87,404</u>	<u>(169,117)</u>	<u>(61,512)</u>	<u>(155,634)</u>	<u>(176,169)</u>
Total net position (deficit)	<u>\$ 2,972,442</u>	<u>\$ 276,826</u>	<u>\$ 761,091</u>	<u>\$ (109,990)</u>	<u>\$ (44,646)</u>	<u>\$ 3,855,723</u>	<u>\$ (157,234)</u>

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

For the Year Ended September 30, 2022  
(in thousands)

	Business-Type Activities Enterprise Funds					Total	Governmental Activities- Internal Service Funds
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds		
Operating revenues:							
Customer charges	\$ 775,576	\$ 32,570	\$ 166,736	\$ 143,645	\$ 43,601	\$ 1,162,128	\$ -
Charges to other City departments	-	-	-	-	-	-	342,469
Charges to employees/retirees	-	-	-	-	-	-	49,394
Other revenues	-	132	603	255	149	1,139	5,789
Total operating revenues	<u>775,576</u>	<u>32,702</u>	<u>167,339</u>	<u>143,900</u>	<u>43,750</u>	<u>1,163,267</u>	<u>397,652</u>
Operating expenses:							
Personnel services	110,163	6,226	22,543	43,217	25,074	207,223	84,458
Supplies and materials	100,799	3,866	9,266	10,165	453	124,549	35,153
Contractual and other services	148,382	69,276	56,428	65,344	14,694	354,124	280,644
Depreciation and amortization	143,218	18,096	43,337	10,876	860	216,387	5,952
Total operating expenses	<u>502,562</u>	<u>97,464</u>	<u>131,574</u>	<u>129,602</u>	<u>41,081</u>	<u>902,283</u>	<u>406,207</u>
Operating income (loss)	<u>273,014</u>	<u>(64,762)</u>	<u>35,765</u>	<u>14,298</u>	<u>2,669</u>	<u>260,984</u>	<u>(8,555)</u>
Nonoperating revenues (expenses):							
Investment loss	(7,840)	(2,414)	(3,500)	(765)	(1,036)	(15,555)	(2,461)
Alcohol beverage tax	-	16,940	-	-	-	16,940	-
Hotel occupancy tax	-	70,365	-	-	-	70,365	-
Intergovernmental	-	416	33,352	-	-	33,768	-
Passenger facility charges	-	-	28,404	-	-	28,404	-
Interest on bonds, notes, and leases	(103,470)	(10,964)	(25,454)	(1,678)	(822)	(142,388)	-
Net gain (loss) on property disposals	(148)	1,670	2,077	(35)	-	3,564	102
Total nonoperating revenues (expenses)	<u>(111,458)</u>	<u>76,013</u>	<u>34,879</u>	<u>(2,478)</u>	<u>(1,858)</u>	<u>(4,902)</u>	<u>(2,359)</u>
Income (loss) before contributions and transfers	161,556	11,251	70,644	11,820	811	256,082	(10,914)
Contributions and transfers							
Capital contributions	23,153	-	1,970	-	-	25,123	-
Transfers in	-	-	-	7,133	-	7,133	6,004
Transfers out	(27,243)	(4,018)	(306)	(11,341)	(111)	(43,019)	(11,365)
Total contributions and transfers	<u>(4,090)</u>	<u>(4,018)</u>	<u>1,664</u>	<u>(4,208)</u>	<u>(111)</u>	<u>(10,763)</u>	<u>(5,361)</u>
Change in net position	157,466	7,233	72,308	7,612	700	245,319	(16,275)
Net position (deficit), beginning of year (restated, see note 1X)	<u>2,814,976</u>	<u>269,593</u>	<u>688,783</u>	<u>(117,602)</u>	<u>(45,346)</u>	<u>3,610,404</u>	<u>(140,959)</u>
Net position (deficit), end of year	<u>\$ 2,972,442</u>	<u>\$ 276,826</u>	<u>\$ 761,091</u>	<u>\$ (109,990)</u>	<u>\$ (44,646)</u>	<u>\$ 3,855,723</u>	<u>\$ (157,234)</u>





“Our Product is Service”  
Empathy | Ethics | Excellence | Engagement | Equity

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2022  
(in thousands)

	Business-Type Activities Enterprise Funds			
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 763,665	\$ 34,072	\$ 209,090	\$ 143,823
Cash payments to suppliers for goods and services	(89,868)	(6,295)	(11,896)	(11,352)
Cash payments to employees for services	(101,232)	(2,254)	(22,751)	(42,087)
Cash payments for contractual services	(146,819)	(63,060)	(41,336)	(60,758)
Other operating cash receipts	-	132	603	255
Net cash provided by (used in) operating activities	<u>425,746</u>	<u>(37,405)</u>	<u>133,710</u>	<u>29,881</u>
<b>Cash flows from non-capital financing activities:</b>				
Taxes	-	87,660	-	-
Principal paid on pension obligation bonds	(6,241)	(445)	(585)	(2,040)
Interest paid on pension obligation bonds	(755)	(54)	(71)	(248)
Intergovernmental operating grant receipts	-	-	33,352	-
Transfers from other funds	-	-	-	7,133
Transfers to other funds	(27,243)	(4,018)	(306)	(11,341)
Net cash provided by (used in) non-capital financing activities	<u>(34,239)</u>	<u>83,143</u>	<u>32,390</u>	<u>(6,496)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(262,642)	(7,262)	(120,784)	(12,866)
Proceeds from sale of capital assets	-	1,831	2,278	-
Proceeds from obligation for revenue bonds	66,000	260,637	-	-
Proceeds from notes payable and other obligations	-	-	-	309
Payment to refunded bond escrow agent	-	(266,302)	-	-
Principal paid on bonds	(125,635)	(8,595)	(9,075)	-
Principal paid on notes payable and other obligations	(582)	-	(11,370)	(1,554)
Interest paid on bonds, notes, and other obligations	(105,794)	(7,374)	(27,046)	(6,230)
Bond issuance costs	(1,241)	(866)	-	(292)
Proceeds from sale of commercial paper notes	87,800	-	78,351	-
Retirement of commercial paper notes	-	-	(30,631)	-
Passenger facility charges	-	-	27,969	-
Capital contribution receipts	-	-	25,388	-
Net cash provided by (used in) capital and related financing activities	<u>(342,094)</u>	<u>(27,931)</u>	<u>(64,920)</u>	<u>(20,633)</u>
<b>Cash flows from investing activities:</b>				
Purchase of investments	-	-	-	-
Maturity of investments	-	-	-	-
Investment loss	(9,139)	(3,196)	(4,058)	(844)
Net cash provided by (used in) investing activities	<u>(9,139)</u>	<u>(3,196)</u>	<u>(4,058)</u>	<u>(844)</u>
Net increase (decrease) in cash and cash equivalents	40,274	14,611	97,122	1,908
Cash and cash equivalents, beginning of year	675,768	164,551	203,114	32,281
Cash and cash equivalents, end of year	<u>\$ 716,042</u>	<u>\$ 179,162</u>	<u>\$ 300,236</u>	<u>\$ 34,189</u>

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ 42,659	\$ 1,193,309	\$ 415,309
(439)	(119,850)	(37,257)
(23,309)	(191,633)	(70,332)
(13,662)	(325,635)	(294,770)
149	1,139	5,920
<u>5,398</u>	<u>557,330</u>	<u>18,870</u>
-	87,660	-
(1,136)	(10,447)	-
(137)	(1,265)	-
-	33,352	-
-	7,133	6,004
(111)	(43,019)	(11,365)
<u>(1,384)</u>	<u>73,414</u>	<u>(5,361)</u>
(14,810)	(418,364)	(3,793)
-	4,109	352
-	326,637	-
-	309	-
-	(266,302)	-
-	(143,305)	-
(539)	(14,045)	(1,420)
(34)	(146,478)	(61)
-	(2,399)	-
-	166,151	-
-	(30,631)	-
-	27,969	-
-	25,388	-
<u>(15,383)</u>	<u>(470,961)</u>	<u>(4,922)</u>
-	-	-
-	-	-
<u>(1,142)</u>	<u>(18,379)</u>	<u>(2,632)</u>
<u>(1,142)</u>	<u>(18,379)</u>	<u>(2,632)</u>
(12,511)	141,404	5,955
65,060	1,140,774	144,890
<u>\$ 52,549</u>	<u>\$ 1,282,178</u>	<u>\$ 150,845</u>

continued

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (continued)**  
For the Year Ended September 30, 2022  
(in thousands)

	Business-Type Activities Enterprise Funds			
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 273,014	\$ (64,762)	\$ 35,765	\$ 14,298
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	143,218	18,096	43,337	10,876
Change in assets and liabilities				
(Increase) Decrease in accounts and other receivables	(13,633)	(160)	(399)	(1,583)
(Increase) Decrease in leases	(252)	(33,007)	(44,675)	-
(Increase) Decrease in customer assessments receivable	5	-	50	-
(Increase) Decrease in inventories	(1,822)	(7)	(31)	(7)
(Increase) Decrease in other assets	10,854	-	-	-
(Increase) Decrease in due from other governments	-	-	100	269
(Increase) Decrease in deferred outflows for other postemployment benefits	1,884	29	406	745
(Increase) Decrease in deferred outflows for pension contributions	58,534	5,758	10,082	19,516
Increase (Decrease) in accounts payable	1,899	3,794	12,760	(1,180)
Increase (Decrease) in accrued payroll	545	55	100	264
Increase (Decrease) in due to other governments	(1)	-	-	-
Increase (Decrease) in compensated absences	(323)	(51)	86	72
Increase (Decrease) in allowance for uncollectibles	(16)	31	(6)	1,548
Increase (Decrease) in unearned revenue	-	-	42,851	(4)
Increase (Decrease) in customer deposits	1,735	(89)	-	217
Increase (Decrease) in other postemployment benefits	(4,263)	(65)	(919)	(1,683)
Increase (Decrease) in customer construction advances	1,564	-	-	-
Increase (Decrease) in estimated unpaid health claims	-	-	-	-
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-
Increase (Decrease) in workers' compensation	-	-	-	-
Increase (Decrease) in landfill liability	-	-	-	2,291
Increase (Decrease) in net pension liability	(261,698)	(6,589)	(55,232)	(97,744)
Increase (Decrease) in other liabilities	-	-	(367)	2,026
Increase (Decrease) in deferred inflows for other postemployment benefits	1,225	19	265	484
Increase (Decrease) in deferred inflows for pension contributions	213,027	4,816	45,004	79,476
Increase (Decrease) in deferred inflows for leases	250	34,727	44,533	-
Total adjustments	<u>152,732</u>	<u>27,357</u>	<u>97,945</u>	<u>15,583</u>
Net cash provided by (used in) operating activities	<u>425,746</u>	<u>(37,405)</u>	<u>133,710</u>	<u>29,881</u>
Current Assets:				
Pooled cash and cash equivalents	\$ 266,862	\$ 153,811	\$ 203,724	\$ 32,842
Pooled cash and cash equivalents for current debt service	167,935	2,399	-	-
Held for construction purposes	7,669	3,617	-	-
Customer deposits pooled cash and cash equivalents	24,172	-	-	1,347
Non-current Assets:				
Cash and cash equivalents				
Held by escrow agent	220,389	-	-	-
Held for construction purposes	-	-	4,616	-
For future debt service	29,015	19,335	32,660	-
For emergency repairs and replacements	-	-	5,000	-
For operation and maintenance expenses	-	-	13,588	-
For passenger facility charges	-	-	40,648	-
Total cash and cash equivalents end of year	<u>\$ 716,042</u>	<u>\$ 179,162</u>	<u>\$ 300,236</u>	<u>\$ 34,189</u>
Noncash investing, capital, and financing activities:				
Capital contributions	\$ 23,153	\$ -	\$ -	\$ -
Prepaid escrow	(10,854)	-	-	-
Premium/discount amortization	(21,349)	(543)	(8,426)	(379)
Accretion on capital appreciation bonds	4,417	315	414	1,445
Amortization of deferred gain/loss on refunding	(12,076)	(737)	(1,559)	(16)
Right-to-use assets acquired through lease liabilities	-	-	-	-
Lease liabilities incurred as a result of acquiring right-to-use assets	-	-	-	-

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ 2,669	\$ 260,984	\$ (8,555)

860	216,387	5,952
98	(15,677)	85
-	(77,934)	-
-	55	-
-	(1,867)	(777)
-	10,854	449
-	369	-
413	3,477	921
13,686	107,576	28,629
718	17,991	(1,327)
87	1,051	279
-	(1)	-
(153)	(369)	98
-	1,557	-
(1,040)	41,807	-
-	1,863	-
(936)	(7,866)	(2,082)
-	1,564	-
-	-	922
-	-	5,884
-	-	11,623
-	2,291	-
(62,763)	(484,026)	(148,286)
328	1,987	3,033
269	2,262	596
51,162	393,485	121,426
-	79,510	-
<u>2,729</u>	<u>296,346</u>	<u>27,425</u>
<u>5,398</u>	<u>557,330</u>	<u>18,870</u>

\$ 52,549	\$ 709,788	\$ 150,845
-	170,334	-
-	11,286	-
-	25,519	-
-	220,389	-
-	4,616	-
-	81,010	-
-	5,000	-
-	13,588	-
-	40,648	-
<u>\$ 52,549</u>	<u>\$ 1,282,178</u>	<u>\$ 150,845</u>

\$ -	\$ 23,153	\$ -
-	(10,854)	-
(166)	(30,863)	-
804	7,395	-
(18)	(14,406)	-
-	-	(891)
-	-	891

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
September 30, 2022  
(in thousands)

	Pension Trust Funds (1)	Custodial Funds
<b>Assets</b>		
Pooled cash and cash equivalents	-	\$ 10,273
Cash and cash equivalents	177,291	-
Invested securities lending collateral	349,348	-
Receivables:		
Accounts	301,274	-
Accrued interest	15,555	-
Notes Receivable-DC Member	27,740	-
Investments /Participants	927,614	-
Short-term investments	12,940	-
Equity securities	968,324	-
Domestic equities	1,570,109	-
U.S. and foreign government fixed income securities	559,839	-
Domestic corporate fixed income	851,306	-
International equities and fixed income	489,039	-
Commingled index funds	239,274	-
Real assets	701,247	-
Private equities and venture capital funds	674,449	-
Forward currency contracts	-	-
Prepaid expenses	410	-
Capital assets, net	18,856	-
Total assets	7,884,615	10,273
<b>Liabilities</b>		
Accounts payable	14,905	27
Payable for securities purchased	2,535	-
Securities lending obligation	349,348	-
Other liabilities	291,572	-
Total liabilities	658,360	27
<b>Net Position</b>		
Net investment in capital assets	7,010	-
Restricted for pensions	7,219,245	-
Net position restricted for other purposes	-	10,246
Total net position	\$ 7,226,255	\$ 10,246

(1) Information presented for the pension trust funds is as of December 31, 2021.

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

For the Year Ended September 30, 2022  
(in thousands)

	Pension Trust Funds (1)	Custodial Funds
Additions:		
Contributions:		
Employer	\$ 231,224	\$ -
Employee	170,940	-
Total contributions	402,164	-
Net investment income:		
Interest and dividends	184,560	(39)
Net appreciation in fair value of investments	862,872	-
Securities lending income	971	-
Less investment expenses:		
Investment management fees	(31,419)	-
Custody fees	(125)	-
Consultant fees	(495)	-
Securities lending management fees	(194)	-
Total investment expenses	(32,233)	-
Net investment income (loss)	1,016,170	(39)
Other receipts:		
Confiscated money receipts	-	2,227
Unclaimed property receipts	-	3,099
Municipal court receipts for other jurisdictions	-	112
Other income	(382)	-
Total other receipts	(382)	5,438
Total additions	1,417,952	5,399
Deductions:		
Benefit payments	620,685	-
Refund of contributions	13,737	-
Administrative expenses	13,086	-
Withdrawals - deferred compensation participants	58,214	-
Confiscated money payments	-	1,663
Unclaimed property payments	-	2,351
Municipal court payments to other jurisdictions	-	115
Total deductions	705,722	4,129
Increases (Decreases) in Net Position	712,230	1,270
Net position beginning of year, as previously reported	6,514,025	8,976
Net position end of year	\$ 7,226,255	\$ 10,246

(1) Information presented for the pension trust funds is for the year ended December 31, 2022.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies

A. General

The City of Dallas, Texas (“the City”) is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under the Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the city and its inhabitants.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Unless otherwise indicated, amounts are presented in thousands (000’s). The more significant accounting and reporting policies and practices used by the City are described below.

B. Reporting Entity

The accompanying basic financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The criteria considered in determining activities to be reported within the City’s basic financial statements include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization’s board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; and
- there is fiscal dependency by the organization on the City.

The City’s municipal services, which include public safety (police and fire), environmental and health services, code enforcement, streets, public works, and transportation, equipment and building, culture and recreation, housing and human services, and general administrative services, are included in the accompanying basic financial statements.

In addition, the City owns and operates certain enterprise funds including water utilities, convention services, airport, sanitation, and other enterprise activities that are also included in the accompanying basic financial statements.

Blended Component Units

Blended component units, although legally separate entities, are included as part of the primary government because they meet the above criteria as well as serve or benefit the City exclusively. Thus, blended component units are appropriately presented as funds of the primary government. The information reported for the pension trust funds is as of December 31, 2021 and the Trinity River Corridor Local Government Corporation and Love Field Airport Modernization Corporation (LFAMC) is as of September 30, 2022.

- Pension Trust Funds – The Pension Trust Funds include defined benefit plans and deferred compensation plans. The Pension Trust Funds have a December 31 year-end. The primary functions of the defined benefit pension entities are investment and benefit management activities. Each board for the defined benefit pension entities has contracted with various investment managers and banks for management of the portfolios of the plans. The City contributes on behalf of its employees to three defined benefit pension plans administered by two legally separate entities: the Employees’ Retirement Fund of the City of Dallas, at 1920 McKinney Avenue, 10<sup>th</sup> Floor, Dallas, TX 75201; and Dallas Police and Fire Pension System, at 4100 Harry Hines Boulevard, Ste. 100, Dallas, TX 75219. Complete financial statements of each plan may be obtained at the administrative offices. The City has contracted with an outside firm to provide custodial, investment, trustee, and recordkeeping services for the deferred compensation pension trust funds. The City does not make contributions for the deferred compensation pension trust funds; however, qualified individuals may make contributions to accumulate resources for their retirement. The financial statements for the deferred compensation pension trust funds are located on pages 157 and 158 of this report.
- Love Field Airport Modernization Corporation (LFAMC) – The City created the LFAMC, a Texas nonprofit local government corporation organized under Subchapter D of Chapter 431 of the Texas Transportation Code. The Corporation was formed to serve as a conduit financing entity for the purpose of issuing bonds to promote the development of the geographic area of the city included at or in the vicinity of Love Field Airport to promote, develop, and maintain the employment, commerce, aviation activity, tourism, and economic development in the City. This component unit is blended with the Airport Revenues Fund.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

- Trinity River Corridor Local Government Corporation – The Corporation was organized for aiding, assisting, and acting on behalf of the City in the performance of its governmental functions; namely, the design, planning, development, financing, operation, and maintenance of public recreation uses of City fee-owned property located in a portion of the Trinity River Corridor. This component unit is blended with the Stormwater Operations special revenue fund.

Discretely Presented Component Units – The following legally separate entities are reported as discretely presented component units of the City because the City appoints a voting majority of the boards, approves budgets, and maintains the ability to impose its will on the entities. The discretely presented component units of the governmental activities and the business-type activities are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government. The information reported for the Dallas Convention Center Hotel Development Corporation and the Housing Finance Corporation is as of December 31, 2021, and all others are as of September 30, 2022.

- Housing Finance Corporation – organized to issue tax-exempt mortgage revenue bonds to encourage opportunities for single-family residential home ownership among low to moderate-income citizens.
- Housing Acquisition and Development Corporation – organized solely and exclusively for the public purpose of providing safe, affordable housing facilities for low and moderate-income persons.
- Dallas Development Fund – organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities.
- Downtown Dallas Development Authority – The primary function of the Downtown Dallas Development Authority (DDDA) is to increase the property tax base in the downtown area of the city. The DDDA operates in a manner similar to other tax increment financing zones of the City but has a separate board. Its primary purpose is to issue revenue bonds to finance major improvements by developers.
- North Oak Cliff Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, the public welfare in the District, and educational scholarships for college-bound students residing in or out of the District.
- Cypress Waters Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, and the public welfare in the District.
- Dallas Convention Center Hotel Development Corporation – organized to promote the development of the geographic area of the city included at or in the vicinity of the Dallas Convention Center, in furtherance of the promotion, development, encouragement, and maintenance of employment, commerce, convention and meeting activity, tourism, and economic development in the city, including specifically, without limitation, the development and financing of a convention center hotel which is located within 1,000 feet of the Dallas Convention Center.

Entity financial statements are available for all of the above entities by contacting the City Controller's Office, 1500 Marilla, Room 2BS, Dallas, TX 75201.

Related Organizations

City officials are also responsible for appointing members to the boards of the following organizations, but the City's accountability for the organization does not extend beyond making appointment.

The Dallas/Fort Worth International Airport (DFW Airport) is jointly governed by the cities of Dallas and Fort Worth. The Cities approve the Airport's annual budget and all bond sales but have no responsibility for the DFW Airport's debt service requirements. DFW Airport is governed by a 12-member board (Board) comprised of seven members representing the City of Dallas, four members representing the City of Fort Worth, and on an annual basis, one non-voting member from the neighboring cities of Irving, Grapevine, Euless and Coppell. Members of the Board are appointed by the respective city councils. The Board is a semi-autonomous body charged with governing the DFW Airport and may enter into contracts without approval of the city councils.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

The Dallas Housing Authority (Authority) is an independent organization, which has a scope of public service within the geographic boundaries of the city. Under Texas State Statutes, the responsibility for the administration and operations of the Authority is vested solely with the Authority's Board of Commissioners. The Authority is dependent on Federal funds from the Department of Housing and Urban Development and, as a result, is not financially dependent on the City. In addition, the City is not responsible for any deficits incurred and has no fiscal management control. The governing body of the Authority is its Board of Commissioners, composed of five members appointed by the Mayor of the City of Dallas. The Authority is not considered a component unit of the City, as defined by GASB since the City is not financially accountable for the operations of the Authority, has no responsibility to fund deficits or receive surpluses, and has not guaranteed the Authority's debt.

The Dallas Area Rapid Transit (DART) is a regional transportation authority under Chapter 452 of the Texas Transportation Code and is controlled by a 15-member board. The Dallas City Council appoints seven members and participating suburban city councils appoint eight board members. Its purpose is to provide transportation services in the DART service area. The voters in the DART service area approved a one percent sales tax to fund the authority annually. DART is not fiscally dependent on the City.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government and its non-fiduciary component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment.

Taxes and other items are reported as general revenues, rather than as program revenues.

Separate fund level financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues received within 60 days of year-end to be available, in accordance with the City's accounting policy, except as noted in the paragraph below.

Revenues susceptible to accrual include ad valorem taxes, sales tax, ambulance fees, parking fines, franchise fees, and interest. In applying the susceptible to accrual concept to Federal and State grants, revenues are recognized when applicable eligibility requirements, including time requirements, are met. The grant revenues and developer and intergovernmental contributions availability period is considered to be one year. All other revenue items are considered to be measurable and available only when the City receives the cash as the resulting net receivables are deemed immaterial, such as court fines and fees.

Expenditures are generally recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, arbitrage rebates, claims and judgments, other postemployment benefits, and pollution remediation are recorded only when matured and payment is due.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

The Management Improvement Fund is used to account for private and grant funds received for management productivity improvements.

The City reports the following non-major governmental funds:

The Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The Permanent Funds are used to account for private endowments whereby interest earnings are restricted in accordance with the endowment terms.

Proprietary Funds and Pension Trust Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income, change in net position, financial position, and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the statement of net position.

The City reports the following major proprietary funds:

The Dallas Water Utilities Fund accounts for water and wastewater services for Dallas, area customer cities, and governmental entities. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The Convention Center Fund accounts for convention and event services for the Dallas Convention Center. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The Airport Revenues Fund accounts for the Dallas Airports System, which includes airport services and administration of Dallas Love Field, Executive Airport, and the Heliport. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service. DFW airport activity is not included in the financial statements.

The Sanitation Fund accounts for solid waste collection and disposal services for residential and commercial customers in Dallas. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The City reports the following non-major proprietary funds:

The non-major proprietary funds consist of Enterprise Funds, which are used to account for operations, other than the major proprietary funds listed above, and are operated in a manner similar to private business enterprises. Non-major Enterprise Funds include the operation of the municipal radio station and building inspections.

Additionally, the City reports the following funds:

The Internal Service Funds are used to allocate associated costs of centralized services on a cost-reimbursement basis. The services provided to other City departments are vehicles, vehicle maintenance, fuel and lubrication, communication services, data processing and programming services, office supplies, printing, copying and mailing services, risk financing, including insurance-related activities, and bond program administration.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

The Pension Trust Fund accounts for the activities of three defined benefit plans and three deferred compensation plans. The defined benefit plans include the Employees' Retirement System, Police and Fire Pension System, and Supplemental Police and Fire Pension Plan. The three contributory defined benefit plans are used to accumulate resources for pension benefits payments to qualified employees. The deferred compensation plans include the 401(k) Retirement Plan, 457 Deferred Compensation Plan, and 457 Deferred Compensation Plan for Part-time, Seasonal, Temporary Employees, and City Councilmembers. The City does not make contributions for the deferred compensations plans; however, qualified individuals make contributions to accumulate resources for their retirement.

The Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The three custodial funds include confiscated money, unclaimed property, and municipal court funds collected for other agencies).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes (PILOT) and other charges between the Dallas Water Utilities Fund and various other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

Operating revenues of the City's enterprise funds are charges to customers for sales and services, charges to other City departments, services to others, intergovernmental revenue, and other revenues. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in pooled cash as well as short-term investments with the exception of the Pension Trust Funds (which consider short-term investments as regular investments). Investment income on the pooled investments is prorated monthly based upon the average daily cash balance in each fund.

Investments in U.S. government obligations are recorded at fair value based on observable inputs; investments in money market funds and hedge funds are measured at Net Asset Value (NAV); local government investment pools are measured at amortized cost, with the exception of Texas CLASS, which is reported at fair value. Other investments, except hedge funds, held in trusts for various permanent funds are recorded at fair value based on quoted market prices. Pension investments are recorded at fair value based on quoted market values, when available. The amounts recorded in the Pension Trust Funds for real estate funds and venture capital funds represent estimated fair values based upon appraised values or other comparable methods. The Commingled Index Funds estimated fair values are based upon audited financial statements.

F. Property Taxes

The City's property tax is levied each October 1 on the assessed value as of the previous January 1 for all real and income-producing (or business personal) property. Appraised values are established by the Dallas, Denton, Collin, and Rockwall Central Appraisal Districts equal to 100 percent of appraised market value as required under the State Property Tax Code. The value of real property within the Appraisal District must be reviewed every three years. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. The City establishes tax rates on property within its jurisdiction. If the adopted tax rate, excluding tax rates for bonds and other contractual obligations, exceeds the effective tax rate by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate increase to no more than eight percent above the effective tax rate. Property taxes attach as an enforceable lien on property as of January 1 of the subsequent year.

Taxes are due October 1. Full payment can be made prior to the following January 31 to avoid penalty and interest charges. Current tax collections for the year ended September 30, 2022 were 99.93 percent of the tax levy. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per one hundred dollars of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for fiscal year 2022 was \$0.7733 per \$100 dollars of assessed valuation, \$0.5658 for general governmental services and \$0.2075 for the payment of principal and interest on general obligation long-term debt.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

G. Federal and State Grants and Entitlements

Grants and entitlements received for purposes normally financed through the general government are accounted for within the Special Revenue Funds. Grants and similar items are recognized as revenue as soon as all applicable eligibility requirements, excluding time requirements, have been met. Amounts received before time requirements are met, but after all other eligibility requirements have been met are reported as a deferred inflow of resources. Amounts received before eligibility requirements have been met are reported as unearned revenue.

H. Inventories

Inventory is valued at average cost. Inventory for all funds generally consists of expendable supplies held for consumption and are recorded as expenditures (or expenses) when consumed.

I. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond September 30, 2021. Prepaid items are recorded using the consumption method.

J. Restricted Assets

Proceeds of Enterprise Fund revenue bonds, commercial paper notes, and other financing arrangements, as well as resources set aside for revenue bond repayment, are classified as restricted assets on the statement of net position when their use is limited by applicable covenants. The Capital Project Funds record proceeds of debt issuances restricted for construction. The current Debt Service Funds are used to segregate resources accumulated for debt service payments over the next 12 months.

The assets restricted for revenue bond future debt service are used to report resources set aside to fulfill revenue bond debt reserve requirements. Other restricted assets include funds restricted for construction from revenue bond proceeds, contractual obligation debt service funds, unspent grant proceeds, escrow deposits, and customer deposits. Assets restricted for a specific purpose are utilized before the use of unrestricted assets to pay related obligations when authorized to do so.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (examples include streets and bridges), are reported in the applicable governmental or business-type activities columns, in both the government-wide and proprietary fund level statement of net position. Generally, equipment with an individual cost of at least \$5 thousand, infrastructure with a cost of at least \$25 thousand, and buildings with a cost of at least \$50 thousand and an estimated useful life of more than one year, are capitalized. Purchased or constructed capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Assets acquired by donation are recorded at acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital asset additions and improvements are capitalized as projects are constructed.

Depreciation is computed using the straight-line method over the estimated useful or service lives of the related assets beginning on the date of acquisition or the date placed in service. Information on leased assets is presented in Note 1L.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

The estimated useful lives of the primary government's capital assets are as follows:

	Useful Life	
	Governmental Activities	Business-type Activities
Infrastructure	10-50 years	50-100 years
Reservoirs and water rights	N/A	100 years
Buildings	10-50 years	10-50 years
Improvements other than buildings	10-50 years	10-100 years
Equipment	3-20 years	3-25 years
Utility property	N/A	33-75 years

Artwork is capitalized but not depreciated. These assets are maintained for public exhibition, education, or research and are being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other items for the collection.

L. Leases

The Government Accounting Standards Board defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The City has established a materiality threshold of \$100 thousand for purposes of recording leases as both a lessee and lessor.

City as Lessor

The City recognizes a lease receivable and deferred inflow of resources at the beginning of the lease term. In general, the lease receivable and deferred inflows of resources are measured at the present value of the lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. The City remeasures the lease receivables at subsequent financial reporting dates if one or more of the following changes have occurred at or before the financial reporting date: change in the lease term; change in the interest rate the lessor charges the lessee; and/or a change in future contingency lease payments to fixed payments for the remainder of the lease.

The key estimates and judgments related to leases include how the City determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments from the lessee. Leases with payments that depend on an index or rate, such as the Consumer Price Index or market rate, are initially measured using the index or rate as of the commencement of the lease term. Leases with periodic percentage rent increases or flat rate increases that are specified in the lease terms are included in the measurement of the lease receivable.

The City calculates the amortization of the discount on the lease receivable on a straight-line basis over the term of the lease and reports that amount as an inflow of resources (for example, interest revenue) for the period. Any payments received are allocated first to the accrued interest receivable and then to the lease receivable. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

The City accounts for the partial or full lease termination by reducing the carrying values of the lease receivable and related deferred inflow of resources, and recognizing a gain or loss for the difference. However, if the lease is terminated as a result of the lessee purchasing an underlying asset from the City, the carrying value of the underlying asset should be derecognized and included in the calculation of any resulting gain or loss.

The City recognizes short-term lease payments as inflows of resources or revenues based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Leases between the City's airport system and air carriers and other aeronautical users are subject to external laws and regulations. As required by Governmental Accounting Standards Board Statement No. 87, certain paragraphs of the standard do not apply to regulated leases. The City recognizes inflows of resources or revenues based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Additional disclosures regarding regulated leases are included in Note 12.

City as Lessee

The City recognizes a lease liability and an intangible right-to-use lease asset at the beginning of a lease. In general, the lease liability and the right-to-use lease assets are measured based on the present value of the expected payments during the term of the lease. Remeasurement of a lease liability and right-to-use lease asset occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The key estimates and judgments related to leases include how the City determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the City is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended. Leases with payments that depend on an index or rate, such as the Consumer Price Index or market rate, are initially measured using the index or rate as of the commencement of the lease term. Leases with periodic percentage rent increases or flat rate increases that are specified in the lease terms are included in the measurement of the lease liability.

The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources or interest expense for the period. Payments are allocated first to accrued interest liability and then to the lease liability.

The City amortizes the right-to-use lease asset on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. However, if a lease contains a purchase option that the City has determined is reasonably certain of being exercised, the lease asset is amortized over the useful life of the underlying asset. If the underlying asset is nondepreciable, such as land, the lease asset is not amortized. The City reports the amortization of the lease asset as an outflow of resources, amortization expense, which is combined with depreciation expense related to other capital assets for financial reporting purposes.

The City accounts for the partial or full lease termination by reducing the carrying values of the lease asset and lease liability, and recognizing a gain or loss for the difference. However, if the lease is terminated as a result of the City purchasing an underlying asset from the lessor, the lease asset will be reclassified to the appropriate class of owned asset.

Leases that are considered a short-term lease (12 months or less), transfers ownership of the underlying asset, assets held as investments, or contain variable payments based on future performance of the City or usage of the underlying assets are not included in the measurement of the lease liability. The City recognizes payments for short-term leases and variable payments as outflows of resources or expense in the period in which the City incurs the obligation for those payments.

M. Compensated Absences

The City's employees earn vacation, sick, and attendance incentive leave which may be used or accumulated up to certain amounts. Unused vacation and attendance incentive leave is paid upon death, retirement, or termination. Unused sick leave is reduced to a specified limit when paid upon retirement, certain terminations, or death.

In accordance with the criteria established in the Codification of Governmental Accounting Standards, Section C60, "Compensated Absences," a liability is recorded for vacation leave earned by employees attributable to past service and sick leave earned by employees attributable to past service only to the extent it is probable that such leave will result in termination pay. In addition, a liability has been recorded for certain salary related payments associated with the payment of accrued vacation and sick leave.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

In the government-wide and proprietary fund statements of net position, all compensated absence liabilities incurred are recorded as liabilities. However, a liability is recorded in the governmental funds balance sheet only if they have matured and are due as a result of employee resignations, retirements, or termination.

N. Risk Management

The City is self-funded for workers' compensation, employee health insurance, most property damage, and most tort liability exposures. Commercial insurance is used where it is legally required, contractually required, or judged to be the most effective way to finance risk. Indemnity and insurance protection are also required for all City contractors, vendors, lessees, and permit holders. Claims and judgments are recorded when it is probable that an asset has been impaired or a liability has been incurred, and the amount of loss can be reasonably estimated. The recorded estimated liability for claims and judgments includes a provision for Incurred but Not Reported (IBNR) liabilities for workers' compensation, tort cases, and employee health insurance.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet and statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – The pension contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year.
- Difference between estimated and actual experience related to pensions and OPEB - These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Changes in assumptions related to pensions and OPEB – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- The Dallas Convention Center Hotel Development Corporation discretely presented component unit also reports a deferred outflow as a result of payment of consideration that exceeded the acquisition value of certain assets.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

In addition to liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Unavailable revenue – This item arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow is reclassified to revenue on the government-wide financial statements.
- Net difference in projected and actual earnings on pension assets and difference between estimated and actual experience related to pensions – These are amortized as a component of pension expense over a closed period of five years.
- Difference between estimated and actual experience related to pensions and other postemployment benefits (OPEB) - These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Changes in assumptions related to pensions and OPEB – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Deferred inflows of resources related to leases are reported when the City is the lessor. At the commencement of the lease, both a lease receivable and deferred inflow of resources are reported. The deferred inflow of resources is amortized and recognized as inflow of resources (revenue) over the term of the lease.

P. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements of net position.

General obligation bonds are issued to fund capital projects of both the general government and certain proprietary funds and are to be repaid from tax revenues of the City. Accreted interest on capital appreciation bonds is reflected as interest expense in the governmental activities statement of activities and as an addition to non-current liabilities in the statement of net position.

Q. Bond Premiums, Discounts, and Issuance Costs

In the government-wide financial statements and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs, except any portion related to prepaid insurance costs (if applicable), are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs in the current period. The face amount of debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

R. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund level balance sheets/statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Short-term and long-term interfund loans are classified as notes receivable or payable from other funds with an interest rate of 4.25 to 5.44 percent.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

S. Transactions Between Funds

Transactions between funds, which would have been treated as revenues, expenditures, or expenses if they involved organizations external to the government unit, are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expenses in the fund reimbursed. All other nonreciprocal transactions between funds which are not reimbursements and where the funds do not receive equivalent goods or services for the transaction are classified as transfers.

T. Deferred Compensation Plans

The City sponsors three deferred compensation plans. Two of these plans are voluntary for City employees who participate in the City's pension plans. The third plan is mandatory for all employees and council members who are not covered by the City's pension plans. These plans comply with sections 401(k) and 457(b) of the Internal Revenue Code.

Participants in the City's voluntary 457(b) and 401(k) plans have full discretion to choose investments from a list of standard plan options, a linked brokerage account, and a commingled pool managed by Fidelity Management Trust Company. The list of standard plan options includes mutual funds with varying styles and levels of investment risk. All the account balances in the mandatory 457(b) plan are invested in the same commingled pool. All contributions to these plans are deferred by plan participants from their compensation and all the earnings are allocated to each participant's account. Distributions from all the deferred compensation plans are available after termination of employment. Additionally, participants in the City's voluntary plans may also take out loans and may receive hardship withdrawals in accordance with federal regulations. The assets held in these plans are not included in the City's financial statements and cannot be used for purposes other than the exclusive benefit of the participants or their beneficiaries or to pay the reasonable expenses of plan administration.

U. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained in perpetuity, and invested for the purpose of producing present and future income, which may be either expended or added to principal. The City is subject to the State of Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA) in relation to endowment funds.

The Risk Fund has a deficit net position of \$76.4 million associated with the City's self-insured workers' compensation, auto, and general liability activities. The deficit results from the recognition of certain liabilities that will be paid in future periods. These liabilities will be funded in the fiscal year in which they will be paid through annual budget appropriations. The City's approach for addressing this deficit is consistent with the budgetary basis of accounting for all funds as indicated in Note 2.B. The Sanitation, Municipal Radio, Building Inspection, Equipment Services, Communication Equipment Services, Information Systems, and Bond Program Administration funds had deficit net positions of \$110 million, \$6.2 million, \$38.4 million, \$35.5 million, \$3.5 million, \$14.1 million, and \$31.3 million respectively, due to the recognition of the net pension liability and the other postemployment benefit liability. The City's approach for addressing this deficit is to enhance revenues and to employ cost reduction measures.

V. Statement of Cash Flows

For purposes of the statement of cash flows, the City considers pooled cash and all highly liquid debt instruments purchased with an original maturity of three months or less or that have general characteristics of demand deposits in that additional funds may be deposited or withdrawn at any time without prior notice or penalty to be cash equivalents.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

W. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

X. New Accounting Pronouncements

During fiscal year 2022, the City adopted the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 87, "Leases," was implemented as required by GASB during the fiscal year ending September 30, 2022. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset. The table below reflects the net effect of the restatement of net position for the Governmental Activities and Airport Revenues Fund in the Business-Type Activities due to the implementation of GASB 87.

	Total Governmental Activities	
Net Position at 09/30/2021, as previously reported	\$	(1,446,848)
Adjustments for Restatement		2,224
Net Position at 09/30/2021, Restated	\$	(1,444,624)
	Airport Revenues Fund	Total Business- Type Activities
Net Position at 09/30/2021, as previously reported	\$ 695,963	\$ 3,617,584
Adjustments for Restatement	(7,180)	(7,180)
Net Position at 09/30/2021, Restated	\$ 688,783	\$ 3,610,404

Additional information regarding the financial effects of the implementation of GASB 87 may be found in Note 8, Capital Assets, and Note 12, Leases.

GASB Statement No. 93, "Replacement of Interbank Offered Rates," was implemented as required by GASB during the fiscal year ending September 30, 2022. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of interbank offered rates with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of this statement did not result in any changes to the financial statements.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

The GASB has issued the following statements which will be effective in future years as described below:

GASB Statement No. 91, "Conduit Debt Obligations," will be implemented as required by GASB during the fiscal year ending September 30, 2023. The primary objectives of the Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers; (2) arrangements associated with conduit debt obligations; and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements," will be implemented as required by GASB during fiscal year ending September 30, 2023. The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements," will be implemented as required by GASB during fiscal year ending September 30, 2023. The objective of the Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements of subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 99, "Omnibus 2022," will be implemented as required by GASB during fiscal years ending September 30, 2023 and September 30, 2024. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain Statements and (2) accounting and financial reporting for financial guarantees. While a certain portion of the Statement was implemented for the fiscal year ending September 30, 2022, the implementation of this portion of the statement did not result in any changes to the financial statements. The City is currently evaluating the potential changes to the financial statements as a result of implementation of the remaining portions of this Statement.

GASB Statement No. 100 "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62", will be implemented as required by GASB during fiscal year ending September 30, 2024. The Statement will enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements.

GASB Statement No. 101, "Compensated Absences," will be implemented as required by GASB during fiscal year ending September 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 2. Stewardship, Compliance, and Accountability

A. Legal Compliance – Budgets

The City Council adheres to the following procedures in establishing the budgets reflected in the accompanying financial statements.

- 1) By the fifteenth day of August each year, the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayers' comments.
- 3) Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.
- 4) The City Manager is authorized to transfer budgeted amounts between accounts within any department; however, any revisions that alter the total expenditures of any department must be approved by the City Council. The legal level of budgetary control is the department level.
- 5) Formal budgetary integration is employed as a management control device during the year for the General Fund and Debt Service Fund. Formal budgetary integration is employed as a management control device in the capital project funds for the life of the projects.
- 6) Annual budgets are legally adopted for the General Fund, Debt Service Fund, and proprietary funds. Certain differences exist between the basis of accounting used for budgetary purposes and that used for financial reporting in accordance with GAAP. Budgets for the capital project funds are normally established pursuant to the terms of the related bond ordinances on a project basis.

B. Budgets and Budgetary Basis of Accounting

The City prepares its annual appropriated General Fund, Debt Service Fund, and proprietary operating funds' budgets on the budget basis which differs from the GAAP basis. The budget and all transactions of the general fund are presented in accordance with the City's budget basis in the general fund statement of revenues, expenditures, and changes in fund balances – non-GAAP budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP basis are attributable to the elimination of certain revenues and expenditures budgeted on a non-annual basis and the fact that encumbrances are recorded as the equivalent of expenditures (budget) rather than fund balance (GAAP) in the governmental funds. Adjustments necessary to convert the excess of revenues and other financing sources over expenditures and other uses on the budget basis to a GAAP basis for the General Fund are provided below:

Excess of revenues and other financing sources over expenditures and other uses--budgetary basis	\$ 44,855
Change in fair value of investments	(7,064)
Change in encumbrances	9,266
Funds not included in general fund budget	3,584
Revenue recognized for GAAP basis but not budgetary basis	1,844
Other items budgeted on a non-GAAP basis	<u>(10,672)</u>
Excess of revenues and other financing sources over expenditures and other financing uses--GAAP basis	<u>\$ 41,813</u>

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to assign that portion of the applicable appropriation, is utilized as an extension of formal budgetary integration in the governmental funds. For budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. For the General Fund, outstanding encumbrances are reported as assigned fund balances. These balances do not constitute expenditures or liabilities for GAAP purposes since the goods and services have not been received.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 2. Stewardship, Compliance, and Accountability (continued)

Encumbrances outstanding at year-end are carried forward to the new fiscal year. Such encumbrances constitute the equivalent of expenditures for budgetary purposes and, accordingly, the accompanying financial statements present comparisons of actual results to budget of governmental funds on the budget basis of accounting.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the General Fund and includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City Council is the City's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance up to \$100 thousand per transaction, depending on the type of goods or services by administrative action, pursuant to Section 2-30 of the City Code. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain an unassigned General Fund balance, which includes the Emergency and Contingency Reserves, at a level not less than 30 days of the General Fund operating expenditures, less debt service.

The table on the following page presents additional detail of fund balances as of September 30, 2022.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 2. Stewardship, Compliance, and Accountability (continued)

	General	Debt Service	Management Improvement	Non-major Governmental Funds	Total
Fund balances					
Nonspendable					
Inventory	\$ 18,723	\$ -	\$ -	\$ -	\$ 18,723
Prepaid items	-	-	-	15,695	15,695
Permanent fund principal	-	-	-	9,234	9,234
Total nonspendable	<u>18,723</u>	<u>-</u>	<u>-</u>	<u>24,929</u>	<u>43,652</u>
Restricted for					
9 -1 -1	5,653	-	-	-	5,653
Debt service	-	84,537	-	-	84,537
Culture and recreation:					
Culture and recreation services	-	-	-	25,300	25,300
Library facilities	-	-	-	5,493	5,493
Parks and recreation facilities	-	-	-	6,299	6,299
Culture and arts facilities	-	-	-	2,658	2,658
Public safety:					
Police services	-	-	-	5,368	5,368
Homeland security	-	-	-	1,282	1,282
Fire station facilities	-	-	-	109	109
Police headquarters and safety facilities	-	-	-	1,598	1,598
Community development	-	-	-	10,451	10,451
Health and human services	-	-	-	536	536
Public-private partnerships	-	-	-	36,303	36,303
Municipal court technology	-	-	2,710	-	2,710
Public television cable system	-	-	11,807	-	11,807
Grants and other purposes	-	-	29,576	5,137	34,713
Storm water operations	-	-	-	84,873	84,873
Streets and transportation:					
Repairs	-	-	-	23,066	23,066
Improvements	-	-	-	73,678	73,678
Flood protection	-	-	-	160,536	160,536
Trinity River project	-	-	-	30,325	30,325
Capital reserve and assessments	-	-	-	18,510	18,510
Long-term note receivable	-	-	-	4,161	4,161
Neighborhood projects:					
Tax increment financing	-	-	-	170,793	170,793
Economic development incentives	-	-	-	32,308	32,308
City-wide capital improvements	-	-	-	107,203	107,203
Farmers' Market improvements	-	-	-	373	373
Municipal court facilities	-	-	-	273	273
Public improvement district services	-	-	-	348	348
Total restricted	<u>5,653</u>	<u>84,537</u>	<u>44,093</u>	<u>806,981</u>	<u>941,264</u>
Committed to					
Risk reserve	3,000	-	-	-	3,000
Culture and recreation services	-	-	-	39,814	39,814
Total committed	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>39,814</u>	<u>42,814</u>
Assigned to					
Code enforcement services	1,367	-	-	-	1,367
Communication and information technology services	3,981	-	-	-	3,981
Community development services	781	-	-	-	781
Cultural affairs services	1,727	-	-	-	1,727
Fire safety services	2,291	-	-	-	2,291
Library services	971	-	-	-	971
Municipal court services	676	-	-	-	676
Parks and recreation services	3,601	-	-	-	3,601
Police safety services	5,455	-	-	-	5,455
Streets, public works and transportation maintenance	8,304	-	-	-	8,304
General government services	15,193	-	-	-	15,193
Total assigned	<u>44,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,347</u>
Unassigned	370,588	-	-	-	370,588
Total fund balance	<u>\$ 442,311</u>	<u>\$ 84,537</u>	<u>\$ 44,093</u>	<u>\$ 871,724</u>	<u>\$ 1,442,665</u>



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 3. Joint Ventures

Dallas/Fort Worth International Airport (D/FW Airport)

Dallas/Fort Worth International Airport (D/FW Airport) was created by contract and agreement between the City of Fort Worth and the City of Dallas for the purpose of developing and operating an airport as a jointly governed organization between the two Cities. The D/FW Airport is governed by a 12-member board comprised of seven members representing the City of Dallas, four members representing the City of Fort Worth, and on an annual basis, one non-voting member chosen from the neighboring cities of Irving, Grapevine, Euless, and Coppell. The Board must submit an expenditure budget for each fiscal year to the City Manager of each city by August 15. The governing body of each city must approve the budget by September 1. The City is a member of the Revenue Sharing Agreement, as originally adopted on May 1, 2001. Total revenue for the year ended September 30, 2022, was approximately \$8 million from this agreement. Financial statements of the Airport are not included in the City's financial statements because the Airport is not under the sole control of the Dallas City Council and the City has no ongoing financial interest or responsibility for the airport. Separate audited financial statements, which are publicly available, may be obtained by contacting the D/FW Airport at 2400 Aviation Drive, P.O. Box 619428, DFW Airport, Texas 75261-9428 or at [www.dfwairport.com](http://www.dfwairport.com).

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 4. Tax Abatements

As of September 30, 2022, the City provides tax abatements through three programs: the Historic Preservation Program, the Public Private Partnership Program, and the Tax Increment Financing Program. The table below describes each of these programs:

Tax Abatement Programs Administered by the City of Dallas			
<i>Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board</i>	Historic Preservation Program	Public Private Partnership Program (PPP Program)	Tax Increment Financing Program (TIF Program)
1. Purpose of program	To encourage economic development through the revitalization and preservation of the City's historic properties, including residential properties, and to assist in accomplishing the following goals: revitalize older neighborhoods to build and capture a stable tax base; support private sector investment in historic properties; encourage home ownership; promote pedestrian oriented, ground floor retail in the urban historic districts; support new uses for vacant and deteriorated historic buildings; and encourage low and moderate income families to invest in historic districts.	To stimulate private investment and job creation.	To promote development or redevelopment in the City. The City reinvests a portion of property tax revenues generated from new real estate development into the area to encourage the implementation of redevelopment plans.
2. Tax being abated	City of Dallas real property tax.	Real and/or business personal property, retail sales taxes, and hotel occupancy tax.	City of Dallas real property tax.
3. Authority for abatement agreements	Dallas City Code, Article XI, "Historic Preservation Tax Exemptions and Economic Development Incentives for Historic Properties."	Texas Tax Code Chapter 312, "Property Redevelopment and Tax Abatement Act" and Texas Tax Code Chapter 380, "Miscellaneous Provisions Relating to Municipal Planning and Development."	Texas Tax Code Chapter 311, "Tax Increment Financing Act."

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 4. Tax Abatements (continued)

Tax Abatement Programs Administered by the City of Dallas			
<i>Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board</i>	Historic Preservation Program	Public Private Partnership Program (PPP Program)	Tax Increment Financing Program (TIF Program)
4. Criteria for abatement eligibility	To be eligible for the program, the building must be a contributing structure within any City historic district. It must be designated as a City of Dallas historic district or an individual historic district. The type of abatement available depends on how much is invested in rehabilitation and where the property is located. Abatements are obtained through application by the property owner prior to commencing the improvements and require subsequent provision by the owner for proof that the improvements have been made.	The P/PP Program is intended to provide City support for development projects that have financial gaps or for projects that otherwise represent a competitive situation for the City against non-Dallas locations. Companies pursuing incentives under the P/PP Program must provide written assurance that "but for" the incentives, the proposed project would not occur, or would otherwise be substantially altered so that the economic returns or other associated public benefits secured by the City's participation would be reduced.	The TIF program is intended to provide City financial support for projects that 1) support goals of specific redevelopment plans for each TIF District and 2) fill funding gaps in projects. Development pursuing incentives must provide detailed financial information about the project/financing gaps; show how project meets objectives of TIF plan for district, and; meet rigorous design review process requirements.
5. How recipients' taxes are reduced	The property tax due is net of the abated amount.	1. The property tax due is net of the abated amount, or the property tax may be paid by the taxpayer and subsequently refunded by the City. 2. The sales tax abatement is refunded after the taxpayer pays the sales tax. 3. The hotel occupancy tax abatement is refunded after the taxpayer pays the hotel occupancy tax.	Property taxes are paid by the taxpayer and subsequently refunded by the City to the taxpayer.
6. How amount of abatement is determined	The property tax abatement amount is based on the improvement expenditures for the structure as a percentage of the pre-rehabilitation value of the structure. The range of the abatement amount available is equal to the tax on the added value of the structure and land up to 100 percent of the total property tax.	1. The property tax may be abated up to 90 percent of the property tax paid depending on the type of project. 2. The sales tax abated is equal to 50 percent of sales tax receipts for the first 10 years and 25 percent for the next 5 years. 3. The hotel occupancy tax is abatement is equal to 100 percent of the hotel occupancy tax collected.	TIF financial incentives are based on a number of factors: 1) financial gap; 2) ability of project to meet objectives of TIF district; and 3) adequate revenue stream.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 4. Tax Abatements (continued)

Tax Abatement Programs Administered by the City of Dallas			
<i>Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board</i>	Historic Preservation Program	Public Private Partnership Program (PPP Program)	Tax Increment Financing Program (TIF Program)
7. Provisions for recapturing abated taxes	There is an obligation by the owner to repay any taxes that were exempted under this program if the historic property is ever demolished or materially altered by the willful act or negligence of the owner without necessary City approvals.	If there is failure to comply with the agreement and in the case of default, all taxes which otherwise would have been paid to the City without the benefit of tax abatement, including interest and penalties thereon, will become a debt to the City and shall become due.	TIF incentives may or may not have a recapture provision. Each project is negotiated separately.
8. Type of commitments made by the City other than to reduce taxes	No other commitments were made by the City as part of these agreements.	No other commitments were made by the City as part of these agreements.	No other commitments were made by the City as part of these agreements.
9. Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement (in thousands).	Property taxes: \$1,561	Property tax: \$7,451 Sales tax: N/A (1) Hotel occupancy tax: 3,518 Total: \$10,969 (1) Texas Tax Code, Chapter 321, "Municipal Sales and Use Tax," Section 3022 - Information received by a municipality or other local governmental entity under this section is confidential, is not open to public inspection, and in general may only be used for internal purposes.	The TIF program: \$41,880

Note 5. Cash, Deposits, and Investments

A. General

The City maintains a cash and investment pool available for use by all City funds. Each fund's portion of this pool is displayed on the balance sheet/statement of net position as "Pooled cash and cash equivalents." The City treats pooled investments and short-term non-pooled investments as cash equivalents. Long-term non-pooled investments are reported as "Other investments, at fair-value" in the appropriate funds. In addition, several City funds have investments, which are separately held. A fund may overdraw its account in the pool, with the overdrafts reported as liabilities (due to other funds) on the balance sheet.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

In 1987, the City Council adopted the City's Investment Policy which was in compliance with Federal and State law and the City Charter. Subsequent amendments were made by the City Council to incorporate changes to the Public Funds Investment Act (Chapter 2256, Texas Government Code) and to improve management of the City's investments. The Public Funds Investment Act requires that investments shall be made in accordance with written policies approved at least annually by the governing body. Investment policies must address safety of principal, liquidity and yield, with primary emphasis on safety of principal. In accordance with this Policy, the City may invest in direct or guaranteed obligations of the U.S. Treasury, certain U.S. agencies and instrumentalities, and direct obligations of states and local governments with a credit rating no less than Aa3 or its equivalent; fully collateralized certificates of deposit and repurchase agreements; no-load money market mutual funds and local government investment pools with credit ratings no less than Aaa or its equivalent. The City's Investment Pool is an aggregation of the majority of City funds which includes tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, grants, gifts, and endowments. This portfolio is maintained to meet anticipated daily cash needs for City of Dallas operations, capital projects, and debt service. The City is precluded from investing in bankers' acceptances, commercial paper, and collateralized mortgage obligations, all of which are authorized by State law.

The Employees' Retirement Fund and the Dallas Police and Fire Pension Systems, component units of the City, are included under Pension Trust in the following table. Police and Fire Pension Plans include Dallas Police and Fire Pension Combined Plan (Combined Plan) and Supplemental Police and Fire Pension Plan (Supplemental Plan). A summary of pooled cash and other investments for all City funds, including blended component units and \$10 million held in custodial funds is presented below. Balances are presented as of September 30, 2022 or December 31, 2021, depending on the fiscal year of the entity.

	Cash and Pooled Investments with City Treasury	Other Cash and Investments Held in Trusts - Permanent Funds	Other Cash and Investments Held in Pension Trust	Total
Cash and cash equivalents	\$ 1,954,831	\$ -	\$ 177,291	\$ 2,132,122
Other investments	3,235	9,235	6,415,875	6,428,345
Restricted cash and investments	1,355,082	-	-	1,355,082
Total	<u>\$ 3,313,148</u>	<u>\$ 9,235</u>	<u>\$ 6,593,166</u>	<u>\$ 9,915,549</u>

A summary of the carrying amount of cash on hand, deposits, and investments at September 30, 2022, is as follows:

	Cash and Pooled Investments with City Treasury	Other Cash and Investments Held in Trusts - Permanent Funds	Other Cash and Investments Held in Pension Trust	Total
Deposits	\$ 98,929	\$ -	\$ 177,291	\$ 276,220
Investments	3,214,219	9,235	6,415,875	9,639,329
Total	<u>\$ 3,313,148</u>	<u>\$ 9,235</u>	<u>\$ 6,593,166</u>	<u>\$ 9,915,549</u>

Primary Government	Carrying Value	Bank Balance
Pooled Demand Deposits	\$ 98,929	\$ 108,346
Cash and cash equivalents - Pension Trust Funds	177,291	177,291
Total	<u>\$ 276,220</u>	<u>\$ 285,637</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

B. City of Dallas

The City of Dallas categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, level 2 inputs are significant other observable inputs, and level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2022:

	Total	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<u>Investments by Fair Value Level</u>			
Federal Agricultural Mortgage Corporation Notes	\$ 603,998	\$ -	\$ 603,998
Federal Farm Credit Bank Notes	552,158	-	552,158
Federal Home Loan Bank Notes	579,590	-	579,590
Federal Home Loan Mortgage Corporation Notes	38,568	-	38,568
Municipal Bonds	4,849	-	4,849
Treasury Bonds	671,202	671,202	-
Exchange-Traded Funds - Equities	6,941	6,941	-
Exchange-Traded Funds - Fixed Income	1,948	1,948	-
<u>Total Investments by Fair Value Level</u>	<u>2,459,254</u>	<u>\$ 680,091</u>	<u>\$ 1,779,163</u>
<u>Investments Measured at Fair Value</u>			
Local Government Investment Pools	<u>198,173</u>		
<u>Investments Measured at Net Asset Value (NAV)</u>			
Money Market Mutual Funds	<u>276,495</u>		
<u>Investments Measured at Amortized Cost</u>			
Local Government Investment Pools	<u>270,303</u>		
<u>Other Investments Measured at Purchase Cost</u>			
Repurchase Agreements	<u>19,229</u>		
<u>Total Investments</u>	<u>\$ 3,223,454</u>		

The City invests in LOGIC, TexSTAR, Texas CLASS, TexPool, and TexasTERM, which are Local Government Investment Pools (LGIPs) created under the Interlocal Cooperation Act, Texas Government Code Chapter 791, and the Public Funds Investment Act, Texas Government Code Chapter 2256. These two acts provide for the creation of LGIP's and authorize eligible governmental entities to invest their public funds and funds under their control through the investment pools. The LGIPs follow all requirements of the Public Funds Investment Act, including being rated by a nationally recognized rating agency, using amortized cost valuation, and, to the extent reasonably possible, stabilize at a \$1 net asset value.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

J.P. Morgan Investment Management Inc. and First Southwest Company (a division of Hilltop Securities) serve as co-administrators for the TexSTAR & LOGIC programs under agreements with each pool's respective board of directors. The TexSTAR governing board is a five-member Board consisting of three representatives of employees, officers or elected officials of participating government entities, and one member designated by each of the co-administrators. In addition, TexSTAR has an Advisory Board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool. The governing body of LOGIC is a five-member board of directors comprised of employees, officers or elected officials of participating government entities, or individuals who do not have a business relationship with LOGIC and are qualified to advise the pool. A maximum of two Advisory Board members represent the co-administrators of LOGIC.

Public Trust Advisors, LLC provides investment advisory services and administration and marketing services to Texas CLASS. Texas CLASS Board of Trustees oversees Texas CLASS. The Board is comprised of active members of the pool and elected by the Participants, guided by the Advisory Board. The Board is responsible for selecting the Administrator and Investment Advisors.

The Comptroller of Public Accounts for the State of Texas is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool and TexPool Prime. Pursuant to the TexPool Participation Agreement, administrative and investment services to the TexPool Portfolios are provided by Federated Investors, Inc., under an agreement with the State Comptroller, acting on behalf of the Trust Company. In addition, TexPool has an Advisory Board composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios who are qualified to advise the TexPool Portfolios.

PFM Asset Management LLC serves as Investment Advisor and Administrator of TexasTERM. An Advisory Board is responsible for the overall management of the pool, including formation and implementation of its investment and operating policies. The members of the Advisory Board are local government officials elected by Texas TERM's investors.

Deposit and Investment Risk Disclosures

GASB Statement No. 40, "Deposit and Investment Risk Disclosures," requires disclosure information related to common risks inherent in deposit and investment transactions. Investments are subject to certain types of risks, including custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Exposure of deposited funds and investment risk are disclosed in the following sections of this note.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. As of September 30, 2022, the City was fully collateralized by a letter of credit issued to the City by Federal Home Loan Bank up to \$150 million, and \$250 thousand was insured by the Federal Deposit Insurance Corporation. The collateral pledged to the City is held in the City's name at the Bank of New York Mellon. The FDIC insures demand accounts up to \$250 thousand in the aggregate. On September 30, 2022, all deposits were either insured or collateralized.

Fully collateralized and insured deposits held by custodian banks:

Demand Deposits	\$ 10.47 million
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Safekeeping of investment securities is provided by the City's depository and trust institutions. Securities are held in street name with the bank as nominee. As of September 30, 2022, the City's investments held by the counterparty, and not insured, are as follows:

Security Type	Fair Value
U.S. Agency Securities and Treasury Notes	\$ 2,450,365

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

Concentration of Credit Risk

The City's concentration of credit risk for investments is shown below. Investments issued or explicitly guaranteed by the U.S. government, and investments in mutual funds and external investment pools, are excluded.

<u>Agency Securities by Issuer</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>
Federal Agricultural Mortgage Corporation Notes	\$ 603,998	24.66%
Federal Farm Credit Bank Notes	552,158	22.53%
Federal Home Loan Bank Notes	579,590	23.65%
Federal Home Loan Mortgage Corporation Notes	38,568	1.57%
Municipal Bond	4,849	0.20%
Treasury Bill	49,365	2.01%
Treasury Bond	301,595	12.31%
Treasury Note	320,242	13.07%
Total Agency Securities	\$ 2,450,365	100.00%

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market mutual funds and local government investment pools in the City's portfolio are rated AAA by Standard & Poor's and/or Aaa by Moody's. U.S. Treasury Notes and Bills are obligations of the U.S. government and are not considered to have credit risk and thus are not rated (NR). Long-term bond ratings are used for the U.S. Government Agencies except for Federal Agricultural Mortgage Corporation (FAMC) Notes. U.S. Government Agencies are direct obligations of the United States agencies, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States agencies. Ratings for the City's portfolio are listed on the following table.

<u>Security Type</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>	<u>S&amp;P/Moody's Ratings</u>
Money Market Mutual Funds and Local Government Investment Pools	\$ 744,971	23.31%	AAAm/Aaa
Federal Agricultural Mortgage Corporation Notes	603,998	18.90%	Not Rated
Other U.S. Agency Securities and Treasury Bond	1,846,367	57.79%	AA+/Aaa
Total Portfolio	\$ 3,195,336	100.00%	
Repurchase Agreements and Investment Portfolios Held by Various Trusts	28,118		
Total Investments	\$ 3,223,454		

Interest Rate Risk

In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years. The weighted average maturities of the City's investments at September 30, 2022 are shown on the following page.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

Security Type	Fair Value	Weighted Average Maturity (days)
Money Market Mutual Funds	\$ 276,495	1
Local Government Investment Pools	468,476	62
U.S. Agency Securities and Treasury Bond	2,450,365	521
Total Portfolio	3,195,336	409
Repurchase Agreements and Investment Portfolios Held by Various Trusts	28,118	
Total Investments	\$ 3,223,454	

C. Employees' Retirement Fund

The Employees' Retirement Fund measures and categorized its investments according to fair value hierarchy guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices in active market; and
- Level 3: Significant Unobservable inputs.

At December 31, 2021, the Plan had the following recurring fair value measurements.

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
<u>Cash and Short Term Investment:</u>				
Short-Term Investment Fund	\$ 116,254	\$ 116,254	\$ -	\$ -
<u>Fixed Income:</u>				
Domestic Asset and Mortgage Backed Securities	110,763	-	110,763	-
Government and US Agency Obligations	138,141	34	138,107	-
Corporate and Taxable Municipal Bonds	520,695	-	520,695	-
Index Fixed Income Funds	9,206	9,206	-	-
Total Fixed Income	778,805	9,240	769,565	-
<u>Equity:</u>				
Domestic Common and Preferred Stock	1,285,235	1,282,969	383	1,883
International Common and Preferred Stock	477,261	477,084	177	-
Total Equity	1,762,496	1,760,053	560	1,883
Total Investments by Fair Value Level	2,657,555	\$ 1,885,547	\$ 770,125	\$ 1,883
<u>Investments Measured at Net Asset Value</u>				
Commingled Funds	748,168			
Alternative Investments - Private Equity	676,555			
Total Investments Measured at Net Asset Value	\$ 1,424,723			

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

Custodial Credit Risk

As of December 31, 2021, the Employees' Retirement Fund had \$2.3 million, or 0.1 percent of the total Plan investments of \$4 billion exposed to custodial credit risk as follows:

Uninsured and uncollateralized held by custodian bank outside the United States	\$2.3 million
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Concentration of Credit Risk

The Employees' Retirement Fund board has contracted with investment managers to manage the investment portfolio of the Plan, subject to the policies and guidelines established by the board. Northern Trust Company, as the Plan's custodian bank, had responsibility for the safekeeping of certain investments, handling of transactions based on the instructions of investment managers, and accounting for the investment transactions. The Plan had no investments that individually represented 5 percent or more of the net position available for benefits at December 31, 2021. The Plan's concentration of credit risk policy is communicated to individual managers in their guidelines through limitations or restrictions to securities, sectors, debt ratings, and other factors that may be applicable to a particular manager.

Credit Risk

The Employees' Retirement Fund Investment policy allocates 30 percent of the total assets to fixed income. The policy provides for investments of up to 15 percent of fixed income assets in investment grade assets, up to 10 percent of fixed income assets in below investment grade assets, and up to 5 percent for Opportunistic Credit. The investment grade allocation allows the managers to invest up to 20 percent of their portfolio assets in non-US dollar issues on an opportunistic basis. Long term bond ratings for the Employees' Retirement Fund as of December 31, 2021 are shown on the following page.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

Quality Rating	Fair Value	Percent of Bond Portfolio
AAA	\$ 28,998	2.93%
AA+	63,850	6.44%
AA	858	0.09%
AA-	815	0.08%
A+	4,810	0.49%
A	1,089	0.11%
A-	15,640	1.58%
BBB+	12,753	1.28%
BBB	9,667	0.98%
BBB-	5,769	0.58%
BB+	21,518	2.17%
BB	32,534	3.28%
BB-	43,847	4.42%
B+	58,461	5.90%
B	46,896	4.73%
B-	39,116	3.95%
CCC+	23,838	2.41%
CCC	3,328	0.34%
D	1,034	0.10%
Not Rated	516,211	52.09%
U.S. Government fixed income securities - NR	60,015	6.05%
Total	<u>\$ 991,047</u>	<u>100.00%</u>

Interest Rate Risk

In the Employees' Retirement Fund, Government Mortgage-Backed Securities are most sensitive to changes in interest rates as their payments can vary significantly with interest rate changes. This change in prepayments will generally cause the duration, or interest rate risk, of these securities to increase when interest rates rise and decrease when interest rates fall. These securities represent 1.5 percent of the total fixed income portfolio with a fair value of \$14,577 million at December 31, 2021. The Employees' Retirement Fund communicates its policy for interest rate risk to the Fixed Income managers through the Fixed Income Asset Policy and each manager's guidelines.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

As of December 31, 2021, the Employees' Retirement Fund weighted-average maturities of the fixed income securities are as follows:

Fixed Income Securities	Fair Value	Weighted Average Maturity (Years)
Asset Backed Securities	\$ 26,852	14.70
Bank Loans	27,837	4.72
Commercial Mortgage-Backed	16,198	20.73
Corporate Bonds	469,268	8.24
Government Agencies	298,796	18.27
Government Bonds	117,490	10.73
Government Mortgage-Backed Securities	14,577	18.27
Municipal/Provincial Bonds	6,907	25.59
Non-Government Backed CMOs	13,122	23.33
Total	<u>\$ 991,047</u>	

Portfolio weighted average maturity in years: 12.31

Foreign Currency Risk

The Employees' Retirement Fund investment policies limit the aggregate amount that can be invested in each class of investments. The equity investment policy sets an allocation of 12.5 percent of assets to international equity, 7.5 percent of the assets to global equity, and 12.5 percent to global low volatility equity. The fixed income policy permits up to 15 percent of the global manager's portfolio to be invested in global investment grade fixed income bonds. The Fund's positions in these equity securities, invested directly and through commingled funds, was 32.43 percent of invested assets at December 31, 2021. The Fund's positions in Global Fixed income assets invested were 24.99 percent of invested assets at December 31, 2021. Employees' Retirement Fund non-US Dollar denominated investments at December 31, 2021 were as shown on the following page.

Currency	Investment Type	Balances (U.S. Dollars)
Various Foreign Currencies	Equity	\$ 644,676
Various Foreign Currencies	Fixed Income	6,650
Various Foreign Currencies	Currency Forward	140,597
Total non-US denominated instruments		<u>\$ 791,923</u>

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

Securities Lending Transactions

The board of the Employees' Retirement Fund has authorized the Plan to enter into agreements for the lending of certain of the Plan's securities (the "Securities Lending Program" or Program) including, but not limited to, stocks and bonds to counter party brokers and banks ("borrowers"), for a predetermined period of time and fee. Such transactions are not prohibited by State statute.

During the fiscal year ended December 31, 2021, Northern Trust ("Northern") lent, on behalf of the Employees' Retirement Fund, securities held by Northern, as a custodian, and received United States dollar cash, United States government agency securities, agency securities, and irrevocable bank letters of credit as collateral. Northern did not have the ability to pledge or sell collateral securities absent a borrower default. Northern Trust's Core USA Collateral Section establishes requirements for participation, collateralization levels, cash and non-cash collateral guidelines, and investment guidelines for the collateral received from borrowers. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities, the collateral for which is all denominated in the same currency as the loaned securities, 102 percent of the fair value of the loaned securities plus any accrued but unpaid distributions thereon, and (ii) in the case of loaned securities, the collateral for which is denominated in a different currency from the loaned securities, 105 percent of the fair value of the loaned securities plus any accrued but unpaid distributions thereon. Additionally, the guidelines set maturity/liquidity requirements for the collateral received from borrowers. At year-end, the Plan had no credit risk exposure to borrowers because the amounts of collateral held by the Plan exceed the amounts the borrowers owe the Plan. The collateral held for the Plan as of December 31, 2021 was \$349 million and is reported as an asset on the Statement of Net Position for the fiduciary funds.

The Board did not impose any restrictions during the fiscal year on the amount of the loans that Northern made on their behalf. There were no failures by any borrowers to return the loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or Northern. Northern is contractually obligated to fully indemnify the Plan for a borrower's failure to return the loaned securities.

During the fiscal year, the Board and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral was invested, together with the collateral of other qualified tax-exempt plan lenders, in collective investment pools maintained by Northern. The relationship between the average maturities of the investment pools and the Plans' loans were affected by the maturities of the loans made by other plans' entities that invested cash collateral in the collective investment pools, which the Board could not determine.

D. Dallas Police and Fire Pension System

Investment in Group Master Trust

The Dallas Police and Fire Pension System's (the System) investments are held in the Group Master Trust (Group Trust). JP Morgan Chase served as custodian for the year ended December 31, 2021. The book value of the System interests in the Group Trust is based on the unitized interests that it has in the Group Trust. The Combined Plan's interest in the Group Trust was approximately 99.2 percent at December 31, 2021. The Supplemental Plan's interest in the Group Trust was approximately 0.8 percent at December 31, 2021. The allocation of investment income between the Combined Plan and the Supplemental Plan is based on the number of units owned of the Group Trust. Benefits, contributions, and administrative expenses are allocated to each plan directly.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

GASB No. 72 requires all investments be categorized under a fair value hierarchy. Fair value of investments is determined based on both observable and unobservable inputs. Investments are categorized within the fair value hierarchy established by GASB and the levels within the hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date;
- Level 2: Inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly or indirectly. These inputs can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs; and
- Level 3: Significant unobservable inputs for an asset or liability.

The remaining investments not categorized under the fair value hierarchy are shown at NAV. These are investments in non-governmental entities for which a readily determinable fair value is not available, such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

The table on the following page presents a summary of the Group Trust's investments by type as of December 31, 2021, at fair value.

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Short-term investment funds	\$ 12,940	\$ 12,940	\$ -	\$ -
Fixed income securities				
US Treasury bonds	29,292	-	29,292	-
US Government Agencies	15,536	-	15,536	-
Corporate bonds	210,704	-	210,704	-
Municipal bonds	7,886	-	7,886	-
Equity securities				
Domestic	382,306	382,306	-	-
Foreign	238,215	238,215	-	-
Real assets				
Real estate	128,627	-	-	128,627
Farmland	97,221	-	-	97,221
Private equity	70,607	-	-	70,607
Forward currency contracts	-	-	-	-
<b>Total Investments by Fair Value Level</b>	<b>1,193,334</b>	<b>\$ 633,461</b>	<b>\$ 263,418</b>	<b>\$ 296,455</b>
<u>Investments Measured at Net Asset Value</u>				
Equity - commingled funds	347,803			
Fixed income - commingled funds	156,680			
Real assets	183,606			
Private Equity	219,081			
<b>Total Investments Measured at Net Asset Value</b>	<b>907,170</b>			
<b>Total Investments Measured at Fair Value</b>	<b>\$ 2,100,504</b>			

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

Custodial Credit Risk

DPFP does not have a formal policy for custodial credit risk of its deposits. The Federal Depository Insurance Corporation (FDIC) insures any deposits of an employee benefit plan in an insured depository institution on a "pass-through" basis, in the amount of up to \$250,000 for the non-contingent interest of each plan participant at each financial institution. The pass-through insurance applies only to vested participants. DPFP believes the custodial credit risk for deposit, if any, is not material.

Credit Risk

The Dallas Police and Fire Pension System does not have a formal policy limiting investment credit risk, but rather mandates such limits within the Investment Management Services Contract. The System's exposure to investment credit risk in fixed income securities as of December 31, 2021 is shown below.

Quality Rating	Corporate Bonds	Municipal Bonds	U.S.		Grand Total Book Value	Percentage of Holdings
			Government Securities			
AAA	\$ 31,394	\$ -	\$ 1,299		\$ 32,693	12.39%
AA+	2,540	556	32,120		35,216	13.37%
AA	2,872	938	517		4,327	1.64%
AA-	2,993	1,442	-		4,435	1.68%
A+	5,973	1,779	-		7,752	2.94%
A	7,055	1,769	-		8,824	3.35%
A-	12,920	898	-		13,818	5.25%
BBB+	18,398	-	-		18,398	6.98%
BBB	19,847	-	-		19,847	7.53%
BBB-	15,370	-	-		15,370	5.83%
BB+	5,072	-	-		5,072	1.93%
BB	7,861	-	-		7,861	2.98%
BB-	10,794	-	-		10,794	4.10%
B+	12,280	-	-		12,280	4.66%
B	10,947	-	-		10,947	4.16%
B-	12,118	-	-		12,118	4.60%
Below B-	8,789	-	-		8,789	3.34%
Not Rated	23,481	504	10,892		34,877	13.24%
Subtotal	<u>\$ 210,704</u>	<u>\$ 7,886</u>	<u>\$ 44,828</u>		<u>\$ 263,418</u>	<u>100.00%</u>
Total credit risk debt securities					\$ 263,418	12.54%
Other investments					1,837,086	87.46%
Total investments					<u>\$ 2,100,504</u>	<u>100.00%</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

Interest Rate Risk

As of December 31, 2021, the Dallas Police and Fire Pension Plans had the following investments and maturities:

Investment Type	Total	Investment Maturity in Years			
		Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Fixed maturity domestic:					
U.S. Treasury Bonds	\$ 29,292	\$ 3,105	\$ 22,082	\$ 498	\$ 3,607
U.S. Government Agencies	15,536	-	392	1,769	13,375
Corporate Bonds	210,704	6,664	102,971	46,330	54,739
Municipal Bonds	7,886	-	3,706	-	4,180
Total	<u>\$ 263,418</u>	<u>\$ 9,769</u>	<u>\$ 129,151</u>	<u>\$ 48,597</u>	<u>\$ 75,901</u>

While the Plans do not have a specific investment policy to limit investment maturities as a means of managing their exposure to interest rate risk, the Plans do manage this exposure by mandating maturity limits within the Investment Management Service Contracts.

Foreign Currency Risk

Police and Fire Pension Plans do not have specific policy guidelines other than the constraints included in the individual investment manager contracts. Police and Fire Pension Plans non-US Dollar denominated investments at December 31, 2021 is shown below.

Currency	Investment Type	Balance of Investment (U.S. Dollars)
Various Foreign Currencies	Equity	\$ 238,215
Various Foreign Currencies	Real Assets	28,216
Total non-US denominated instruments		<u>\$ 266,431</u>

Securities Lending Transactions

The Board of Dallas Police and the Dallas Fire Pension System has authorized the System to enter into agreements for the lending of certain of the System's securities (the "Securities Lending Program" or Program) including, but not limited to, stocks and bonds to counter party brokers and banks ("borrowers"), for a predetermined period of time and fee. Such transactions are not prohibited by State statute.

During the fiscal year ended December 31, 2021, JP Morgan Chase ("JP Morgan") lent, on behalf of the Dallas Police and Fire Pension System, securities held by JP Morgan as a custodian, and received United States dollar cash and United States Government securities as collateral. JP Morgan did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was in the United States or sovereign debt issued by foreign governments, 102 percent of the fair value of the loaned securities, and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not in the United States dollars, 105 percent of the fair value of the loaned securities. At year-end, the System has no credit risk exposure to borrowers because the amounts of collateral held by the System exceed the amounts the borrowers owe the System. The collateral held for the System as of December 31, 2021 was zero and is reported as an asset on the Statement of Net Position for the fiduciary funds.

The Board did not impose any restrictions during the fiscal year on the amount of the loans that JP Morgan made on their behalf. There were no failures by any borrowers to return the loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or JP Morgan.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

During the fiscal year, the Board and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral was invested, together with the collateral of other qualified tax-exempt plan lenders, in collective investment pools maintained by and JP Morgan. The relationship between the average maturities of the investment pools and the Plans' loans were affected by the maturities of the loans made by other plans' entities that invested cash collateral in the collective investment pools, which the Board could not determine.

E. City of Dallas 401(k) Retirement Savings Plan

The 401(k) Retirement Savings Plan measures and categorized its investments according to fair value hierarchy guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices in active market; and
- Level 3: Significant Unobservable inputs.

At December 31, 2021, the Plan had the following recurring fair value measurements.

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Mutual Funds	\$ 368,643	\$ 368,643	\$ -	\$ -
Brokerage Accounts	24,316	24,316	-	-
Total Investments by Fair Value Level	<u>\$ 392,959</u>	<u>\$ 392,959</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Investments Measured at Net Asset Value (NAV)</u>				
Stable Value Fund	51,094			
Total Investments	<u>\$ 444,053</u>			

Custodial Credit Risk

The 401(k) Retirement Savings Plan has no formal policy for custodial credit risk. At December 31, 2021, there were no investments subject to custodial credit risk.

Concentration of Credit Risk

The 401(k) Retirement Savings Plan has no formal policy for concentration of credit risk credit risk. At December 31, 2021, there were no investments subject to concentration of credit risk.

Credit Risk

The 401(k) Retirement Savings Plan has no formal policy for credit risk credit risk. Information on the credit ratings associated with the Stable Value Fund at December 31, 2021, is shown in the table below:

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

<u>Security Type</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>	<u>S&amp;P Rating</u>
Corporate Bond	\$ 14,516	28.41%	AA to Not Rated
Bankers Acceptance	465	0.91%	A+ to Not Rated
FHLMC	1,855	3.63%	AAA to Not Rated
FNMA	2,202	4.31%	Not Rated
GNMA2	158	0.31%	Not Rated
Municipal Bond	373	0.73%	AAA to AA-
Mutual Fund	419	0.82%	Not Rated
Mortgage Related	6,790	13.29%	AAA to Not Rated
Common Stock	434	0.85%	Not Rated
Treasury Note	23,882	46.74%	Not Rated
Total	<u>\$ 51,094</u>	<u>100.00%</u>	

Interest Rate Risk

As of December 31, 2021, City of Dallas 401(k) Retirement Savings Plan weighted-average maturities of the fixed income securities in the stable value fund are as follows:

<u>Security Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Corporate Bond	\$ 14,516	0.99
Bankers Acceptance	465	0.02
FHLMC	1,855	0.22
FNMA	2,202	0.64
GNMA2	158	0.02
Municipal Bond	373	-
Mutual Fund	419	2.46
Mortgage Related	6,790	-
Common Stock	434	-
Treasury Note	23,882	1.71
Total	<u>\$ 51,094</u>	

Portfolio weighted average maturity in years: 1.44

Foreign Currency Risk

The 401(k) Retirement Savings Plan has no formal policy for foreign currency risk. There were no investments subject to foreign currency risk at December 31, 2021.

F. City of Dallas 457 Deferred Compensation Plan for City Employees

The 457 Deferred Compensation Plan measures and categorized its investments according to fair value hierarchy guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices in active market; and
- Level 3: Significant Unobservable inputs.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

At December 31, 2021, the Plan had the following recurring fair value measurements.

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Mutual Funds	\$ 404,058	\$ 404,058	-	-
Brokerage Accounts	34,048	34,048	-	-
Total Investments by Fair Value Level	\$ 438,106	\$ 438,106	\$ -	\$ -
<u>Investments Measured at Net Asset Value (NAV)</u>				
Stable Value Fund	41,218			
Total Investments	\$ 479,324			

Custodial Credit Risk

The 457 Deferred Compensation Plan has no formal policy for custodial credit risk. At December 31, 2021, there were no investments subject to custodial credit risk.

Concentration of Credit Risk

The 457 Deferred Compensation Plan has no formal policy for concentration of credit risk. At December 31, 2021, there were no investments subject to concentration of credit risk.

Credit Risk

The 457 Deferred Compensation Plan has no formal policy for credit risk credit risk. Information on the credit ratings associated with the Stable Value Fund at December 31, 2021, is shown in the table below:

<u>Security Type</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>	<u>S&amp;P Rating</u>
Corporate Bond	\$ 11,710	28.41%	AA to Not Rated
Bankers Acceptance	375	0.91%	A+ to Not Rated
FHLMC	1,496	3.63%	AAA to Not Rated
FNMA	1,777	4.31%	Not Rated
GNMA2	128	0.31%	AAA to AA-
Municipal Bond	301	0.73%	Not Rated
Mutual Fund	338	0.82%	AAA to Not Rated
Mortgage Related	5,478	13.29%	Not Rated
Common Stock	350	0.85%	Not Rated
Treasury Note	19,265	46.74%	Not Rated
Total	\$ 41,218	100.00%	

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

Interest Rate Risk

As of December 31, 2021, the City of Dallas 457 Deferred Compensation Plan for City Employees weighted-average maturities of the fixed income securities are as follows:

Security Type	Fair Value	Weighted Average Maturity (Years)
Corporate Bond	\$ 11,710	0.99
Bankers Acceptance	375	0.02
FHLMC	1,496	0.22
FNMA	1,777	0.64
GNMA2	128	0.09
Municipal Bond	301	0.02
Mutual Fund	338	-
Mortgage Related	5,478	2.46
Common Stock	350	-
Treasury Note	19,265	1.71
Total	\$ 41,218	

Portfolio weighted average maturity in years: 1.44

Foreign Currency Risk

The 457 Deferred Compensation Plan has no formal policy for foreign currency risk. There were no investments subject to foreign currency risk at December 31, 2021.

G. City of Dallas 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers measures and categorized its investments according to fair value hierarchy guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices in active market; and
- Level 3: Significant Unobservable inputs.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

At December 31, 2021, the Plan had the following recurring fair value measurements.

Investments Measured at Net Asset Value (NAV)	Total
Stable Value Fund	\$ 4,237
Total Investments Measured at Net Asset Value	\$ 4,237

Custodial Credit Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for custodial credit risk. At December 31, 2021, there were no investments subject to custodial credit risk.

Concentration of Credit Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for concentration of credit risk. At December 31, 2021, there were no investments subject to concentration of credit risk.

Credit Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for credit risk. Information on the credit ratings associated with the Stable Value Fund at December 31, 2021, is shown in the table below:

Security Type	Fair Value	Percent of Total Portfolio	S&P Rating
Corporate Bond	\$ 1,204	28.42%	AA to Not Rated
Bankers Acceptance	39	0.92%	AA to Not Rated
FHLMC	154	3.63%	AAA to Not Rated
FNMA	182	4.30%	Not Rated
GNMA2	13	0.31%	Not Rated
Municipal Bond	31	0.73%	AAA to AA-
Mutual Fund	35	0.83%	Not Rated
Mortgage Related	563	13.29%	AAA to Not Rated
Common Stock	36	0.85%	Not Rated
Treasury Note	1,980	46.73%	Not Rated
Total	\$ 4,237	100.00%	

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 5. Cash, Deposits, and Investments (continued)

Interest Rate Risk

As of December 31, 2021, the City of Dallas 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers weighted-average maturities of the fixed income securities are as follows:

<u>Security Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Corporate Bond	\$ 1,204	0.99
Bankers Acceptance	39	0.02
FHLMC	154	0.22
FNMA	182	0.64
GNMA2	13	0.09
Municipal Bond	31	0.02
Mutual Fund	35	-
Mortgage Related	563	2.46
Common Stock	36	-
Treasury Note	1,980	1.71
Total	<u>\$ 4,237</u>	

Portfolio weighted average maturity in years: 1.44

Foreign Currency Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for foreign currency risk. There were no investments subject to foreign currency risk at December 31, 2021.

Note 6. Receivables

Receivables at September 30, 2022 for the government's individual major and nonmajor governmental and internal service funds, including the applicable allowances for uncollectible accounts, consist of the following:

	<u>General</u>	<u>Debt Service</u>	<u>Management Improvement</u>	<u>Nonmajor</u>	<u>Internal Service Funds</u>	<u>Total Governmental Activities</u>
Receivables:						
Ad valorem tax	\$ 33,125	\$ 12,693	\$ -	\$ -	\$ -	\$ 45,818
Sales tax	71,736	-	-	-	-	71,736
Notes	455	-	-	65,207	-	65,662
Special assessments - paving notes	-	-	-	5,971	-	5,971
Accounts	110,023	-	417	23,341	522	134,303
Accrued interest	1,188	128	630	2,066	256	4,268
Leases	73,543	-	223	29,483	-	103,249
Due from other governments	13,303	522	172	44,043	-	58,040
Gross receivables	<u>303,373</u>	<u>13,343</u>	<u>1,442</u>	<u>170,111</u>	<u>778</u>	<u>489,047</u>
Less allowance for uncollectible accounts	(63,795)	(10,995)	-	(35,801)	-	(110,591)
Net total receivables	<u>\$ 239,578</u>	<u>\$ 2,348</u>	<u>\$ 1,442</u>	<u>\$ 134,310</u>	<u>\$ 778</u>	<u>\$ 378,456</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 6. Receivables (continued)

Receivables at September 30, 2022 for the primary government's individual major and nonmajor enterprise funds in the aggregate including the applicable allowances for uncollectible accounts, consist of the following:

	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise	Total Business-type Activities
Receivables:						
Accounts	\$ 121,422	\$ 7,567	\$ 15,554	\$ 26,154	\$ 409	\$ 171,106
Taxes	-	2,945	-	-	-	2,945
Accrued interest	1,597	816	609	86	116	3,224
Leases	252	33,007	44,675	-	-	77,934
Due from other governments	123	-	10,141	-	-	10,264
Gross receivables	123,394	44,335	70,979	26,240	525	265,473
Less allowance for uncollectible accounts	(26,495)	(141)	(5)	(10,183)	(14)	(36,838)
Net total receivables	<u>\$ 96,899</u>	<u>\$ 44,194</u>	<u>\$ 70,974</u>	<u>\$ 16,057</u>	<u>\$ 511</u>	<u>\$ 228,635</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Intergovernmental revenues and related receivables arise through funding received from federal and state grants. These revenues and receivables are earned through expenditures of monies for grant purposes. At September 30, 2022, the various components of deferred inflows of resources – unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Total Governmental Unearned	Deferred Inflows of Resources Unavailable Revenue
Taxes	\$ -	\$ 4,084
Accounts	3,720	30,701
Intergovernmental	352,443	79,100
Leases	-	102,136
Total	<u>\$ 356,163</u>	<u>\$ 216,021</u>

Note 7. Restricted Assets

The primary government's governmental and business-type restricted assets of \$673.5 million and \$893.2 million, respectively, are composed of the following at September 30, 2022:

	Governmental Activities	Business-Type Activities
Cash and investments:		
Pooled cash and cash equivalents	\$ 673,463	\$ 572,390
Other investments	-	109,229
Future pipeline reserve capacity rights	-	206,136
Customer assessments	-	629
Escrow deposit	-	4,883
Total	<u>\$ 673,463</u>	<u>\$ 893,267</u>

The restricted amounts are for accumulated resources for debt service payments, deposits from service users, unspent bond and other proceeds for construction, retention guarantees from contractors, future pipeline reserve capacity rights, and escrow deposits (see Notes 11X and 19 for additional information).

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 8. Capital Assets

Capital asset activity for the year ended September 30, 2022 is as follows:

	Restated Balance, September 30, 2021*	Additions	Deletions	Balance, September 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 551,764	\$ 24,068	\$ (2,831)	\$ 573,001
Artwork	49,999	324	-	50,323
Construction in progress	527,474	215,778	(150,413)	592,839
Total capital assets, not being depreciated	<u>1,129,237</u>	<u>240,170</u>	<u>(153,244)</u>	<u>1,216,163</u>
Capital assets, being depreciated:				
Buildings	1,541,535	34,094	-	1,575,629
Improvements other than buildings	774,073	31,924	-	805,997
Equipment	851,236	65,757	(2,488)	914,505
Infrastructure assets	3,137,505	90,531	-	3,228,036
Total capital assets, being depreciated:	<u>6,304,349</u>	<u>222,306</u>	<u>(2,488)</u>	<u>6,524,167</u>
Less accumulated depreciation for:				
Buildings	(659,778)	(31,853)	-	(691,631)
Improvements other than buildings	(290,689)	(18,886)	-	(309,575)
Equipment	(604,558)	(43,526)	2,402	(645,682)
Infrastructure assets	(1,176,350)	(58,393)	-	(1,234,743)
Total accumulated depreciation	<u>(2,731,375)</u>	<u>(152,658)</u>	<u>2,402</u>	<u>(2,881,631)</u>
Total capital assets being depreciated, net	<u>3,572,974</u>	<u>69,648</u>	<u>(86)</u>	<u>3,642,536</u>
Right-to-use assets				
Land	4,009	-	-	4,009
Buildings	25,898	4,269	-	30,167
Equipment	5,685	-	-	5,685
Total right-to-use assets	<u>35,592</u>	<u>4,269</u>	<u>-</u>	<u>39,861</u>
Less accumulated amortization for:				
Land	-	(196)	-	(196)
Buildings	-	(2,279)	-	(2,279)
Equipment	-	(1,240)	-	(1,240)
Total accumulated amortization	<u>-</u>	<u>(3,715)</u>	<u>-</u>	<u>(3,715)</u>
Total right-to-use assets, net	<u>35,592</u>	<u>554</u>	<u>-</u>	<u>36,146</u>
Governmental activities capital assets, net	<u>\$ 4,737,803</u>	<u>\$ 310,372</u>	<u>\$ (153,330)</u>	<u>\$ 4,894,845</u>

\*See note 1X



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 8. Capital Assets (continued)

Depreciation and amortization expense charged to functions:

	Depreciation	Amortization	Total
General government	\$ 17,256	\$ 2,627	\$ 19,883
Public safety	15,116	-	15,116
Code enforcement	544	-	544
Environment and health services	229	1,088	1,317
Streets, public works, and transportation	72,950	-	72,950
Equipment and building services	18,959	-	18,959
Culture and recreation	27,039	-	27,039
Housing	565	-	565
Total depreciation expense - governmental activities	<u>\$ 152,658</u>	<u>\$ 3,715</u>	<u>\$ 156,373</u>
(includes \$5,952 of depreciation and amortization expense for the Internal Service Funds)			

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 8. Capital Assets (continued)

	Restated Balance, September 30, 2021*	Additions	Deletions	Balance, September 30, 2022
<b>Business-Type Activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 345,264	\$ 6,315	\$ (75,630)	\$ 275,949
Artwork	5,574	-	-	5,574
Construction in progress	1,219,339	412,689	(162,842)	1,469,186
<b>Total capital assets, not being depreciated</b>	<b>1,570,177</b>	<b>419,004</b>	<b>(238,472)</b>	<b>1,750,709</b>
<b>Capital assets, being depreciated:</b>				
Water rights	353,910	-	-	353,910
Buildings	2,027,846	28,045	-	2,055,891
Improvements other than buildings	622,005	-	-	622,005
Equipment	914,663	24,919	(2,324)	937,258
Infrastructure assets	605,088	-	-	605,088
Utility property	4,762,677	166,360	(1,027)	4,928,010
<b>Total capital assets, being depreciated:</b>	<b>9,286,189</b>	<b>219,324</b>	<b>(3,351)</b>	<b>9,502,162</b>
<b>Less accumulated depreciation for:</b>				
Water rights	(134,609)	(3,539)	-	(138,148)
Buildings	(825,397)	(43,898)	-	(869,295)
Improvements other than buildings	(225,786)	(30,442)	-	(256,228)
Equipment	(605,929)	(36,248)	2,287	(639,890)
Infrastructure assets	(297,408)	(2,528)	-	(299,936)
Utility property	(1,480,214)	(97,669)	881	(1,577,002)
<b>Total accumulated depreciation</b>	<b>(3,569,343)</b>	<b>(214,324)</b>	<b>3,168</b>	<b>(3,780,499)</b>
<b>Total capital assets being depreciated, net</b>	<b>5,716,846</b>	<b>5,000</b>	<b>(183)</b>	<b>5,721,663</b>
<b>Right-to-use assets</b>				
Land	62,464	-	-	62,464
Buildings	20,521	-	-	20,521
Equipment	-	-	-	-
<b>Total right-to-use assets</b>	<b>82,985</b>	<b>-</b>	<b>-</b>	<b>82,985</b>
<b>Less accumulated amortization for:</b>				
Land	-	(183)	-	(183)
Buildings	-	(1,880)	-	(1,880)
<b>Total accumulated amortization</b>	<b>-</b>	<b>(2,063)</b>	<b>-</b>	<b>(2,063)</b>
<b>Total right-to-use assets, net</b>	<b>82,985</b>	<b>(2,063)</b>	<b>-</b>	<b>80,922</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 7,370,008</b>	<b>\$ 421,941</b>	<b>\$ (238,655)</b>	<b>\$ 7,553,294</b>

\*See note 1X

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 8. Capital Assets (continued)

Depreciation and amortization expense charged to business-type activities:

	Depreciation	Amortization	Total
Dallas Water Utilities	\$ 142,636	\$ 582	\$ 143,218
Convention Center	18,096	-	18,096
Airport Revenues	42,449	888	43,337
Sanitation	10,876	-	10,876
Nonmajor Enterprise Funds	267	593	860
Total depreciation expense - business-type activities	<u>\$ 214,324</u>	<u>\$ 2,063</u>	<u>\$ 216,387</u>

Note 9. Interfund Receivables, Payables, and Transfers

Due to Other Funds/From Other Funds

A portion of the interfund payable due from nonmajor governmental funds to the General Fund was a result of a bank overdraft from other fund's share of pooled cash.

Amounts due from and due to other funds at September 30, 2022 were as follows:

Due From Other Funds	Amount	Due to Other Funds	
		General	Nonmajor Governmental
General	\$ 5,941	\$ -	\$ 5,941
Dallas Water Utilities	268	268	-
Total	<u>\$ 6,209</u>	<u>\$ 268</u>	<u>\$ 5,941</u>

Interfund Notes Receivable and Payable

Interfund notes receivable and payable balances at September 30, 2022 were as follows:

Note receivable	Note Payable
	Nonmajor Governmental
Nonmajor governmental	\$ 4,161
Dallas Water Utilities	5,325
Total	<u>\$ 9,486</u>

These balances relate to long-term borrowings to finance various capital acquisitions and equipment purchases.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 9. Interfund Receivables, Payables, and Transfers (continued)

Transfers In/Out

Transfers made between funds during the fiscal year are listed below:

Transfers Out	Amount Transferred	Transfers In					
		General	Debt Service	Management Improvement	Nonmajor Governmental	Sanitation	Internal Service
General	\$ 38,511	\$ -	\$ 43	\$ 20,811	\$ 11,653	\$ -	\$ 6,004
Nonmajor Governmental	12,259	-	783	-	4,343	7,133	-
Dallas Water Utilities	27,243	18,742	-	-	8,501	-	-
Convention Center	4,018	-	-	-	4,018	-	-
Airport Revenues	306	-	306	-	-	-	-
Sanitation	11,341	4,444	4,482	-	2,415	-	-
Nonmajor Enterprise	111	-	111	-	-	-	-
Internal Service	11,365	7,961	2,460	-	944	-	-
<b>Total</b>	<b>\$ 105,154</b>	<b>\$ 31,147</b>	<b>\$ 8,185</b>	<b>\$ 20,811</b>	<b>\$ 31,874</b>	<b>\$ 7,133</b>	<b>\$ 6,004</b>

These transfers were primarily for support of operation and maintenance, construction projects, asset purchases, and to service the debt associated with the respective funds. Transfers were also made from the Dallas Water Utilities fund for payments-in-lieu-of-taxes (PILOT), which are recorded as transfers rather than operation and maintenance expenses due to the nonreciprocal nature of the transactions. Under the terms of the bond ordinance, PILOT and other similar payments are not considered operation and maintenance of the Dallas Water Utilities Fund; therefore, they are not included in the debt coverage calculation.

Note 10. Accounts Payable and Accrued Expenses

The primary government's accounts payable and accrued expenses at September 30, 2022 are as follows:

	General	Management Improvement	Nonmajor Governmental	Internal Service	Total Governmental Activities
Accrued payroll	\$ 16,270	\$ 40	\$ 1,205	\$ 1,733	\$ 19,248
Accounts payable	29,513	13,152	11,119	10,442	64,226
Due to other governments	3,708	1	-	-	3,709
Contracts payable	-	-	49,401	-	49,401
Other liabilities	4,654	115	1,332	6,192	12,293
Construction accounts payable	-	-	18,969	-	18,969
<b>Total</b>	<b>\$ 54,145</b>	<b>\$ 13,308</b>	<b>\$ 82,026</b>	<b>\$ 18,367</b>	<b>\$ 167,846</b>

	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor	Total Business-type Activities
Accrued payroll	\$ 3,137	\$ 300	\$ 653	\$ 1,269	\$ 729	\$ 6,088
Accounts payable	12,987	4,941	28,854	3,627	1,191	51,600
Due to other governments	-	3	299	897	-	1,199
Other liabilities	-	-	-	-	3,298	3,298
Construction accounts payable	54,609	8,728	6,663	-	-	70,000
<b>Total</b>	<b>\$ 70,733</b>	<b>\$ 13,972</b>	<b>\$ 36,469</b>	<b>\$ 5,793</b>	<b>\$ 5,218</b>	<b>\$ 132,185</b>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt

A. Governmental Activities

The changes in the governmental activities long-term liabilities for the year ended September 30, 2022 are as follows:

	Restated Balance, September 30, 2021*	Additions	Deletions	Balance, September 30, 2022	Due Within One Year
<b>General Obligation Bonds</b>					
Building America Bonds Series 2010B	\$ 66,965	\$ -	\$ 6,510	\$ 60,455	\$ 6,715
Refunding Bonds Series 2012	112,480	-	112,480	-	-
Refunding Bonds Series 2013A	112,580	-	10,235	102,345	10,235
Refunding Bonds Series 2014	397,075	-	45,565	351,510	45,635
Refunding Bonds Series 2015	140,875	-	10,840	130,035	10,840
Refunding Bonds Series 2017	246,800	-	17,095	229,705	17,105
Refunding Bonds Series 2018	54,625	-	2,205	52,420	2,315
Refunding Bonds Series 2019A	212,035	-	11,780	200,255	11,780
Refunding Bonds Series 2019B	138,550	-	7,700	130,850	7,700
Refunding Bonds Series 2020A	185,575	-	23,552	162,023	15,819
Refunding Bonds Series 2021A	-	237,115	-	237,115	35,545
Refunding Bonds Series 2021B	-	3,135	-	3,135	315
<b>Tax and Revenue Certificates</b>					
Series 2012	2,665	-	2,665	-	-
Series 2020	14,400	-	1,600	12,800	1,600
Series 2021	-	45,920	-	45,920	5,105
<b>Certificates of Obligation</b>					
Equipment Acquisition Series 2020	23,730	-	5,935	17,795	5,935
Equipment Acquisition Series 2020B	24,565	-	4,915	19,650	4,915
Equipment Acquisition Series 2021	-	26,880	-	26,880	5,380
<b>Pension Obligation Bonds</b>					
Taxable Series 2005A	55,906	-	21,627	34,279	-
Series 2005B	31,067	-	-	31,067	-
Taxable Refunding Bonds Series 2010	-	-	-	-	-
Taxable Refunding Bonds Series 2020B	51,331	-	1,155	50,176	24,538
<b>Total Bonds, Obligations, and Certificates</b>	<b>1,871,224</b>	<b>313,050</b>	<b>285,859</b>	<b>1,898,415</b>	<b>211,477</b>
Add: Unamortized Premium/Discount	198,575	45,885	42,685	201,775	-
Add: Accretion	110,672	16,124	-	126,796	-
<b>Total Bonds, Obligations, and Certificates</b>	<b>2,180,471</b>	<b>375,059</b>	<b>328,544</b>	<b>2,226,986</b>	<b>211,477</b>
<b>Direct borrowings and placements</b>					
Commercial paper notes payable	159,676	27,509	178,000	9,185	-
Notes payable	19,025	-	2,887	16,138	2,410
Financed purchases-equipment master lease	100,190	43,419	22,448	121,161	29,937
Leases	35,592	4,271	4,711	35,152	4,540
<b>Total direct borrowings and placements</b>	<b>314,483</b>	<b>75,199</b>	<b>208,046</b>	<b>181,636</b>	<b>36,887</b>
<b>Other liabilities:</b>					
Compensated absences	118,026	59,668	59,606	118,088	60,150
Other postemployment benefits	206,374	11,345	48,068	169,651	-
Pollution remediation	2,997	735	1,379	2,353	1,803
Developer payable	140,092	10,639	51,091	99,640	46,181
Estimated unpaid claims	108,381	153,663	135,234	126,810	71,561
Net pension liability	4,861,149	750,194	1,939,806	3,671,537	-
<b>Total other liabilities</b>	<b>5,437,019</b>	<b>986,244</b>	<b>2,235,184</b>	<b>4,188,079</b>	<b>179,695</b>
<b>Total governmental long-term liabilities</b>	<b>\$ 7,931,973</b>	<b>\$ 1,436,502</b>	<b>\$ 2,771,774</b>	<b>\$ 6,596,701</b>	<b>\$ 428,059</b>

\*See note 1X

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

The liability for commercial paper notes will be fully liquidated by the Debt Service Fund. The liabilities for the compensated absences, net pension liability, and other postemployment benefits will be liquidated by General Fund, Community Development Fund, Health and Human Services Fund, Library Fund, Police Fund, Recreation Fund, Management Improvement Fund, Storm Water Operations Fund, Municipal Fund, General Citizen Fund, Equipment Services Fund, Communication Equipment Services Fund, Office Services Fund, Information Systems Fund, the Risk Fund, and the Bond Program Administration Fund. The liability for the developer payable will be liquidated by the Neighborhood Projects Fund. The entire estimated unpaid claims liability of \$127 million is reported in the Risk Fund, and the claims will be liquidated by that fund. The liabilities for pollution remediation and notes payable, and leases will be liquidated by the General Fund. The liability for leases will be liquidated by the General Fund and the Management Improvement Fund.

B. Governmental General Obligation Bonds (GO Bonds), Certificates of Obligation and General Obligation Pension Obligation Bonds

In fiscal year 2022 and in prior years, the City issued GO Bonds, Certificates of Obligation, GO Pension Obligation Bonds, and Equipment Acquisition Contractual Obligations. These bonds are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City. Events of default include nonpayment events and covenant noncompliance. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

In November 2021, the City issued General Obligation Refunding and Improvement Bonds, Series 2021, of \$237.1 million with a premium of \$32.7 million, stated interest rates ranging from 2.25% to 5%, and a final maturity of February 15, 2042. The bonds were issued for the purpose of refunding outstanding commercial paper notes, refunding General Obligation Bonds, Series 2012, and financing capital construction projects. Proceeds of \$168 million were used to refund commercial paper and this liability has been removed from the financial statements. Proceeds of \$93.9 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$91.6 million of the refunded bonds are considered defeased and the liability for these bonds have been removed from the financial statements. Total debt service payments decreased by \$8.6 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$8.4 million. The remaining portion of the bonds issued will be used to finance capital construction projects.

In November 2021, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2021, of \$45.9 million with a premium of \$9.3 million, stated interest rate of 5 percent, and a final maturity of February 15, 2031. These bonds were issued for the purpose of financing capital construction projects.

In November 2021, the City issued Equipment Acquisition Contractual Obligations, Series 2021, of \$26.8 million with a premium of \$3.8 million, a stated interest rate of 5%, and a final maturity of February 15, 2027. The certificates will be used for financing the purchase of City equipment.

In November 2021, the City issued General Obligation Bonds, Taxable Series 2021, of \$3.1 million with a premium of \$39 thousand, stated interest rates ranging from 1.35% to 2%, and a final maturity of February 15, 2032. These bonds were issued for the purpose of financing certain economic development programs.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

The General Obligation Bonds outstanding as of September 30, 2022 are as follows:

	<u>Final</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 628	2030	4.39% to 5.61%	\$ 60,455
Series 638	2032	0.76% to 5.0%	102,345
Series 1692	2034	4.0% to 5.0%	351,510
Series 1700	2034	5.00%	130,035
Series 1843	2037	3.0% to 5.0%	229,705
Series W257	2038	3.0% to 5.0%	52,420
Series 1886	2039	3.0% to 5.0%	200,255
Series 1887	2039	3.0% to 5.0%	130,850
Series 640	2041	2.0% to 5.0%	162,023
Series 3483TE	2042	2.25% to 5.0%	237,115
Series 3483TX	2032	1.35% to 2.0%	3,135
Total			<u>\$ 1,659,848</u>

The Certificates of Obligation outstanding as of September 30, 2022 are as follows:

	<u>Final</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 644	2030	2.00% to 5.00%	\$ 12,800
Series 3481	2031	5.00%	45,920
Total			<u>\$ 58,720</u>

The Equipment Acquisition Contractual Obligations outstanding as of September 30, 2022 are as follows:

	<u>Final</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 643	2025	3.00% to 4.00%	\$ 17,795
Series 649	2026	5.00%	19,650
Series 3482	2027	5.00%	26,880
Total			<u>\$ 64,325</u>

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

The Pension Obligation Bonds outstanding as of September 30, 2022 are as follows:

	Final	Interest Rates	Amount
Series 600	2035	3.24% to 5.19%	\$ 34,279
Series 601	2035	4.10% to 5.48%	31,067
Series 647	2024	0.295% to 1.25%	50,176
Total			\$ 115,522

C. Long-Term Notes Payable (Direct Borrowings)

HUD Section 108 Loans

In previous fiscal years, the City borrowed money from the United States Department of Housing and Urban Development (HUD) and loaned it to developers. The developers in turn construct and improve real property in the City. The City has pledged only certain grant revenues and certain program income as well as all funds or investments in the accounts established for these loans as collateral for repayment. Events of default with respect to the Section 108 loans include nonpayment events and noncompliance with covenants. In the event of default, HUD may accelerate the due date of the principal amount outstanding for the note, together with accrued and unpaid interest.

State Energy Conservation Office (SECO) Loans

In fiscal year 2022 and previous fiscal years, the City borrowed money from the Texas State Energy Conservation Office for the purpose of making utility efficiency improvements to various buildings owned by the City and for building improvements. Events of default with respect to these loans include nonpayment events and noncompliance with covenants. In the event of default, all principal and unearned interest on the loans shall become immediately due.

The total outstanding notes payable as of September 30, 2022 are as follows:

	Final	Payments Due	Interest	Amount
	Maturity		Rates	
State Energy Conservation Office CL247	2026	Quarterly	2.50%	\$ 929
State Energy Conservation Office CL272	2026	Quarterly	2.00%	3,633
State Energy Conservation Office CL273	2027	Quarterly	2.00%	3,204
Section 108 B-12-MC-48-0009	2027	Semi-Annually	2.75%	8,372
Total				\$ 16,138

D. General Obligation Commercial Paper Notes (Direct Borrowing)

The commercial paper notes Series A and Series B are supported by a credit agreement with JPMorgan Chase Bank, N.A., and currently extends through November 28, 2025, following an extension of the credit agreement in Fiscal Year 2021-22. The Series A and Series B notes have an aggregate available amount not to exceed approximately \$375.9 million, which includes \$350 million of principal together with approximately \$25.9 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate not to exceed 10 percent per annum. The two commercial paper programs constitute an obligation subordinate to the City's general obligation bonds. Any advances for payments of commercial paper under the line of credit are secured by proceeds of the applicable portion of the tax levy as set forth in the Credit Agreements. During fiscal year 2022, \$27.5 million was issued, and \$178 million was refunded. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt. The City's unused line of credit on the notes was \$9.2 million at September 30, 2022.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

These notes are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City. Events of default include nonpayment of fees, breach of covenants, unsatisfied judgements over \$20 million, acceleration of other debt in an amount greater than \$25 million, bond ratings downgraded below Baa1/BBB+/BBB+ and nonpayment of note principal. In the event of default, the lender may utilize multiple remedies, including default rates on unpaid principal and interest, discontinuation of advances on the notes, and/or immediate termination of the agreement. The lender may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the notes. Additionally, amounts drawn as advances or term loans are subject to acceleration in an uncured event of default, with such acceleration to take place at the earlier of (1) date on which legally expendable funds are appropriated and available or (2) February 1 of the calendar year following the next year the City levies ad valorem taxes.

E. Governmental Financed Purchases (Direct Borrowings)

Equipment Master Lease

During a prior fiscal year, the City entered into a Master Lease Agreement (the Agreement) with a bank (the Lessor). Each fiscal year since 2017, the City has entered into separate repayment schedules under the Agreement for the lease-purchase of vehicles and other equipment, and each has a maximum allowable amount equal to the principal due on that schedule. Vehicles and equipment purchased through Agreement are pledged as security for repayment of the lease liability. Events of default under the Master Lease Agreement include nonpayment events and covenant noncompliance. In the event of default, the Lessor may declare the entire amount of payments to the end of the term immediately past due and payable, initiate court action against the City to enforce performance per the Agreement, take possession of the vehicles and equipment, and/or terminate the Agreement.

The future debt service principal and interest payment requirements for the governmental activities Master Lease Agreement at September 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 29,937	\$ 3,034	\$ 32,971
2024	23,853	2,466	26,319
2025	20,921	1,794	22,715
2026	13,828	1,230	15,058
2027	13,233	826	14,059
2028-2032	19,389	941	20,330
Total	<u>\$ 121,161</u>	<u>\$ 10,291</u>	<u>\$ 131,452</u>

F. Governmental Debt Service Requirements

The future debt service principal and interest payment requirements for the City's General Obligation Bonds, Tax and Revenue Certificates, and Pension Obligation Bonds at September 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 211,477	\$ 78,010	\$ 289,487
2024	205,258	68,696	273,954
2025	176,978	83,326	260,304
2026	161,967	76,140	238,107
2027	147,636	69,719	217,355
2028-2032	539,312	280,601	819,913
2033-2037	342,089	139,181	481,270
2038-2042	113,698	5,343	119,041
Total	<u>\$ 1,898,415</u>	<u>\$ 801,016</u>	<u>\$ 2,699,431</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

The future principal and interest payment requirements for the City's long-term notes payable, all of which are direct borrowings, at September 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	2,410	402	2,812
2024	2,464	349	2,813
2025	2,519	295	2,814
2026	2,414	258	2,672
2027	6,331	209	6,540
Total	\$ 16,138	\$ 1,513	\$ 17,651

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

G. Business-Type Activities

The changes in the business-type activities long-term liabilities for the year ended September 30, 2022 are as follows:

	Restated Balance, September 30, 2021*	Additions	Deletions	Balance, September 30, 2022	Due Within One Year
<u>Dallas Water Utilities</u>					
City of Dallas Waterworks and Sewer System					
Revenue Refunding and Improvement Bonds					
Series 2011	\$ 20,805	\$ -	\$ 14,345	\$ 6,460	\$ 6,460
Series 2012	141,330	-	18,650	122,680	19,645
Series 2013	28,450	-	3,480	24,970	3,660
Series 2015	530,140	-	49,760	480,380	41,455
Series 2016	450,195	-	11,730	438,465	20,450
Series 2017	162,740	-	3,240	159,500	3,405
Series 2018C	147,675	-	2,850	144,825	2,995
Series 2020C	276,210	-	5,255	270,955	5,515
Series 2020D	361,325	-	9,985	351,340	10,040
Series 2021C	126,130	-	-	126,130	2,260
City of Dallas Waterworks and Sewer System					
Revenue Refunding and Improvement Bonds					
(Direct Placements)					
Series 2018A	20,650	-	680	19,970	680
Series 2018B	41,405	-	1,305	40,100	1,315
Series 2019A	21,280	-	720	20,560	720
Series 2019B	42,615	-	1,390	41,225	1,390
Series 2020A	22,000	-	755	21,245	755
Series 2020B	44,000	-	1,490	42,510	1,490
Series 2021A	22,000	-	-	22,000	760
Series 2021B	44,000	-	-	44,000	1,515
Series 2022A	-	22,000	-	22,000	-
Series 2022B	-	44,000	-	44,000	-
Total Revenue Bonds Payable	2,502,950	66,000	125,635	2,443,315	124,510
Add: Unamortized Premium	206,610	-	20,436	186,174	-
Total Revenue Bonds of Water Utilities	2,709,560	66,000	146,071	2,629,489	124,510
Pension Obligation Bonds	37,891	-	6,241	31,650	6,721
Add: Net premium/discount	18,226	-	914	17,312	-
Add: Accretion	30,316	4,417	-	34,733	-
Total Water Utilities Bonds	2,795,993	70,417	153,226	2,713,184	131,231
Direct borrowings					
Commercial paper notes payable	-	87,800	-	87,800	-
Water transmission facilities financing agreement	675,491	-	20,317	655,174	20,830
Total direct borrowings	675,491	87,800	20,317	742,974	20,830
Other liabilities:					
Compensated absences payable	10,508	4,842	5,165	10,185	5,071
Leases	922	-	582	340	340
Other postemployment benefits	34,614	1,317	5,580	30,351	-
Net pension liability	480,759	87,588	349,286	219,061	-
Total other liabilities	526,803	93,747	360,613	259,937	5,411
Total long-term liabilities for Dallas Water Utilities	3,998,287	251,964	534,156	3,716,095	157,472
<u>Convention Center</u>					
Civic Center Refunding and Improvement					
Revenue Bonds, Series 2009	260,830	-	260,830	-	-
Revenue Bonds, Series 2021	-	232,895	8,595	224,300	9,935
Add: Net premium/discount	(2,655)	27,742	(478)	24,609	-
Total Convention Center Revenue Bonds	258,175	260,637	268,947	248,909	9,935
Pension Obligation Bonds	2,692	-	445	2,247	480
Add: Net premium/discount	1,300	-	65	1,235	-
Add: Accretion	2,163	315	-	2,478	-
Total Convention Center Bonds	264,330	260,952	269,457	254,869	10,415
Other liabilities:					
Compensated absences	330	22	73	279	139
Pollution remediation	63	-	-	63	63
Other postemployment benefits	4,090	20	85	4,025	-
Net pension liability	28,088	2,206	8,795	21,499	-
Total Other Liabilities	32,571	2,248	8,953	25,866	202
Total long-term liabilities for Convention Center	\$ 296,901	\$ 263,200	\$ 278,410	\$ 280,735	\$ 10,617

\*See note 1X

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

	Restated Balance, September 30, 2021	Additions	Deletions	Balance, September 30, 2022	Due Within One Year
<b>Airport Revenues</b>					
General Airport Revenue Bonds 2015	\$ 96,995	\$ -	\$ 4,495	\$ 92,500	\$ 4,720
General Airport Revenue Bonds 2017	108,335	-	4,580	103,755	4,810
General Airport Revenue Bonds 2021	255,160	-	-	255,160	7,305
Add: Net Premium/Discount	70,448	-	7,914	62,534	-
Total Airport Revenue Bonds	<u>530,938</u>	<u>-</u>	<u>16,989</u>	<u>513,949</u>	<u>16,835</u>
Pension Obligation Bonds	3,549	-	585	2,964	630
Add: Net Premium/Discount	1,708	-	85	1,623	-
Add: Accretion	2,841	414	-	3,255	-
Total Airport Bonds	<u>539,036</u>	<u>414</u>	<u>17,659</u>	<u>521,791</u>	<u>17,465</u>
<b>Direct borrowings</b>					
Commercial paper notes payable	2,280	78,351	30,631	50,000	-
Leases	78,445	-	2,133	76,312	1,880
Obligation for revenue credit agreement	88,620	-	9,280	79,340	9,745
Revenue credit agreement	-	-	-	-	-
Net premium/discount	2,024	-	427	1,597	-
Total direct borrowing	<u>171,369</u>	<u>78,351</u>	<u>42,471</u>	<u>207,249</u>	<u>11,625</u>
<b>Other Liabilities:</b>					
Compensated absences	1,913	1,072	986	1,999	995
Pollution remediation	411	-	367	44	18
Other postemployment benefits	4,536	284	1,203	3,617	-
Net pension liability	73,076	18,486	73,718	17,844	-
Total other liabilities	<u>79,936</u>	<u>19,842</u>	<u>76,274</u>	<u>23,504</u>	<u>1,013</u>
Total long-term liabilities for Airport Revenues	<u>790,341</u>	<u>98,607</u>	<u>136,404</u>	<u>752,544</u>	<u>30,103</u>
<b>Sanitation</b>					
2020A GO Refunding General Obligation Bonds	2,330	-	1,554	776	776
Add: Net premium/discount	110	-	81	29	-
Total Sanitation General Obligation Bonds	<u>2,440</u>	<u>-</u>	<u>1,635</u>	<u>805</u>	<u>776</u>
Pension Obligation Bonds	12,387	-	2,040	10,347	2,198
Add: Net premium/discount	5,957	-	298	5,659	-
Add: Accretion	9,911	1,445	-	11,356	-
Total Sanitation Bonds	<u>30,695</u>	<u>1,445</u>	<u>3,973</u>	<u>28,167</u>	<u>2,974</u>
<b>Direct borrowing</b>					
Financed purchases-equipment master lease	14,355	308	6,230	8,433	4,011
<b>Other liabilities:</b>					
Compensated absences	2,611	1,428	1,356	2,683	1,336
Landfill closure/postclosure	46,726	4,064	1,773	49,017	332
Pollution remediation	22	2,048	22	2,048	75
Other postemployment benefits	11,147	520	2,203	9,464	-
Net pension liability	157,787	32,714	130,458	60,043	-
Total other liabilities	<u>218,293</u>	<u>40,774</u>	<u>135,812</u>	<u>123,255</u>	<u>1,743</u>
Total long-term liabilities for Sanitation	<u>263,343</u>	<u>42,527</u>	<u>146,015</u>	<u>159,855</u>	<u>8,728</u>
<b>Non-Major Business-Type</b>					
Pension Obligation Bonds	6,905	-	1,136	5,769	1,224
Add: Net premium/discount	3,319	-	167	3,152	-
Add: Accretion	5,521	804	-	6,325	-
Total Non-Major Business-Type Bonds	<u>15,745</u>	<u>804</u>	<u>1,303</u>	<u>15,246</u>	<u>1,224</u>
<b>Direct borrowing</b>					
Leases	3,623	-	539	3,084	525
<b>Other liabilities:</b>					
Compensated absences	2,419	1,126	1,279	2,266	1,128
Other postemployment benefits	5,399	289	1,225	4,463	-
Net pension liability	102,026	21,007	83,770	39,263	-
Total other liabilities	<u>109,844</u>	<u>22,422</u>	<u>86,274</u>	<u>45,992</u>	<u>1,128</u>
Total long-term liabilities for Non-Major Business-type Activities	<u>129,212</u>	<u>23,226</u>	<u>88,116</u>	<u>64,322</u>	<u>2,877</u>
Total Business-Type Activities - Long-Term Liabilities	<u>\$ 5,478,084</u>	<u>\$ 679,524</u>	<u>\$ 1,183,101</u>	<u>\$ 4,973,551</u>	<u>\$ 209,797</u>

\*See note 1X

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

H. Water Works and Sewer System Revenue Bonds and Pension Obligation Bonds

In prior fiscal years, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds to fund capital construction projects. These bonds are special obligations of the City, payable solely from and secured by a first lien on and pledge of the pledged revenues of the system, which include the net revenues of the system remaining after deduction of current expenses of operation and maintenance. Events of default include nonpayment events and covenant noncompliance. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

I. Water Works and Sewer System Revenue Bonds and Pension Obligation Bonds (Direct Placements)

In fiscal year 2022, and prior years Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds to fund capital construction projects. These were direct placements facilitated by the Texas Water Development Board. These bonds are special obligations of the City, payable solely from and secured by a first lien on and pledge of the pledged revenues of the system, which include the net revenues of the system remaining after deduction of current expenses of operation and maintenance. Events of default include nonpayment events and covenant noncompliance. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

In May 2022, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds Series 2022A and Series 2022B of \$66 million and interest rates ranging from 0.02 percent to 1.29 percent. Final maturity will occur on October 1, 2051. The bonds were issued to fund capital construction projects.

J. Water Works and Sewer Debt Service Requirements

The Waterworks and Sewer System debt service fund provides for the payment of principal and interest on the water department outstanding revenue bonds. Operating revenues from water operations and interest earned on the cash balance in the debt service fund are pledged for repayment of the debt. Revenues are transferred from the Water Operating Fund to the debt service fund to meet annual principal and interest obligations. Pension Obligation bonds are paid through increased contributions to the debt service fund. The Water Works and Sewer System bonds outstanding as of September 30, 2022 are as follows:

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

Series Description	Final Maturity	Interest Rates	Amount
634 Rev Bonds	2023	3.00% - 5.00%	\$ 6,460
636 Rev Bonds	2033	0.595% - 5.000%	122,680
639 Rev Bonds	2028	2.00% - 5.00%	24,970
9712 Rev Bonds	2045	1.00%-5.00%	480,380
1727 Rev Bonds	2046	3.00%-5.00%	438,465
W208 Rev Bonds	2048	4.00%-5.00%	159,500
W339 Rev Bonds	2048	4.00%-5.00%	144,825
637 Rev Bonds	2050	1.730%-5.000%	622,295
W309 Rev Bonds	2048	0.02%-1.70%	60,070
FS40 Rev Bonds	2051	0.02%-1.70%	85,805
FW40 Rev Bonds	2051	0.03%-1.34%	171,735
W931 Rev Bonds	2051	3.00%-5.00%	126,130
Total Revenue Bonds			2,443,315
Pension Obligation Bonds	2035	0.8% - 5.48%	31,650
Total Outstanding			\$ 2,474,965

Utility Revenues Pledged

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$2.4 billion in water and wastewater system revenue bonds, of which \$125 million was issued during the current fiscal year and the remaining balance in prior fiscal years. Proceeds from the bonds provided financing for capital assets. The bonds are payable solely from water customer net revenues and are payable through fiscal year 2052. Net revenues, as defined in the bond documents, for each year are expected to be at least equal to 1.25 times the principal and interest requirements of all outstanding previously issued bonds and additional bonds for the year. The total principal and interest remaining to be paid on the bonds at September 30, 2022 is \$3 billion. Principal and interest paid during fiscal year 2022 were \$126 million and \$86 million, respectively.

K. Convention Center (Revenue Bonds and Pension Obligation Bonds)

In previous fiscal years, the City issued Convention Center Revenue Bonds. The 7 percent Hotel Occupancy Tax, operating revenues of the Convention Center Complex, and interest earned on cash balances in the bond reserve and debt service funds are pledged for repayment of the debt. Events of default with respect to these include nonpayment events and noncompliance with covenants. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

In October 2021, the Convention Center issued Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021 of \$232.9 million with a premium of \$27.7 million, and stated interest rates ranging from 4.0 percent to 5.0 percent. Final maturity of the refunding bonds will occur on August 15, 2038. Proceeds of \$258.9 plus additional funds from the City in the amount of \$6.5 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$260.8 million of refunded bonds are considered defeased and the liability for these bonds have been removed from the financial statements. Total debt service payments decreased by \$70.5 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$53.2 million.

The Convention Center bonds outstanding as of September 30, 2022 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Texas Hotel Occupancy Tax Revenue	2038	3.00% - 5.25%	\$ 224,300
Pension Obligation Bonds	2035	0.295% - 5.48%	2,247
Total Outstanding			\$ 226,547

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

L. Airport Revenues (General Airport Revenue Bonds and Pension Obligation Bonds)

During September 2021, the LFAMC issued General Airport Revenue Bonds, Series 2021 of \$225.2 million, with a premium of \$56.9 million and interest rates ranging from 4.0 percent to 5.0 percent. Final maturity will occur on November 1, 2040. The bonds were issued to refund the obligation for the Revenue Credit Agreement (Series 2010). Proceeds of \$317.7 million were deposited with an escrow agent to be used to pay the outstanding amount of the refunded bonds. The refunding resulted in a difference of \$7.1 million between the net carrying amount of the old debt and the reacquisition price. This difference, reported in the accompanying financial statement as a deferred outflow of resources, is being amortized to interest expense over the life of the old bonds. Total debt service payments decreased by \$114.2 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of \$113.3 million.

During December 2016, the Love Field Airport Modernization Corporation (LFAMC) issued \$116.85 million in General Airport Revenue Bonds, Series 2017 with a premium of \$13.6 million. The stated rate on the bonds is 5 percent with a final maturity on November 1, 2036. Proceeds from the sale of the Bonds were used to complete the design and construction costs of an approximately 5,000 space parking garage and related improvements to increase public parking capacity at Love Field Airport, fund approximately 22 months of capitalized interest, which is intended to cover the period commencing with the date of issuance of the Bonds through 12 months following substantial completion of construction of the project, fund a bond debt service reserve fund, and pay cost of issuance.

In a previous year, the Love Field Airport Modernization Corporation (LFAMC) issued \$109.2 million in General Airport Revenue Bonds, Series 2015 with a premium of \$13.6 million. The stated interest rate on the bonds is 5 percent with a final maturity on November 1, 2035. Proceeds from the sale of the Bonds were used to fund design and construction costs of an approximately 5,000 space parking garage and related improvements to increase public parking capacity at Love Field Airport, fund approximately 27 months of capitalized interest (which is intended to cover the period commencing with the date of issuance of the Bonds through 12 months following substantial completion of construction of the parking garage, fund a bond debt service reserve fund, and pay cost of issuance for the bonds.

In November 2020, the City issued General Obligation Refunding Bonds, Taxable Series 2020B, of \$76.9 million, with a premium of \$0.2 million, stated interest rates ranging from 0.8 percent to 1.25 percent, and a final maturity of February 15, 2024. The bonds were issued to refund pension obligation bonds (Series 2010). Proceeds of \$76.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$75.8 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$0.9 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$7.3 million. The refunding and the new bonds issued have been allocated to the City's governmental activities, Dallas Water Utilities, Convention Center, Airport Revenues, Sanitation, and Nonmajor Enterprise Funds as shown in the table in Note 11B.

Operating revenues from Airport operations and interest earned on the cash balance in the debt service fund are pledged for repayment of both issues of the General Airport Revenue Bonds. Revenues are transferred from the Airport Revenues operating fund to the Airport Revenues debt service fund to meet the annual principal and interest obligations. Events of default include nonpayment events and noncompliance with covenants. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

Pension Obligation bonds are paid through increased contributions to the Debt Service Fund. Operating revenues from Airport operations and interest earned on the cash balance in the debt service fund are pledged for repayment of the debt. Revenues are transferred from the Airport operating fund to the debt service fund to meet annual principal and interest obligations.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

Airport revenue and pension obligation bonds outstanding as of September 30, 2022 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
General Airport Revenue Bonds 2015	2036	5.00%	\$ 92,500
General Airport Revenue Bonds 2017	2036	5.00%	103,755
General Airport Revenue Bonds 2021	2040	5.00%	255,160
Pension Obligation Bonds	2035	0.295% - 5.48%	2,964
Total			<u>\$ 454,379</u>

M. Airport Revenues Conduit Debt and Revenue Credit Agreement (Direct Borrowing)

The Love Field Airport Modernization Corporation (LFAMC), a Texas non-profit "local government corporation" and blended component unit of the City, issued \$310 million in Special Facilities Revenue Bonds during November 2010, and \$146.26 million in May 2012. The bonds were issued to finance the acquisition, construction, expansion, installation and equipping of certain capital improvements at Dallas Love Field Airport. Major construction commenced during fiscal year 2010 and was substantially completed during fiscal year 2015.

Prior to the issuance of the bonds, the City entered into two separate funding agreements with an airline carrier: (1) a "Facilities Agreement" pursuant to which the airline carrier is obligated to make debt service payments on the principal and interest amounts associated with the bonds (Facilities Payments), less other sources of funds the City may apply to the repayment of the bonds (including, but not limited to, passenger facility charges collected from passengers originating from Love Field Airport); and (2) a "Revenue Credit Agreement" pursuant to which the City will reimburse the airline carrier for the Facilities Payments made by the carrier.

In the event the airline carrier fails to make payments under the Facilities Agreement the City is no longer obligated to make any further payments under the Revenue Credit Agreement, and that agreement shall terminate.

A majority of the monies transferred from the City to the airline carrier under the Revenue Credit Agreement are expected to originate from a reimbursement account created in a "Use and Lease Agreement" between the City and the airline carrier. The Use and Lease Agreement is a 20-year agreement providing for, among other things, the lease of space at the Airport from the City. The remainder of such monies transferred from the City to the airline carrier under the Revenue Credit Agreement is expected to originate from (1) use and lease agreements with other airlines, (2) various concession agreements, and (3) other miscellaneous revenues generated at Love Field Airport.

All of the assets ultimately acquired by the bonds belong to the City at the time of acquisition pursuant to an Agreement for Donation and Assignment entered into between the City and the airline carrier. The bonds are a special obligation for which the airline carrier has guaranteed the principal and interest payments on the bonds, payable solely from the facilities payments to be made pursuant to the terms of the Special Facilities Agreement and other funds constituting the trust estate under the indenture, including any amounts received under the guaranty. The bonds do not constitute a debt or pledge of the faith and credit of the LFAMC, the City, the County, or the State of Texas, and accordingly have not been reported in the accompanying financial statements. In September 2021, the Special Facilities Revenue Bonds, Series 2010, were refunded with General Airport Revenue Bonds, Series 2021. As a result, the revenue credit agreement decreased approximately \$310 million. The new General Airport Revenue Bonds are described in note 11M. As of September 30, 2022, the Special Facilities Revenue Bonds outstanding was \$79.3 million.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

N. Airport Revenues Obligation for Revenue Credit Agreement (Direct Borrowing)

The revenue credit agreement entered into between the City and the airline carrier was made possible as a result of the rate making provisions of the Airport Use and Lease Agreement which provide for the annual calculation of airline rates and charges sufficient to recover among other things, debt service on the bonds. While the crediting back of money to the airline carrier under the revenue credit agreement will be done pursuant to a contractual agreement between the City and the airline carrier, such revenue credits are not pledged to the payment of debt service on the Bonds. The City has determined the obligation under the revenue credit agreement to be a liability, and accordingly has recorded the obligation in the accompanying financial statements. The interest rates for the obligation range between 4.39 percent to 5.48 percent, and the obligation will be amortized over a period of 30 years. The balance of the obligation for the revenue credit agreement was \$79.3 million with the premium of \$1.6 million for a total balance of \$80.9 million, at September 30, 2022. The schedule of principal and interest payments required for the obligation is provided on the following page (in thousands):

Fiscal Year	Airport Revenue - LFAMC		
	Obligation for Revenue Credit Agreement		
	Principal	Interest	Total
2023	\$ 9,745	\$ 3,723	\$ 13,468
2024	10,230	3,224	13,454
2025	10,745	2,699	13,444
2026	11,280	2,149	13,429
2027	11,845	1,571	13,416
2028-2029	25,495	1,290	26,785
Total	\$ 79,340	\$ 14,656	\$ 93,996

O. Business-type Activities Financed Purchases (Direct Borrowings)

Equipment Master Lease

During a prior fiscal year, the City entered into a Master Lease Agreement (the Agreement) with a bank (the Lessor). Each fiscal year since 2017, the City has entered into separate repayment schedules under the Agreement for the lease-purchase of vehicles and other equipment, and each has a maximum allowable amount equal to the principal due on that schedule. Vehicles and equipment purchased through Agreement are pledged as security for repayment of the lease liability. Events of default under the Master Lease Agreement include nonpayment events and covenant noncompliance. In the event of default, the Lessor may declare the entire amount of payments to the end of the term immediately past due and payable, initiate court action against the City to enforce performance per the Agreement, take possession of the vehicles and equipment, and/or terminate the Agreement.

The future debt service principal and interest payment requirements for the Sanitation fund in the business-type activities Master Lease Agreement at September 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 4,011	\$ 115	\$ 4,126
2024	2,396	53	2,449
2025	1,604	22	1,626
2026	366	6	372
2027	56	1	57
Total	\$ 8,433	\$ 197	\$ 8,630

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

P. Sanitation Enterprise Fund (General Obligation Bonds and Pension Obligation Bonds)

In November 2020, the City issued General Obligation Refunding Bonds, Series 2020, of \$46.4 million, with a premium of \$2.1 million, a stated interest rate of 5%, and a final maturity of February 15, 2023. These bonds were issued to refund General Obligation Refunding Bonds, Series 2010C, in the amount of \$46.2 million. Proceeds of \$48.1 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$46.4 million are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$.6 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$1.7 million. A portion of the refunded bonds and new bonds issued were recorded in the governmental activities of the City, and the remaining amounts were recorded in the Sanitation Enterprise Fund as shown the table in Note 11B.

The Sanitation Fund provides for the payment of principal and interest on a portion of the 2010 General Obligation Refunding Bonds and the Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2022 are as follows:

<u>Series Description</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
Pension Obligation Bonds	2035	0.295% to 5.48%	\$ 10,347
Series 640 General Obligation Bonds	2023	5.00%	776
Total Outstanding			<u>\$ 11,123</u>

Q. Non-Major Enterprise Fund (Pension Obligation Bonds)

In November 2020, the City issued General Obligation Refunding Bonds, Taxable Series 2020B, of \$76.9 million, with a premium of \$0.2 million, stated interest rates ranging from 0.8% to 1.25%, and a final maturity of February 15, 2024. The bonds were issued to refund pension obligation bonds (Series 2010). Proceeds of \$76.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$75.8 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$0.9 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$7.3 million. The refunding and the new bonds issued have been allocated to the City's governmental activities and the Dallas Water Utilities, Convention Center, Airport Revenues, Sanitation, and Nonmajor Enterprise Funds as shown in the table in Note 11B.

The non-major enterprise funds provide for the payment of principal and interest on a portion of Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2022 are as follows:

<u>Series Description</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
Pension Obligation Bonds	2035	0.295% - 5.48%	\$ 5,769

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

R. Business-Type Activities Debt Service Requirements

The debt service principal and interest payment requirement to maturity at September 30, 2022 for the business-type activities Revenue Bonds and Pension Obligation Bonds are as follows:

Fiscal Year	Dallas Water Utilities					
	Revenue Bonds			Revenue Bonds-Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 115,885	\$ 82,598	\$ 198,483	\$ 8,625	\$ 1,974	\$ 10,599
2024	105,370	78,643	184,013	10,670	2,036	12,706
2025	97,135	74,646	171,781	10,695	2,011	12,706
2026	86,800	70,840	157,640	10,725	1,980	12,705
2027	90,695	67,174	157,869	10,765	1,944	12,709
2028-2032	456,810	280,365	737,175	54,490	9,052	63,542
2033-2037	481,230	184,755	665,985	56,010	7,526	63,536
2038-2042	375,260	100,193	475,453	58,045	5,464	63,509
2043-2047	246,720	37,179	283,899	60,600	2,935	63,535
2048-2052	69,800	3,901	73,701	36,985	546	37,531
Total	\$ 2,125,705	\$ 980,294	\$ 3,105,999	\$ 317,610	\$ 35,468	\$ 353,078

Fiscal Year	Dallas Water Utilities		
	Pension Obligation Bonds		
	Principal	Interest	Total
2023	\$ 6,721	\$ 573	\$ 7,294
2024	7,023	516	7,539
2025	1,514	6,909	8,423
2026	1,510	7,168	8,678
2027	1,510	7,436	8,946
2028-2032	7,548	41,487	49,035
2033-2035	5,824	27,298	33,122
Total	\$ 31,650	\$ 91,387	\$ 123,037

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

Convention Center						
Fiscal Year	Revenue Bonds			Pension Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 9,935	\$ 9,400	\$ 19,335	\$ 480	\$ 41	\$ 521
2024	10,430	8,904	19,334	500	37	537
2025	10,955	8,382	19,337	96	493	589
2026	11,505	7,834	19,339	108	511	619
2027	12,080	7,259	19,339	108	530	638
2028-2032	68,035	28,649	96,684	539	2,960	3,499
2033-2038	82,770	13,911	96,681	416	1,948	2,364
2038-Thereafter	18,590	744	19,334	-	-	-
Total	<u>\$ 224,300</u>	<u>\$ 85,083</u>	<u>\$ 309,383</u>	<u>\$ 2,247</u>	<u>\$ 6,520</u>	<u>\$ 8,767</u>

Airport Revenues						
Fiscal Year	General Airport Revenue Bonds			Pension Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 16,835	\$ 21,023	\$ 37,858	\$ 630	\$ 54	\$ 684
2024	18,740	20,134	38,874	658	48	706
2025	19,680	19,173	38,853	141	647	788
2026	20,660	18,165	38,825	142	672	814
2027	21,695	17,106	38,801	141	697	838
2028-2032	132,175	67,233	199,408	706	3,888	4,594
2033-2038	163,545	32,000	195,545	546	2,558	3,104
2038-Thereafter	58,085	4,760	62,845	-	-	-
Total	<u>\$ 451,415</u>	<u>\$ 199,594</u>	<u>\$ 651,009</u>	<u>\$ 2,964</u>	<u>\$ 8,564</u>	<u>\$ 11,528</u>

Sanitation						
Fiscal Year	General Obligation Bonds			Pension Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 776	\$ 19	\$ 795	\$ 2,198	\$ 187	\$ 2,385
2024	-	-	-	2,297	169	2,466
2025	-	-	-	493	2,259	2,752
2026	-	-	-	494	2,343	2,837
2027	-	-	-	493	2,431	2,924
2028-2032	-	-	-	2,468	13,563	16,031
2033-Thereafter	-	-	-	1,904	8,924	10,828
Total	<u>\$ 776</u>	<u>\$ 19</u>	<u>\$ 795</u>	<u>\$ 10,347</u>	<u>\$ 29,876</u>	<u>\$ 40,223</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

Non-Major Enterprise Funds			
Pension Obligation Bonds			
Fiscal Year	Principal	Interest	Total
2023	\$ 1,224	\$ 104	\$ 1,328
2024	1,473	1,265	2,738
2025	262	1,310	1,572
2026	263	1,359	1,622
2027	264	1,410	1,674
2028-2032	1,331	7,863	9,194
2033-Thereafter	952	3,329	4,281
Total	\$ 5,769	\$ 16,640	\$ 22,409

S. Discretely Presented Component Unit Debt Service Requirements

The changes in the DDDA discretely presented component unit's long-term liabilities for the year ended September 30, 2022 are as follows:

	Balance, September 30, 2021	Additions	Deletions	Balance, September 30, 2022	Due Within One Year
Tax Increment Revenue Bonds					
Series 2006	\$ 27,827	\$ -	\$ 2,403	\$ 25,424	\$ 2,374
Series 2007	22,495	-	840	21,655	875
Total Bonds	50,322	-	3,243	47,079	3,249
Accretion	37,940	3,711	3,517	38,134	-
Total Bonds	\$ 88,262	\$ 3,711	\$ 6,760	\$ 85,213	\$ 3,249

The Dallas Convention Center Hotel Development Corporation (the Corporation), a discretely presented component unit of the City, issued revenue bonds in a prior fiscal year. The assets pledged as security for repayment of the bonds include the gross operating revenues of the hotel project, reimbursement for a portion of the interest from the Build America Bonds rebate, the State and Local Hotel Occupancy Tax Rebate, the State Sales Tax rebate, and other property, other than the land, the hotel project constructed on the land, and certain deposits. Events of default include nonpayment events and noncompliance with covenants. In the event of default, the trustee may accelerate principal and interest payments on the bonds, and/or take multiple legal actions, including but not limited to seeking a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the notes.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

The changes in the Dallas Convention Center Hotel Development Corporation discretely presented component unit's long-term liabilities for the year ended December 31, 2021 are as shown below:

	Balance, December 31, 2020	Additions	Deletions	Balance, December 31, 2021	Due Within One Year
2009A Current Interest Bonds	\$ 44,605	\$ -	\$ 9,890	\$ 34,715	\$ 10,690
2009A Capital Appreciation Bonds	7,139	-	-	7,139	-
2009B Taxable Build America Bonds	388,175	-	-	388,175	-
Total Revenue Bonds	<u>439,919</u>	<u>-</u>	<u>9,890</u>	<u>430,029</u>	<u>10,690</u>
Add: Unamortized Premium	45	-	33	12	-
Less: Unamortized Discount	(72)	-	(23)	(49)	-
Add: Accretion on Capital Appreciation Bonds	7,419	945	-	8,364	-
Key Money Payable	1,100	-	1,100	-	-
Total Long-Term Debt	<u>\$ 448,411</u>	<u>\$ 945</u>	<u>\$ 11,000</u>	<u>\$ 438,356</u>	<u>\$ 10,690</u>

The DDDA discretely presented component unit has issued tax increment bonds that are payable solely from the pledged tax increments of the zone. Events of default include nonpayment events and noncompliance with covenants. In the event of default, registered owners may seek a writ of mandamus to compel members of the board of the DDDA or other officers of the issuer to carry out their legally imposed duties with respect to the bonds.

The tax increment bonds outstanding as of September 30, 2022 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Series DDDA - Series 2006	2036	5.25% - 5.66%	\$ 25,424
Series DDDA - Series 2007	2036	5.49% - 6.28%	21,655
Total Outstanding			<u>\$ 47,079</u>

The Dallas Convention Center Hotel Development Corporation discretely presented component unit bonds outstanding as of December 31, 2021 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
2009A Current Interest Bonds	2024	4.25% - 5.25%	\$ 34,715
2009A Capital Appreciation Bonds	2026	5.43% - 6.46%	7,139
2009B Taxable Build America Bonds	2042	7.09%	388,175
Total Outstanding			<u>\$ 430,029</u>

The debt service principal and interest payment requirement to maturity at September 30, 2022 for the DDDA discretely presented component unit activities tax increment financing bonds and at December 31, 2021 for the Dallas Convention Center Hotel Development Corporation bonds are as shown on the following page.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

Fiscal Year	DDDA			Calendar Year	Dallas Convention Center Hotel Development Corporation		
	Principal	Interest	Total		Principal	Interest	Total
2023	\$ 3,249	\$ 5,161	\$ 8,410	2022	\$ 10,690	\$ 29,025	\$ 39,715
2024	3,088	5,578	8,666	2023	11,555	28,441	39,996
2025	2,742	5,673	8,415	2024	12,470	27,825	40,295
2026	2,239	5,774	8,013	2025	5,132	35,786	40,918
2027	2,378	5,892	8,270	2026	10,052	30,892	40,944
2028-2032	17,062	30,172	47,234	2027-2031	82,335	120,878	203,213
2033-2036	16,321	23,287	39,608	2032-2036	112,230	86,603	198,833
Total	<u>\$ 47,079</u>	<u>\$ 81,537</u>	<u>\$ 128,616</u>	2037-2041	150,145	40,364	190,509
				2042	35,420	1,255	36,675
				Total	<u>\$ 430,029</u>	<u>\$ 401,069</u>	<u>\$ 831,098</u>

T. Bonds Authorized and Unissued

The following is a schedule of authorized but unissued bonds at September 30, 2022:

	Date of Authorization	Amount Authorized	Amount Unissued
2017 Capital Improvement Program	11/7/2017	\$ 1,050,000	\$ 513,313

U. Compliance with Debt Covenants

For the year ended September 30, 2022, management of the City believes that it was in compliance with all financial bond covenants on outstanding revenue and general obligation bonded debt.

V. Dallas Water Utilities Commercial Paper Notes (Direct Borrowing)

The commercial paper program constitutes an obligation subordinate to the Waterworks and Sewer System revenue bonds. Any advances made by credit providers for payments of commercial paper under the line of credit are secured by water and wastewater pledged revenues.

The commercial paper notes Series F, effective July 8, 2021, are supported by two liquidity agreements through two banks. The liquidity agreements supporting the Sub-Series F-1 and Sub-Series F-2 notes are through JPMorgan Chase Bank, N.A. and Bank of America N.A., and extend to July 8, 2024. The Sub-Series F-1 notes have an aggregate available principal amount not to exceed \$241.6 million, which included \$225 million of principal together with approximately \$16.6 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum. The Sub-Series F-2 notes have an aggregate available principal amount not to exceed \$80.5 million, which includes \$75 million of principal together with approximately \$5.5 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum.

The commercial paper notes Series G, effective July 8, 2021, are supported by a liquidity agreement with State Street Bank and Trust Company and extend to July 8, 2024. The Series G notes have an aggregate available principal amount not to exceed \$322.2 million, which includes \$300 million of principal together with approximately \$22.2 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum.

Events of default include nonpayment of fees, incorrect or untrue statement made by the City the agreements, breach of covenant, unsatisfied judgements over \$10 million, acceleration of other debt in an amount greater than \$5 million, filing of bankruptcy, validity of agreement invalidated by any governmental authority, debt moratorium, bond ratings downgraded below Baa3/BBB-, material adverse effects as a result of State law repeal or any event of default as defined in Sub-Series F-1, Sub-Series F-2, and Series G credit agreements. The lender may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the notes.

During fiscal year 2022, \$87.8 million was issued and no commercial paper was repaid. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt. The City's unused line of credit on the notes was \$87.8 million at September 30, 2022.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

W. Love Field Airport Modernization Corporation Airport System Commercial Paper Notes (Direct Borrowing)

The commercial paper program constitutes an obligation subordinate to the General Airport Revenue Bonds. Any advances made by credit providers for payments of commercial paper under the line of credit are secured by the Corporation's pledged revenues.

The commercial paper notes, AMT Series are supported by a credit agreement with JPMorgan Chase Bank, N.A., and extends through December 18, 2023. The AMT Series notes have an aggregate available amount not to exceed approximately \$161.1 million, which includes \$150 million of principal together with approximately \$11.1 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate not to exceed 10 percent per annum. During fiscal year 2022, \$78.4 million was issued, and \$30.6 million was repaid. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt. The City's unused line of credit on the notes was \$50 million at September 30, 2022.

Events of default include nonpayment of fees, incorrect or untrue statement made by the City the agreements, breach of covenant, unsatisfied judgements over \$10 million, acceleration of other debt in an amount greater than \$5 million, filing of bankruptcy, validity of agreement invalidated by any governmental authority, debt moratorium, bond ratings downgraded below BBB, Baa2, or BBB, or Fitch, Moody's, or S&P suspends or withdraws its rating of the same, material adverse effects as a result of State law repeal or any event of default as defined in the credit agreement. The lender may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the notes.

X. Dallas Water Utilities Obligation for Water Transmission Facilities Financing Agreement (Direct Borrowing)

In previous years, the Tarrant Regional Water District (TRWD), a water control and improvement district and political subdivision of the State of Texas, issued Water Facilities Contract Revenue Bonds in January 2014 in the amount of \$202.1 million in December 2015 in the amount of \$140 million, in March 2021 in the amount of \$254 million (2021 Series A), and in March 2021 in the amount of \$297.3 million for refunding Bond (2021 Series B). The bonds were issued to finance the DWU share of costs for designing, acquiring, constructing, improving, repairing, rehabilitating, and or replacing water transmission facilities capable of delivering additional raw water supply to the customers of the DWU and TRWD for their respective customers (the Project). The Project is tentatively scheduled to be completed in 2027. The City's share of the total cost of the Project is estimated to be \$1 billion. Upon completion of the Project, DWU will have reserved capacity rights in the amount of 150 million gallons per day. Depending on the timing of construction, additional bonds are expected to be issued throughout the construction period.

In order to ensure adequate funding from Dallas Water Utilities for the payment of principal and interest, the City entered into a separate funding agreement with TRWD, a Water Transmission Facilities Financing Agreement (the Agreement). Under this Agreement, the City is obligated to make payments to TRWD for the principal and interest amounts associated with the bonds. The Agreement establishes through State statutes that those payments will be treated as operating and maintenance expenses. The treatment of payments to TRWD as operating and maintenance expenses is only being applied to the Schedule of Revenue Bond Coverage for the Dallas Water Utilities and for purposes of establishing rates.

The Agreement establishes that TRWD shall own and operate the Project, subject to Dallas' reserve capacity rights in the Project. The bonds are a special obligation of TRWD. Principal and interest are secured by, and payable solely from, payments to be received by TRWD from the City to the extent required and provided in the Agreement. The bonds do not constitute a debt or pledge of the faith and credit of the City, and accordingly have not been reported in the accompanying financial statements.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 11. Long-Term Debt (continued)

At September 30, 2022, the TRWD Water Facilities Contract Revenue Bonds outstanding were \$655 million.

The City has determined the obligation under the Agreement to be a liability to the extent that such obligations are for the payment of bonds issued to fund Dallas Water Utilities' share of costs for the Project. The City has capitalized the development of an intangible asset, Pipeline Reserve Capacity Rights, in Construction in Progress for the actual Project costs incurred by TRWD. The unspent proceeds held by TRWD for future construction costs have been recorded in Restricted Assets: Other Noncurrent Assets – Future Pipeline Reserve Capacity Rights. The interest rates for the obligation range from 0.45 percent to 6.0 percent. The obligation will be amortized over a period of 30 years. The balance of the obligation for the Agreement was \$655 million at September 30, 2022.

The revenues and income received by the Dallas Water Utilities from the ownership and operation of the system are pledged as security for repayment of the obligation. Events of default include nonpayment events and covenant noncompliance. In the event of default, TRWD may apply the Texas post judgement interest rate to all amounts not paid when due, assess other interest and legal fees, enforce the rights of the holders of the underlying bonds, and/or suspend the use of by Dallas of its reserved capacity rights in the project.

The schedule of principal and interest payments required for the obligation is provided below:

Fiscal Year	Principal	Interest	Total
2023	\$ 20,830	\$ 14,801	\$ 35,631
2024	21,350	14,245	35,595
2025	21,905	13,655	35,560
2026	22,240	13,280	35,520
2027	22,715	12,874	35,589
2028-2032	123,665	56,552	180,217
2033-2037	136,054	42,598	178,652
2038-2042	155,175	26,195	181,370
2043-2047	88,335	9,170	97,505
2047-2051	42,905	2,116	45,021
Total	<u>\$ 655,174</u>	<u>\$ 205,486</u>	<u>\$ 860,660</u>

Note 12. Leases

A. As Lessor

The City leases some of its land and buildings, office space and airport hangars (disclosed separately under the "Business-Type Activities" section). Most leases have initial terms, but not greater than 68 years and may contain one or more renewals at the City's and lessor's option. The City has generally included these renewal periods in the lease term when it is reasonably certain that the City will exercise the renewal option. The City's lease arrangements do not contain any material residual value guarantees in the Governmental Activities but have a minimum annual guarantee for some lessees within the Business-Type Activities. The variable lease payments for Governmental Activities were immaterial and only the concessions within the Business-Type Activities are noted below. The City utilizes its incremental borrowing rate to discount the lease payments

The statement of net position includes the following amounts relating to leases:

Governmental Activities Leases - City as Lessor for Fixed Payment Leases

As of September 30, 2022, the City's governmental activities leases receivable balance of \$103,249 was comprised of the amounts on the following page.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 12. Leases (continued)

Various land leases with revenue totaling \$3,794 during fiscal year 2022, at interest rates ranging from 0.67 to 2.34 percent, with remaining lease terms ranging from 16.25 to 66.25 years.	\$ 101,263
Various building leases with revenue totaling \$399 during fiscal year 2022, at interest rates ranging from 0.32 to 2.34 percent, with remaining lease terms ranging from 1.6 to 27.6 years.	1,986
Total lease receivable for governmental activities	\$ 103,249

The City expects to receive the following leases receivable amounts for Governmental Activities in subsequent years as follows:

Fiscal Year	Governmental Activities Principal	Governmental Activities Interest
2023	\$ 1,545	\$ 1,038
2024	1,592	1,011
2025	1,550	984
2026	1,608	956
2027	1,645	928
2028-2032	9,429	4,158
2033-2037	11,854	3,217
2038-2042	5,261	2,410
2043-Thereafter	68,765	12,697
Total	\$ 103,249	\$ 27,399

The balance of the deferred inflows of resources related to the governmental activities lease payments receivable was \$102,136 as of September 30, 2022. The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follow:

Inflows of Resources	Governmental Activities
Lease Revenue	\$ 3,133
Interest Revenue	\$ 1,060

Business-Type Activities Leases - City as Lessor for Fixed Payment Leases

As of September 30, 2022, the City's business-type activities leases receivable balance of \$77,934 was comprised of the following:

Various land leases with revenue totaling \$148 during fiscal year 2022, at interest rates ranging from 0.22 to 2.06 percent, with remaining lease terms ranging from 1.2 to 52.4 years.	\$ 982
Various building leases with revenue totaling \$15,022 during fiscal year 2022, at interest rates ranging from 0.57 to 2.06 percent, with remaining lease terms ranging from 1.2 to 52.4 years.	76,952
Total lease receivable for governmental activities	\$ 77,934

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 12. Leases (continued)

The City expects to receive the following leases receivable amounts for business-type activities in subsequent years as follows:

Fiscal Year	Dallas Water Utilities			Convention Center		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 16	\$ 4	\$ 20	\$ 3,025	\$ 497	\$ 3,522
2024	16	4	20	3,074	446	3,520
2025	17	3	20	3,125	395	3,520
2026	17	3	20	3,176	343	3,519
2027	17	3	20	3,228	290	3,518
2028-2032	90	10	100	13,752	676	14,428
2033-2037	79	2	81	1,584	228	1,812
2038-2042	-	-	-	1,518	95	1,613
2043-Thereafter	-	-	-	525	30	555
<b>Total</b>	<b>\$ 252</b>	<b>\$ 29</b>	<b>\$ 281</b>	<b>\$ 33,007</b>	<b>\$ 3,000</b>	<b>\$ 36,007</b>

Fiscal Year	Airport Revenues			Total Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 11,174	\$ 343	\$ 11,517	\$ 14,215	\$ 844	\$ 15,059
2024	11,232	267	11,499	14,322	717	15,039
2025	11,308	191	11,499	14,450	589	15,039
2026	3,697	133	3,830	6,890	479	7,369
2027	2,475	104	2,579	5,720	397	6,117
2028-2032	1,602	389	1,991	15,444	1,075	16,519
2033-2037	700	282	982	2,363	512	2,875
2038-2042	463	231	694	1,981	326	2,307
2043-Thereafter	2,024	425	2,449	2,549	455	3,004
<b>Total</b>	<b>\$ 44,675</b>	<b>\$ 2,365</b>	<b>\$ 47,040</b>	<b>\$ 77,934</b>	<b>\$ 5,394</b>	<b>\$ 83,328</b>

The balance of the deferred inflows resources related to the business-type activities lease payments receivable was \$79,510 as of 9.30.2022.

Deferred Inflows of Resources	Balance, September 30, 2022
Dallas Water Utilities	\$ 250
Convention Center	34,727
Airport Revenues	44,533
<b>Total</b>	<b>\$ 79,510</b>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 12. Leases (continued)

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

Inflows of Resources	Dallas Water Utilities	Convention Center	Airport Revenues	Total Business- Type Activities
Lease Revenue	\$ 18	\$ 1,797	\$ 11,372	\$ 13,187
Interest Revenue	4	542	412	958

Business-Type Activities Variable Payment Leases

The City has some leases that have variable components, or contract terms that require tenants to pay the greater of either a monthly minimum rent or a percentage rent based on revenues generated by the lessee. Percentage rents and other variable payments in excess of the minimum guarantee rent are not included in the measurement of the lease receivable. During fiscal year 2022, inflow of resources for percentage of variable rents totaled \$5,304 and were comprised of the following:

Concession Categories	Inflows of Resources
Retail	\$ 508
Food & Beverage	4,738
Misc. Concessions	58
	<u>\$ 5,304</u>

Regulated Leases

The Airport Revenue Fund does not recognize a lease receivable and a deferred inflow of resources for regulated leases and deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g., the U.S. Department of Transportation and the Federal Aviation Administration regulated aviation leases between airports, air carriers and other aeronautical users. Regulated leases include the Airline Lease Agreement and related airline leases, as well as contracts with Fixed Based Operators ("FBOs"), General Aviation (GA), and fuel farms. These agreements are non-cancellable with remaining lease terms ranging from less than 2 years to 37 years and generally expire between 2023 and 2059, with options to extend or month-to-month, which shall be deemed to amend, restate and supersede Airline's existing Lease as of the effective date hereof.

Under the agreements with Southwest Airlines, American Airlines, United, and Delta have exclusive and preferential use of certain space and facilities of the terminal and preferential use of certain apron areas. Regulated leases include but not limited to buildings, hangars, ticket areas, concourse, baggage areas, gate hold rooms, and aprons. The table on the following page defines the use of space.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 12. Leases (continued)

Love Field Airport					Total Love Field
	American Airlines	United	Southwest	Delta	Airport
Ticket Areas	2,294 sq. ft.	2,100 sq. ft.	14,743 sq. ft.	271 sq. ft.	19,408 sq. ft.
Concourse Area	2,755 sq. ft.	1,455 sq. ft.	68,968 sq. ft.	- sq. ft.	73,178 sq. ft.
Baggage Areas	7,250 sq. ft.	6,624 sq. ft.	47,782 sq. ft.	1,403 sq. ft.	63,058 sq. ft.
Gate Holdrooms	4,632 sq. ft.	5,998 sq. ft.	41,912 sq. ft.	- sq. ft.	52,542 sq. ft.
Aprons - leasable airline space	2	2	16	-	20

Dallas Executive Airport		Total DEA
Regulated Areas		10,868,071 sq. ft.

The future expected minimum rentals to be received from the Love Field Airport and Dallas Executive Airport for the existing regulated leases as of September 30, 2022 are as follows (in thousands):

Fiscal Year Ending September 30, 2022	
2023	\$ 69,905
2024	69,896
2025	69,674
2026	69,455
2027	69,455
2028-2032	108,284
2033-2037	46,839
2038-2042	56,188
2043 - Thereafter	124,802
Total minimum lease rentals	<u>\$ 684,498</u>

Lease-Leaseback Transactions

The City entered into a lease-leaseback transaction with one of the airlines. The City leases land to an airline in the amount of \$27,510 a year for a 30-year term and the City leases the same land back. The lease-leaseback transaction should be accounted for as a net transaction, and therefore will be excluded from the future expected minimum payments.

**B. As Lessee**

The City has entered into various lease agreements as lessee primarily for land, building, and office space. Most leases have initial terms of up to five years and contain one or more renewal periods in the lease term at the City's option, generally for three-year or five-year periods. Generally, renewal periods have been included in the lease term when it is reasonably certain that the City will exercise the renewal option. The City's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred as variable lease payments. The variable lease payment amounts were immaterial. The City's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the City's leases is not readily determinable, the City utilizes its incremental borrowing rate to discount the lease payments.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 12. Leases (continued)

Governmental Activities Leases - City as Lessee

As of September 30, 2022, the City's governmental activities leases payable balance of \$35,152 was comprised of the following:

Various land leases with principal and interest payments totaling \$809 during fiscal year 2022, at interest rates ranging from 0.32 to 2.34 percent, with remaining lease terms ranging from 3 to 32.3 years.	\$ 3,235
Various building leases with principal and interest payments totaling \$2,749 during fiscal year 2022, at interest rates ranging from 0.25 to 2.34 percent, with remaining lease terms ranging from 1.25 to 52 years.	27,458
Various equipment leases with principal and interest payments totaling \$1,258 during fiscal year 2022, at interest rates of 0.64 percent, with remaining lease terms of 4.6 years.	4,459
Total leases payable for governmental activities	\$ 35,152

Fiscal Year	Governmental Activities Principal	Governmental Activities Interest
2023	\$ 4,540	\$ 527
2024	4,442	497
2025	3,324	469
2026	2,439	444
2027	1,520	427
2028-2032	2,592	1,985
2033-2037	471	1,875
2038-2042	354	1,835
2043-2047	397	1,791
2048-2052	446	1,742
2053-2057	454	1,690
2058-2062	492	1,636
2063-2067	553	1,575
2068-2072	621	1,507
2073-2077	697	1,431
2078-2082	782	1,346
2083-2087	878	1,250
2088-2092	986	1,142
2093-2097	1,107	1,022
2098-2102	1,242	886
2103-2107	1,395	734
2108-2112	1,566	563
2113-2117	1,757	371
2118-2122	1,973	155
2123-2127	124	89
Total	\$ 35,152	\$ 26,989

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 12. Leases (continued)

Business-Type Activities Leases - City as Lessee

As of September 30, 2022, the City's business-type activities leases payable balance of \$79,736 was comprised of the following:

Various land leases with expenditure totaling \$5,986 during fiscal year 2022, at interest rates ranging from 1.12 to 2.06 percent, with remaining lease terms ranging from 8 to 25.10 years.	\$ 60,855
Various building leases with expenditure totaling \$2,236 during fiscal year 2022, at interest rates ranging from 0.07 to 5.65 percent, with remaining lease terms ranging from 1.60 to 25.10 years.	<u>18,881</u>
	<u>\$ 79,736</u>

The annual payment requirements to amortize the long-term leases payable for the governmental activities as of September 30, 2022, including principal and interest payments to maturity are shown on the following page.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 12. Leases (continued)

Fiscal Year	Dallas Water Utilities			Airport Revenues		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 340	\$ -	\$ 340	\$ 1,880	\$ 3,939	\$ 5,819
2024	-	-	-	1,969	3,849	5,818
2025	-	-	-	2,064	3,754	5,818
2026	-	-	-	2,187	3,654	5,841
2027	-	-	-	2,301	3,549	5,850
2028-2032	-	-	-	13,063	15,944	29,007
2033-2037	-	-	-	15,074	12,367	27,441
2038-2042	-	-	-	19,720	7,720	27,440
2043-Thereafter	-	-	-	18,054	1,914	19,968
Total	\$ 340	\$ -	\$ -	\$ 76,312	\$ 56,690	\$ 133,002

Fiscal Year	Nonmajor Enterprise Funds					
	Municipal Radio			Building Inspection		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 156	\$ 17	\$ 173	\$ 369	\$ 14	\$ 383
2024	164	15	179	325	12	337
2025	172	13	185	234	10	244
2026	181	10	191	166	8	174
2027	189	8	197	131	6	137
2028-2032	570	10	580	427	8	435
2033-2037	-	-	-	-	-	-
2038-2042	-	-	-	-	-	-
2043-Thereafter	-	-	-	-	-	-
Total	\$ 1,432	\$ 73	\$ 1,505	\$ 1,652	\$ 58	\$ 1,710

Fiscal Year	Total Business-Type Activities		
	Principal	Interest	Total
2023	\$ 2,745	\$ 3,970	\$ 6,715
2024	2,458	3,876	6,334
2025	2,470	3,777	6,247
2026	2,534	3,672	6,206
2027	2,621	3,563	6,184
2028-2032	14,060	15,962	30,022
2033-2037	15,074	12,367	27,441
2038-2042	19,720	7,720	27,440
2043-Thereafter	18,054	1,914	19,968
Total	\$ 79,736	\$ 56,821	\$ 136,557



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 13. Defeasance of Debt

In current and prior years, the City legally defeased certain outstanding general obligation and enterprise revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments of the refunded bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's basic financial statements.

As of September 30, 2022, the City had a total of \$351 million defeased outstanding general obligation bonds, \$1.6 billion defeased outstanding water and sewer revenue bonds, and \$261 million defeased convention center refunding and improvement bonds. The bonds defeased during the fiscal year are as follows:

	Balance, September 30, 2021	Additions	Deletions	Balance, September 30, 2022
General Obligation Bonds	\$ 310,805	\$ 91,605	\$ 51,715	\$ 350,695
Water and Sewer Revenue Bonds	1,053,493	-	59,475	994,018
Convention Center Refunding and Improvement Bonds	-	260,830	-	260,830
<b>Total</b>	<b>\$ 1,364,298</b>	<b>\$ 352,435</b>	<b>\$ 111,190</b>	<b>\$ 1,605,543</b>

Note 14. Risk Management – Estimated Claims and Judgments Payable

The City is self-insured for all third-party general liability claims. Claims adjusting services are provided by the City's internal staff. Interfund premiums are based primarily upon the insured funds' claims experience and exposure and are reported as cost reimbursement interfund transactions. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and, if probable and material, salvage, and subrogation.

All known City property, primarily buildings and contents, is insured through commercial insurance policies, subject to a \$750 thousand deductible per loss occurrence. The amount of settlements have not exceeded the deductible loss per occurrence during the fiscal year ended September 30 2022, but did in a prior fiscal year.

The City is self-insured for workers' compensation claims that occurred prior to October 1, 1999. Effective October 1, 1999 through January 31, 2013, the City was insured for workers' compensation losses in excess of \$750 thousand per occurrence. Effective February 1, 2013, the City was insured for workers' compensation losses in excess of \$1 million per occurrence. Effective February 1, 2016, the City is insured for workers' compensation losses in excess of \$1.5 million per occurrence. Claims adjusting services are provided by an independent "administrative services" contractor. Workers' compensation premiums are based primarily upon the insured funds' claims experience and exposure, and are reported as cost reimbursement interfund transactions.

All workers' compensation losses are accumulated in a clearing fund which is being reimbursed by the premiums collected. When losses exceed premiums, the deficiencies are prorated and supplemented by the various applicable funds. Accrued workers' compensation liability consists of incurred but not reported as well as unpaid reported claims of which \$54.7 million at September 30, 2022, is recorded in the risk funds. Of this amount, \$11.2 million is estimated to be payable in the next fiscal year.

The City maintains a group health insurance plan for employees and dependents which is self-insured by the City. The City also offers enrollment in one health maintenance organization as an alternative. Premiums are determined based on the annual budget. The City also maintains a group life insurance plan which offers term-life and accidental death and dismemberment for employees and dependents. The City is fully insured for employee term-life. Health claims and claims incurred but not reported that are probable and can be reasonably estimated are accrued in the accompanying basic financial statements at September 30, 2022, in the amount of \$9.9 million in the risk funds.

At September 30, 2022, the City estimates its general liability at \$62.2 million, of which \$50.4 million is estimated to be payable in the next fiscal year. The general liability includes \$5.2 million for automobile and general liability and \$57 million for probable claims and lawsuits.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 14. Risk Management – Estimated Claims and Judgments Payable (continued)

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	Workers' Compensation		Health		General Liability	
	2022	2021	2022	2021	2022	2021
Unpaid claims, beginning of year	\$ 43,115	\$ 41,360	\$ 8,960	\$ 8,375	\$ 56,306	\$ 59,950
Incurred claims, including incurred but not reported claims (IBNRs) and changes in estimates	12,320	13,447	108,493	121,740	7,334	6,904
Claim payments	(13,055)	(6,517)	(117,435)	(130,646)	(4,744)	(5,366)
Changes to prior year estimates (IBNR)	12,358	(5,175)	9,864	9,491	3,294	(5,182)
Unpaid claims, end of year	<u>\$ 54,738</u>	<u>\$ 43,115</u>	<u>\$ 9,882</u>	<u>\$ 8,960</u>	<u>\$ 62,190</u>	<u>\$ 56,306</u>

Note 15. Accrued Landfill Liability

The City owns and operates the McCommas Bluff landfill located in the southern portion of the City. The developed 449.9 acres of the landfill has an estimated remaining useful life of 1 year. The undeveloped 493.2 acres of the landfill has an estimated useful life of 23 years. Closure and post-closure care of this landfill is subject to the requirements of Subtitle D of the Resource Conservation and Recovery Act (P.L. 94-580) and Sections 330.250-256 of Title 30 of the Texas Administrative Code administered by the Texas Commission on Environmental Quality (TCEQ). These regulations require the City to place a final cover on each cell of the landfill when it ceases to accept waste, and perform certain maintenance and monitoring functions for thirty years after the closure of each cell.

Because final contours have not been achieved, the City has not yet initiated closure of any of this landfill or incurred closure expenses. Therefore, the estimated \$44.1 million liability for closure/post-closure care is based on 96.1 percent of the capacity of the developed landfill subject to TCEQ regulations--none of which is expected to be paid from current available resources.

The City also owns and operates three transfer stations. The estimated post closure cost is \$268 thousand for the transfer stations at September 30, 2022.

The estimated total liability of \$45.9 million is based on current dollar average cost per acre calculations for this specific landfill as originally provided by consulting firms and has been revised annually by the City to accommodate inflation, deflation, technology, and developmental or regulation changes. In accordance with the provisions of Codification of Governmental Accounting and Financial Reporting Standards, Section L10, "Landfill Closure and Post Closure Care Costs," the City has recorded a closure and post-closure liability of \$44.4 million as a long-term liability. Closure and post-closure care are funded through current Sanitation Fund revenues generated by landfill operations. Effective April 9, 1997, Sections 330.280-284 of Title 30 of the Texas Administrative Code (TAC) require landfill owners to demonstrate financial assurance on an annual basis that they will have sufficient financial resources to satisfy closure and post-closure care expenditures at such time as these become payable.

The City also owns the Deepwood & Loop 12 landfill located at South Miller Road, southwest of Loop 12. This landfill is closed. The estimated total liability for post closure care costs for the entire 47 acres of the closed landfill (132 acres of the Landfill Property) is estimated to be \$4.6 million during the next 14 years, of which \$332 thousand is due within one year.

The total closure and post-closure liability for both landfills and the three transfer stations at September 30, 2022 is \$49 million.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 16. Pollution Remediation

The City is responsible for following all applicable environmental rules when managing sites with environmental clean-up or management requirements. The Texas Commission on Environmental Quality (TCEQ) is the State regulatory agency that regulates all projects being reported. The method used to calculate the liability is the current value of outlays to remediate the properties – the amount that would be paid if all equipment, facilities, and services included in the estimate were acquired during the current period. The liability is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of September 30, 2022, the total environmental remediation liability is \$4.5 million, and the current portion of this liability is \$2 million. At this time, the City is unable to estimate any recoveries to reduce the liability.

Twenty sites are regulated by the Texas Risk Reduction Program, Texas Administrative Code (TAC) Ch. 350. During the reporting period, the City began remediation activities at one new site. The total estimated cost is \$1.9 million, and the current portion of this liability is \$1.6 million.

One leaking petroleum storage tank sites are managed by environmental corrective activities in compliance with the rule for Underground and Aboveground Storage Tanks, TAC Ch 334. The total estimated cost is \$18 thousand, and the current portion of this liability is \$18 thousand.

Two sites are also managed by testing and removal of asbestos in compliance with Texas Asbestos Health Protection Rules, TAC Ch 295 Occupational Safety. During the reporting period, the City began remediation activities at two new sites. The total estimated cost is \$169 thousand, and the current portion of this liability is \$169 thousand.

One site is also managed by testing and removal of asbestos in compliance with Texas Asbestos Health Protection Rules, TAC Ch 295 Occupational Safety and Mold rule. During the reporting period, the City began remediation activities at one new site. The total estimated cost is \$10 thousand, and the current portion of this liability is \$10 thousand.

Three sites are also managed by testing and removal of asbestos in compliance with Texas Asbestos Health Protection Rules, TAC Ch 295 Occupational Safety and Health Administration (OSHA) Lead Exposure Rules 29 Code of Federal Regulations (CFR) 1926.62. During the reporting period, the City completed remediation activities at one site. The total estimated cost is \$388 thousand, and the current portion of this liability is \$9 thousand.

A former shingle recycling site is regulated by the Texas Municipal Waste Rules, TAC Ch 330. Through a judgment, the City has taken responsibility to remove shingle debris from a private property and transfer the shingles and associated waste to McCommas Bluff Landfill (MBLF). Shingles were removed and transferred to MBLF, soil with shingles disposed of at MBLF, and a Phase I and II Environmental Site Assessment (ESA) were completed. During the reporting period supplemental investigation was completed, the Site was entered into volunteer cleaning program, and the Affected Property Assessment Requirements (APAR) was initiated. Invoices for these services were delayed. Activities expected to be completed in the current period include completion of the APAR, correspondence with TCEQ, preparation of the response action plan, site management, and initiating remediation. The maximum estimated cost for this project is \$2 million and the current portion of the liability is \$75 thousand. City Council approved \$2 million in the Risk Fund be set aside for remediation to closeout environmental with TCEQ.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 16. Pollution Remediation (continued)

The City's pollution remediation for the year ended September 30, 2022 are as follows:

Sites regulated by	Balance, September 30, 2021	Additions	Deletions	Balance, September 30, 2022	Due Within One Year
<b>Governmental Activities:</b>					
Texas Risk Reduction Program	\$ 2,329	\$ 488	\$ 1,031	\$ 1,786	\$ 1,615
Texas Asbestos Health Protection Rules	-	169	-	169	169
Texas Asbestos Health Protection Rules and Mold Rules	-	74	64	10	10
Texas Asbestos Health Protection Rules and OSHA Lead Exposure Rules	668	4	284	388	9
<b>Total Governmental Activities</b>	<u>2,997</u>	<u>735</u>	<u>1,379</u>	<u>2,353</u>	<u>1,803</u>
<b>Business-type Activities</b>					
<b>Convention Center</b>					
Texas Risk Reduction Program	63	-	-	63	63
<b>Airport Revenues</b>					
Texas Risk Reduction Program	393	-	367	26	-
Underground and Aboveground Storage Tanks	18	-	-	18	18
<b>Sanitation</b>					
Texas Municipal Waste Rules	22	2,048	22	2,048	75
<b>Total Business-type Activities</b>	<u>496</u>	<u>2,048</u>	<u>389</u>	<u>2,155</u>	<u>156</u>
<b>Total Pollution Remediation</b>	<u>\$ 3,493</u>	<u>\$ 2,783</u>	<u>\$ 1,768</u>	<u>\$ 4,508</u>	<u>\$ 1,959</u>

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 17. Pension Plans

A. Plan Descriptions

The City participates in funding three single employer, contributory, defined benefit employee pension plans. Membership is a condition of employment for all full-time, permanent employees. The activities of the entities as of December 31, 2021, are reported in the City's Pension Trust Funds. Descriptions of each plan are as follows:

Employees' Retirement Fund (ERF): The legal authority for this plan is Chapter 40A of the Dallas City Code. The fund is for the benefit of all eligible employees of the City, excluding firefighters and police officers. The fund is administered by a seven member board of trustees consisting of three persons appointed by the City Council who may be council members, three employees from different departments of the City who are elected by members of the retirement fund and who are members of the retirement fund, and the City Auditor. The ERF issues a stand-alone financial report which is available at: [www.dallaserf.org/publications-resources](http://www.dallaserf.org/publications-resources).

Dallas Police and Fire Pension System Combined Plan (Combined Plan): The legal authority for the Combined Plan is Article 6243a-1 of the Revised Civil Statutes of Texas. In 2017, changes to the plan were implemented by the passing of HB 3158. The Combined Plan is a retirement fund for police officers and firefighters employed by the City of Dallas. The system is administered by an eleven member board of trustees of the Dallas Police and Fire Pension System (DPFP System) composed of one elected from active members of the police department, one elected from active members of the fire rescue department, three elected by the nominations committee, and six appointed by the Mayor in consultation with city council. It is comprised of a single defined benefit pension plan designed to provide retirement, death, and disability benefits for firefighters and police officers (members). All active, eligible police officers and firefighters employed by the City are required to participate. The DPFP System issues a stand-alone financial report which is available at: [www.dpfp.org/Financial/Financial-Reports](http://www.dpfp.org/Financial/Financial-Reports).

Supplemental Police and Fire Pension Plan of the City of Dallas (Supplemental Plan): The legal authority for the Supplemental Plan is Subsection 35 of Chapter II of the Charter of the City of Dallas and Ordinance 14084 of 1973. The plan is administered by the board of trustees for the DPFP System. This plan includes officials in the Fire and Police Departments who hold rank higher than the highest corresponding Civil Service rank available as a result of competitive examination and who have elected participation. The Supplemental Plan issues a stand-alone financial report which is available at: [www.dpfp.org/Financial/Financial-Reports](http://www.dpfp.org/Financial/Financial-Reports).

B. Benefits provided

ERF: ERF provides retirement, disability, and death benefits to its members in accordance with Chapter 40A of the Dallas City Code. All employees of the City are members except police officers, firefighters, elected officers, non-salaried appointee members of boards or commissions, part-time employees working less than one-half time, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency. The plan consists of Tier A and Tier B members.

Members hired prior to January 1, 2017 (Tier A) have vested rights to retirement benefits after five years of service or to survivor benefits after two years of service. Benefits are based on credited service and the average monthly earnings for the three highest paid calendar years. Members of the Tier A are entitled to normal retirement pension at age 60; early retirement pension at age 55 if employed prior to May 9, 1972 or age 50 and age plus years of service total 78; service retirement pension at any age after 30 years of credited service and disability retirement pension as determined by the board of trustees. Cost of living adjustments for retirees are made each year on January 1 by adjusting the pension base by the percentage change of the consumer price index, not to exceed 5 percent.

Members hired after December 31, 2016 (Tier B) have vested rights to retirement benefits after five years of service or to survivor benefits after two years of service. Benefits are based on credited service and the average monthly earnings for the five highest paid calendar years. Members of Tier B are entitled to normal retirement pension at age 65; early retirement pension with a reduced benefit prior to age 65 and age plus years of service total 80 and; service retirement pension at any age after 40 years of credited service and disability retirement pension as determined by the board of trustees. Cost of living adjustments for retirees are made each year on January 1 by adjusting the pension base by the percentage change of the consumer price index, not to exceed 3 percent.

Amendments to Chapter 40A of the Dallas City Code, other than provisions required to comply with federal law, may only be made by a proposal initiated by either the board of trustees of the ERF or the City Council which results in an ordinance approved by the board, adopted by the City Council, and approved by a majority of the voters voting at a general or special election.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

Combined Plan: The Combined Plan provides comprehensive retirement, disability, and survivor benefits for the City's police officers, firefighters and their beneficiaries as authorized through Article 6243a-1 of the Revised Civil Statutes of Texas. The Combined Plan consists of Group A and Group B membership. No member elected contribution under Group A.

Under Group A, members may elect to receive one of two benefit structures (Options 1 and 2):

- Option 1 entitles members with 20 years or more of pension service to normal monthly pension benefits beginning at age 50 equal to 50 percent of the base pay as defined as the maximum monthly civil service pay established by the City at the time of retirement plus 50 percent of the longevity pay the member was receiving at the time he or she left active service with the City or the effective date the member joined the Deferred Retirement Option Plan (DROP). Benefit payments are adjusted annually according to changes in active service base pay, if any. Additionally, a member is eligible to receive 50 percent of the difference between any annualized City service incentive pay granted to the member less annual longevity pay.
- Option 2 entitles members with 20 years or more of pension service to normal monthly pension benefits beginning at age 55 equal to 3 percent of the base pay computed, as noted in Option 1, for each year of pension service with a maximum of 32 years. In addition, a member receives 50 percent of the longevity pay and 1/24 of any City service incentive pay the member was receiving at the time he or she left active service with the City or the effective date the member joined DROP. Prior to September 1, 2017, pension benefit payments increased annually on October 1<sup>st</sup> by 4 percent of the initial benefit amount. After September 1, 2017, pension benefit payments are eligible for an ad hoc cost of living increase as approved by the Board, if certain funding requirements are met.

Under Group B, members receive one of two benefit structures:

- Members who began membership before March 1, 2011 with 5 or more years of pension service are entitled to monthly pension benefits beginning at age 50 equal to 3% of the member's average base pay plus education and longevity pay (Computation Pay) determined over the highest 36 consecutive months of Computation Pay, multiplied by the number of years of pension service prior to September 1, 2017. The monthly pension benefit for service earned after September 1, 2017 is based on the highest 60 consecutive months of Computation Pay multiplied by a 2.5% multiplier at age 58. The multiplier is reduced to between 2.0% and 2.4% for retirement beginning at age 53 and prior to age 58. The member cannot accrue a monthly pension benefit that exceeds 90% of the member's average Computation Pay. Certain members may receive a 2.5% multiplier for pension service after September 1, 2017 prior to age 58 if the combination of their pre and post September 1, 2017 pension service calculations using the 2.5% multiplier for post September 1, 2017 meets or exceeds the 90% maximum benefit. Certain members who meet the service prerequisite or were 45 prior to September 1, 2017 may elect to take early retirement with reduced benefits starting at age 45, or earlier if the member has 20 years of pension service.
- Members who began membership after February 28, 2011 are entitled to monthly pension benefits after accruing 5 years of pension service and the attainment of age 58. Pension benefits are equal to the member's average Computation Pay determined over the highest 60 consecutive months of Computation Pay, multiplied by 2.5% for the number of years of pension service. The member cannot accrue a monthly pension benefit that exceeds 90% of the member's average Computation Pay. Certain members who meet the service prerequisite may elect to take early retirement with reduced benefits starting at age 53.

Members who are eligible to retire are allowed to enter the DROP program. The member's monthly benefit remains in a DROP account which does not accumulate interest. Upon retirement from the City, the member is able to withdraw annuitized benefits from their DROP account; however, under certain circumstances, members may be eligible to withdraw a lump sum amount. The total DROP balance was \$978.5 million at December 31, 2021.

The Combined Plan documents may be amended only by the Texas State legislature.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 17. Pension Plans (continued)

Supplemental Plan: The Supplemental Plan provides benefits designed to supplement Combined Plan Group B benefits for members holding a rank higher than the highest corresponding civil service rank because their Combined Plan benefits are capped by the definition of “considered compensation.” Benefits provided by the Supplemental Plan were approved by the Dallas City Council through passage of City Ordinance 14084 of 1973 as authorized in City Charter Chapter II, Subsection 35. Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age 50. Members receive a supplemental pension based upon the difference between compensation for the civil service position held before entrance into the Supplemental Plan and compensation while participating in the Supplemental Plan. The formula used to determine the member’s Combined Plan Group B benefit is also used to determine the member’s benefit under the Supplemental Plan; therefore, the same length of time is used to determine the average computation pay for both the Combined Plan and the Supplemental Plan, as well as provisions for the application for benefits.

Members who are eligible to retire are allowed to enter the DROP program. The member’s monthly benefit remains in a DROP account which does not accumulate interest. Upon retirement from the City, the member is able to withdraw annuitized benefits from their DROP account; however, under certain circumstances, members may be eligible to withdraw a lump sum amount. The total DROP balance was \$6.5 million at December 31, 2021.

The Supplemental Plan document can be amended only by the City Council in accordance with City ordinance.

C. Employees covered by benefit terms

At December 31, 2021, the following numbers of employees were covered by the benefit terms:

	ERF	Combined Plan	Supplemental Plan
Retirees and beneficiaries currently receiving benefits	7,655	5,196	147
Inactive members entitled to benefits but not yet receiving them	1,981	233	1
Current members	7,175	5,088	50
Total	<u>16,811</u>	<u>10,517</u>	<u>198</u>

D. Contributions

ERF: Chapter 40A of the Dallas City Code establishes contribution requirements. Changes to the contribution formula may only be made by a proposal initiated by either the board of trustees of the ERF or the City Council which results in an ordinance approved by the board, adopted by the City Council, and approved by a majority of the voters voting at a general or special election.

The City contributes 63 percent of the required contribution and the membership contributes 37 percent. The City’s contribution rate covers both the debt service tied to the pension obligation bonds and the contributions to the Employees’ Retirement Fund. Although the total contribution is actuarially determined each year, it is adjusted based on the following requirements of Chapter 40A: (1) the maximum contribution percentage of covered wages is 36 percent; (2) the maximum increase or decrease from one year to the next is 10 percent; and (3) the contribution rate changes only if the actuarial valuation develops a rate which differs from the prior rate by more than 300 basis points. The adjusted contribution as a result of Chapter 40A is the Current Adjusted Total Obligation Rate (CATOR). Contribution rates are 13.32 percent of covered wages for employees and 22.68 percent for the City for the City’s fiscal year ended September 30, 2022. The City’s contribution of 22.68 percent is divided into 13.76 percent cash to the Plan and 8.92 percent for debt service payments on the pension obligation bonds. For fiscal year 2022, the City contribution was \$70 million.

Combined Plan: Article 6243a-1 of the Revised Civil Statutes of the State of Texas establishes contribution requirements. The amount of the contribution percentage may be determined only by the State Legislature or by a majority vote of the voters of the City of Dallas.

Prior to September 6, 2017, the City made statutorily required contributions of 27.5 percent of total wages and salaries as defined in the Combined Plan document and Article 6243a-1. After September 1, 2017, the City contributes 34.5 percent of computation pay, with a floor for seven years, plus \$13 million per year until 2024. No member elected contribution under Group A. Group B members are required to contribute 13.5 percent of their computation pay. For fiscal year 2022, the City contribution was \$168 million.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

Supplemental Plan: Ordinance 14084 of 1973 establishes contribution requirements. Changes to the contribution amounts or percentages may be made by City Council ordinance.

Members of the Supplemental Plan contribute 13.5 percent of their pay that is applicable to the Supplemental Plan. The City makes an annual contribution to the Supplemental Plan based on the results of an actuarial study. For fiscal year 2022, the City contribution was \$2.8 million.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date.

F. Actuarial Assumptions

The total pension liabilities in the December 31, 2021 actuarial valuations were determined using the following actuarial assumptions for each of the plans, applied to all periods included in the measurement:

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 17. Pension Plans (continued)

	ERF	Combined Plan	Supplemental Plan
Inflation	2.50%	2.50%	2.50%
Salary Increases	3.0% to 8.25%, including inflation	2.5% to 3.25%, including inflation	2.5% to 3.25%, including inflation
Investment Rate of Return	7.25%	6.50%	6.50%
Mortality	<p><b>For actives:</b>  Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019).</p> <p><b>For healthy retirees:</b>  2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019).</p> <p><b>For all disabled lives:</b>  2019 Texas Municipal Retirees Mortality Table, set forward four years for males and three years for females, using Scale UMP (Ultimate MP-2019).</p>	<p><b>For actives:</b>  Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.</p> <p><b>For healthy retirees:</b>  Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.</p> <p><b>For all disabled lives:</b>  Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.</p>	<p><b>For actives:</b>  Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.</p> <p><b>For healthy retirees:</b>  Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.</p> <p><b>For all disabled lives:</b>  Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.</p>
Cost of Living Adjustments	The percentage of change in the price index for October of the current year over October of the previous year, or the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment. The maximum COLA for Tier A retirees is 5%, and the maximum for Tier B retirees is 3%.	Ad hoc granted by the Board when the Combined Plan is 70 percent funded after accounting for the COLA. 1.5% of original benefit, beginning October 1, 2073.	Ad hoc granted by the Board when the Combined Plan is 70 percent funded after accounting for the COLA. 1.5% of original benefit, beginning October 1, 2073.
Long-term expected rate of return	Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.	Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.	Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 17. Pension Plans (continued)

The target allocation and best estimates of arithmetic real rates of return (RROR) for each of the plans, by major asset class, are summarized in the following table:

Asset Class	ERF	
	Target Allocation	Long-term RROR
Domestic equity	12.5%	5.25%
International equity	12.5%	6.25%
Global equity	7.5%	5.85%
Low volatility global equity	12.5%	5.90%
Private equity	7.5%	9.10%
Core fixed income	15.0%	3.05%
High yield fixed income	10.0%	4.65%
Credit opportunities	5.0%	7.00%
REITs	2.5%	5.00%
Private real estate - core	5.0%	5.75%
Private real estate - value add	2.5%	7.10%
MLPs	2.5%	7.45%
Global public infrastructure	5.0%	5.35%
Total	100.0%	

Asset Class	Combined Plan		Supplemental Plan	
	Target Allocation	Long-term RROR	Target Allocation	Long-term RROR
Global equity	55%	6.40%	55%	6.40%
Emerging markets equity	5%	8.50%	5%	8.50%
Private equity	5%	10.40%	5%	10.40%
Cash	3%	-0.10%	3%	-0.10%
Short-term investment grade bonds	6%	0.00%	6%	0.00%
Investment grade bonds	4%	0.40%	4%	0.40%
High yield bonds	4%	2.60%	4%	2.60%
Bank loans	4%	2.10%	4%	2.10%
Emerging markets debt	4%	2.80%	4%	2.80%
Real estate	5%	3.90%	5%	3.90%
Natural resources	5%	4.57%	5%	4.57%
Total	100%		100%	

G. Discount Rate

ERF: The discount rate used to measure the total pension liability was 7.25 percent. This single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and the municipal bond rate of 1.84 percent. The projection of cash flows used to determine the discount rate assumed that that (1) plan member contributions and City contributions will be made at the projected future contribution rates outlined in Chapter 40A of the Dallas City Code, under which employees contribute 37 percent of the CATOR; the City contributes 63 percent of the CATOR, reduced by the amount required to pay current debt service on the 2005 pension obligation bonds; (2) the ERF annually earns 7.25 percent on its market value of assets; and (3) the number of active members remains constant in the future. Based on those assumptions and the ERF's funding policy, the resulting single discount rate is 7.25 percent.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 17. Pension Plans (continued)

Combined Plan: The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employee and City contributions will be made in accordance with House Bill 3158, including statutory minimums through 2024 and 34.5% of computation pay thereafter. The fiduciary net position of the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Supplemental Plan: The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Supplemental Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

On May 31, 2017, Texas Governor Greg Abbott signed into law House Bill 3158, affecting the Dallas Police and Fire Pension System ("Pension System"). House Bill 3158 primarily amends 6243a-1, Texas Revised Statutes, including amendments to provisions concerning benefits, contributions, and governance, among other things. These changes took effect September 1, 2017 for both the Combined and Supplemental Plans.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 17. Pension Plans (continued)

H. Changes in the Net Pension Liability

The following table shows the net pension liabilities as of December 31, 2022.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b><u>Employees' Retirement Fund</u></b>			
Balances at 12/31/20	\$ 6,209,853	\$ 3,706,753	\$ 2,503,100
Changes for the year:			
Service cost	141,654	-	141,654
Interest	322,901	-	322,901
Changes of assumptions	(1,303,798)	-	(1,303,798)
Differences between expected and actual experience	30,791	-	30,791
Contributions - City	-	63,583	(63,583)
Contributions - Employee	-	59,256	(59,256)
Net investment income	-	578,010	(578,010)
Benefit payments, including refunds of employee contributions	(307,038)	(307,038)	-
Administrative expense	-	(7,350)	7,350
Other changes	-	-	-
Net Changes	(1,115,490)	386,461	(1,501,951)
Balances at 12/31/21	<u>\$ 5,094,363</u>	<u>\$ 4,093,214</u>	<u>\$ 1,001,149</u>
<b><u>Combined Plan</u></b>			
Balances at 12/31/20	\$ 5,122,372	\$ 1,943,699	\$ 3,178,673
Changes for the year:			
Service cost	69,963	-	69,963
Interest	326,949	-	326,949
Changes of assumptions	(4,238)	-	(4,238)
Differences between expected and actual experience	(26,683)	-	(26,683)
Contributions - City	-	165,541	(165,541)
Contributions - Employee	-	58,560	(58,560)
Net investment income	-	321,063	(321,063)
Benefit payments, including refunds of employee contributions	(324,633)	(324,633)	-
Administrative expense	-	(6,391)	6,391
Net Changes	41,358	214,140	(172,782)
Balances at 12/31/21	<u>\$ 5,163,730</u>	<u>\$ 2,157,839</u>	<u>\$ 3,005,891</u>
<b><u>Supplemental Plan</u></b>			
Balances at 12/31/20	\$ 37,484	\$ 16,374	\$ 21,110
Changes for the year:			
Service cost	394	-	394
Interest	2,373	-	2,373
Changes of assumptions	(4)	-	(4)
Differences between expected and actual experience	3,371	-	3,371
Contributions - City	-	2,099	(2,099)
Contributions - Employee	-	228	(228)
Net investment income	-	2,765	(2,765)
Benefit payments, including refunds of employee contributions	(2,750)	(2,750)	-
Administrative expense	-	(55)	55
Net Changes	3,384	2,287	1,097
Balances at 12/31/21	<u>\$ 40,868</u>	<u>\$ 18,661</u>	<u>\$ 22,207</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 17. Pension Plans (continued)

The net pension liability for the ERF has been allocated between governmental activities and business-type activities based on the percentage of contribution by each. The net pension liability for the Combined Plan and Supplemental Plan is reported in the governmental activities. For governmental activities, the total net pension liability was \$3,671,537 and for business-type activities, \$357,710. The amount of the ERF net pension liability allocated by business-type activity is \$219,061 to Dallas Water Utilities, \$21,499 to Convention Center, \$17,844 to Airport Revenues, \$60,043 to Sanitation and \$39,263 to nonmajor funds.

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the City, calculated using the discount rates of 7.25 percent for ERF, 6.50 percent for the Combined Plan and 6.50 percent for the Supplemental Plan, as well as what the City's net pension liability would be if it were calculated using discount rates that are 1-percentage-point lower (6.25 percent for ERF, 5.50 percent for the Combined Plan and 5.50 percent for the Supplemental Plan) or 1-percentage-point higher (8.25 percent for ERF, 7.50 percent for the Combined Plan and 7.50 percent for the Supplemental Plan) than the current rates:

	1% Decrease	Current Discount Rate	1% Increase
ERF	\$ 1,599,681	\$ 1,001,149	\$ 500,887
Combined Plan	\$ 3,619,927	\$ 3,005,891	\$ 2,495,745
Supplemental Plan	\$ 26,116	\$ 22,207	\$ 18,881

J. Pension Plan Fiduciary Net Position

Detailed information about the fiduciary net position of each of the pension plans is available in the separately issued financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2022, the City recognized total pension expense of (\$320,248), \$41,190 of which was for the ERF, (\$363,797) for the Combined Plan, and \$2,359 for the Supplemental Plan. At September 30, 2022, the City also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERF		Combined Plan		Supplemental Plan	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 24,114	\$ 46,452	\$ 59,948	\$ 60,834	\$ -	\$ -
Changes of assumptions	336,818	1,017,700	272,843	489,326	-	-
Net difference between projected and actual earnings on pension plan investments	-	268,186	-	39,862	-	134
Contributions subsequent to the measurement date	54,192	-	126,880	-	2,807	-
Total deferred outflows/inflows	<u>\$ 415,124</u>	<u>\$ 1,332,338</u>	<u>\$ 459,671</u>	<u>\$ 590,022</u>	<u>\$ 2,807</u>	<u>\$ 134</u>

Deferred outflows of resources reported in the amounts of \$54,192, \$126,880 and \$2,807 related to pension contributions in the ERF, Combined Plan and Supplemental Plan made subsequent to the measurement date will be recognized as a reduction of the net pension liability during the fiscal year ending September 30, 2023. Deferred inflows of resources reported in the amount of (\$1,228,772) related to pensions will be recognized in pension expense as shown on the following page.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 17. Pension Plans (continued)

	ERF	Combined Plan	Supplemental Plan
Year ending 09/30:			
2023	(159,922)	(428,222)	150
2024	(320,155)	48,251	141
2025	(321,636)	57,283	(82)
2026	(169,693)	27,424	(343)
2027	-	42,450	-
Thereafter	-	(4,417)	-
Total	<u>\$ (971,406)</u>	<u>\$ (257,231)</u>	<u>\$ (134)</u>

Note 18. Commitments and Contingencies

A. Pending Lawsuits and Claims

Various claims and lawsuits are pending against the City and its officers and employees acting in their official capacities (hereafter collectively "City" for purposes of Note 18 A). Those lawsuits and claims, excluding condemnation proceedings, which are considered "probable" and estimable are accrued as a liability, while those claims and judgments, excluding condemnation proceedings, which are considered "reasonably possible" are disclosed but not accrued.

At September 30, 2022, approximately \$51.7 million has been accrued in the Risk Fund as a liability for pending material claims and lawsuits, excluding condemnation proceedings, considered to be probable. In the opinion of the City Attorney, this is the total amount of all such pending claims and lawsuits which represent probable loss to the City.

In the opinion of the City Attorney, the potential loss resulting from all material pending lawsuits and claims, excluding condemnations proceedings, which are considered reasonably possible and estimable, is approximately \$22 million as of September 30, 2022.

B. Commitments and Loss Contingencies

The City participates in a number of federally assisted and state grant programs, principally the Community Development Block Grant, Women, Infants and Children, Coronavirus Relief Fund, Emergency Rental Assistance, HOME, Airport Improvement, and Clear Air and Drinking Water programs. The programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of the expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amount, if any, to be immaterial.

The City has several major construction projects planned or in progress as of September 30, 2022. These projects are evidenced by contractual commitments and include the following: \$363 million for General Purpose Capital Improvements and \$693 million for Water Utilities Capital Improvements.

As discussed in note 2.B., Budgets and Budgetary Basis of Accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability, and to facilitate effective cash planning and control. As of September 30, 2022, the amount of encumbrances expected to be honored upon performance by the vendor in a subsequent year were as follows:

	Encumbrance Amount
General fund	\$ 44,347
Management Improvement	75,920
Nonmajor governmental funds	417,703
Total	<u>\$ 537,970</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 19. Dallas Water Utilities Prepaid Escrow

On October 1, 1981, the City of Dallas purchased water supply rights for Lake Fork, a water source owned and operated by the Sabine River Authority (Authority), for approximately \$117 million. Lake Fork is located on Lake Fork Creek, a tributary of the Sabine River, in Wood, Hopkins, and Rains Counties, approximately 70 miles east of the City of Dallas. Financial obligations of the City's share of Lake Fork water supply rights were fully paid as of December 2004. The City now has a contract with the Authority for 74 percent of the water available from Lake Fork.

The City was required to pay the Authority for a pro rata share of the operation and maintenance costs associated with Lake Fork, which was approximately \$15.7 million in the fiscal year ended September 30, 2022. The pro rata share of the operation and maintenance costs owed to the Authority for the renewal of the Lake Fork contract was to be mutually negotiated with the Authority pursuant to the terms of the contract. Negotiation attempts with the Authority failed and in October 2014, the Authority unilaterally established a rate which would require the City to pay approximately an additional \$24 million annually for the water to which it is entitled. The City challenged the rate by filing petitions with the Public Utilities Commission of Texas (PUC) and district courts in Travis and Orange counties in Texas. The PUC ordered an administrative law judge to consider setting an interim rate while this dispute was pending.

On April 2, 2015, the administrative law judge ruled that the interim rate must be paid by the City of Dallas until the rate case was resolved. The rate was set by the Authority on a take-or-pay basis, without a cost escalator. This interim rate was retroactive to November 2, 2014. The amounts the City paid in accordance with the interim rate were expensed and deposited into an interest-bearing escrow account, established by the Authority, pending the final outcome of the rate case.

A settlement agreement was approved by City Council on October 11, 2017 and by the Authority Board of Directors on October 12, 2017.

The interest-bearing escrow account balance was \$68.7 million on September 30, 2018. Terms of the settlement agreement required that \$23.4 million be paid immediately from the escrow account as additional compensation to the Authority for the period November 2, 2014 through September 30, 2018. The remaining escrow amount of \$45.3 million at September 30, 2017, plus the accrued September escrow contribution of \$2 million (total \$47.3 million) will be used to offset future payments of additional compensation by the City to the Authority, until the escrow account balance is depleted, and has been recorded as Prepaid Escrow on the statement of net position. The escrow balance was \$4.9 million on September 30, 2022. The remaining balance is estimated to be fully depleted in future years.

Note 20. Other Postemployment Benefits

A. Plan Description

In addition to pension benefits, the City provides certain healthcare benefits for retired employees through various Council resolutions. The postemployment benefit plan is a single-employer plan administered by BlueCross BlueShield of Texas (BCBSTX). Employees who are permanent, full-time employees are eligible to participate at retirement. The City eliminated subsidization of the plan for individuals hired on or after January 1, 2010. No assets are accumulated in a trust that meets the criteria in GASB Statement 75.

B. Benefits Provided

For pre-65 retired employees hired before January 1, 2010, the City pays on average \$672 (not in thousands) per month. The plan is closed to employees hired January 1, 2010 and thereafter. For pre-Medicare retirees who qualify and choose the City health plan, the City pays approximately 50 percent of the actuarial cost and the retiree pays the other 50 percent. There were 1,210 pre-65 retired participants in the health plan at September 30, 2022, the latest data used for this evaluation. Post-Medicare retirees are offered two Medicare Advantage plans along with a Medicare Part D prescription drug plan. The City no longer subsidizes the Medicare Advantage plans for the retirees regardless of hire date. The City pays Part A premiums for a grandfathered group of employees hired before April 1, 1986. The City also pays retiree life insurance for a grandfathered group who retired before January 1, 2002.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 20. Other Postemployment Benefits (continued)

C. Employees Covered by Benefit Terms

At September 30, 2022, membership was as follows:

Pre-65 Retirees	1,210
Part A Retirees	344
Active employees	4,569
Total participants	6,123

D. Total OPEB Liability

The City's total OPEB liability of \$221,571 was measured as of September 30, 2022 and was determined by an actuarial valuation as of that date. The total OPEB liability has been allocated between governmental activities and business-type activities, based on the percentage of contribution by each. For governmental activities, the total OPEB liability was \$169,651 and for business-type activities, \$51,920, with allocations of \$30,351 to Dallas Water Utilities fund, \$4,025 to Convention Center, \$3,617 to Airport Revenues, \$9,464 to Sanitation, and \$4,463 to nonmajor enterprise funds.

E. Actuarial Assumptions

The total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	<b>Police and Fire:</b> 2.5% to 3.25%, including inflation <b>Non-Uniformed:</b> 3.0% to 8.25%, including inflation
Discount Rate	4.40%, based on the 20-year yield for tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Mortality	<b>Uniform (pre-retirement):</b> Pub-2010 Public Safety Employee Amount-Weighted Table, set forward five years for males, projected generationally using Scale MP-2019. <b>Uniform (post-retirement):</b> Pub-2010 Public Safety Retiree Amount-Weighted Table set back one year for females, projected generationally using Scale MP-2019. <b>Non-Uniformed (pre-retirement):</b> Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019). <b>Non-Uniformed (post-retirement):</b> 2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019)
Healthcare Cost Trend Rates	<b>Pre-65 Trend:</b> 7.58% for fiscal year 2022 and trending down to an ultimate 3.94% using the Getzen model. <b>Post-65 Trend:</b> 5.31% for fiscal year 2022 and trending down to an ultimate 3.94% using the Getzen model.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 20. Other Postemployment Benefits (continued)

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an experience study on the healthcare-specific participation assumptions, plus assumption changes included in the September 30, 2022 valuation.

F. Changes to the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2021	\$ 266,160
Changes for the year:	
Service cost	7,912
Interest	5,867
Differences between expected and actual experience	(8,639)
Changes of assumptions	(38,723)
Benefit payments	(11,006)
Net Changes	(44,589)
Balance at September 30, 2022	\$ 221,571

Changes of assumptions reflect the following changes: a change in the participation rate from 75 percent to 65 percent, changes in salary scales, turnover rates, retirement rates, mortality tables, mortality improvement tables and a increase in the discount rate from 2.19 percent to 4.40 percent.

G. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the City, calculated using the discount rate of 4.40 percent, as well as what the City's total OPEB liability would be if it were calculated using discount rates that are 1-percentage-point lower (3.40 percent) or 1-percentage-point higher (5.40 percent) than the current rates:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 239,673	\$ 221,571	\$ 205,200

H. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City and what it would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 206,517	\$ 221,571	\$ 238,960

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 20. Other Postemployment Benefits (continued)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2022, the City recognized total OPEB expense of (\$1,067). At September 30, 2022, the City also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 37,924
Changes of assumptions	25,722	52,343
Total deferred outflows/inflows	<u>\$ 25,722</u>	<u>\$ 90,267</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending 9/30:</u>	<u>OPEB Expense</u>
2023	\$ (10,932)
2024	(18,923)
2025	(9,308)
2026	(9,308)
2026	(9,308)
Thereafter	(6,766)
Total	<u>\$ (64,545)</u>

Note 21. Restatement of Beginning Net Position for Certain Discretely Presented Component Units

The City reclassified three discretely presented component units from governmental activities to business-type activities. The component units included in this restatement are the Housing Finance Corporation, Housing Acquisition and Development Corporation, and the Dallas Development Fund. The table below reflects the net effect of the restatement on the prior year statement of net position for these discretely presented component units.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net Position at 09/30/2021, as previous reported	\$ (50,144)	\$ 6,487
Adjustments for restatement	(14,164)	14,164
Net Position at 09/30/2021, restated	<u>\$ (64,308)</u>	<u>\$ 20,651</u>

Note 22. Subsequent Events

In December of 2022, the City issued Waterworks and Sewer System Revenue Bonds, Series 2022C, in the amount of \$114.8 million, with interest rates ranging from 2.57 percent to 3.49 percent. The bonds will mature on October 1, 2047.

In January of 2023, the City issued Equipment Acquisition Contractual Obligations, Series 2023, in the amount of \$71.6 million, with an interest rate of 3.6 percent. The obligations will mature on August 15, 2027.

In February of 2023, the City issued Waterworks and Sewer System Revenue Bonds, Series 2023A, in the amount of \$166.3 million, with a premium of \$12.9 million for a total of \$179.2 million. The interest rate on the bonds is 5%, and the bonds will mature on October 1, 2043.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2022

Note 22. Subsequent Events (continued)

From October 1, 2022, through the date of the independent auditors' report, the City issued \$13.2 million of general obligation commercial paper notes, with an average interest rate of 2.82 percent.

From October 1, 2022, through the date of the independent auditors' report, the City issued \$107.4 million of Dallas Water Utilities commercial paper notes, Series F1, and \$71.4 million of Dallas Water Utilities commercial paper notes, Series G, with an average interest rate of 2.59 percent and 2.68 percent, respectively.

From October 1, 2022, through the date of the independent auditors' report, the City issued \$10 million of Aviation commercial paper notes, with an average interest rate of 2.78 percent and repaid \$50 million of Aviation commercial paper notes..

On October 25, 2022, Kroll Bond Rating Agency (KBRA) affirmed the 'AA+' rating on the outstanding General Obligation bonds. The outlook was revised to positive from stable.

In December of 2022, Tarrant Regional Water District issued new bonds for the integrated pipeline/water transmission financing agreement in the amount of \$255,000,000 with interest rates ranging from 2.78% to 4.17%. This is related to the Dallas Water Utilities Obligation for Water Transmission Facilities financing agreement mentioned in Note 11X as the Dallas Water Utilities' share of costs for designing, acquiring, constructing, improving, repairing, rehabilitating and/or replacing water transmission facilities capable of delivering additional raw water. The bonds mature September 1, 2052.

At a duly ordered special election on November 8, 2022, a majority of qualified voters of the City of Dallas cast votes in support of Proposition A ("Proposition A"): (1) designating the expansion of the Kay Bailey Hutchison Convention Center Dallas and certain improvements at Fair Park within the City of Dallas as venue projects and (2) designating the method of financing as a new hotel occupancy tax at the rate of two percent ("2% HOT Increase"). On December 14, 2022, the Dallas City Council adopted the 2% HOT Increase by Ordinance No. 32363, with an effective date of January 1, 2023. The local hotel occupancy tax ("local HOT") increased to 9% for all stays in hotels and short-term rentals within the City of Dallas on and after January 1, 2023.

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**CITY OF DALLAS, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**  
**Last Seven Fiscal Years**  
**(Dollar amounts in thousands)**

	2022			2021			2020		
	ERF	DPFP - Combined Plan	DPFP - Supplemental Plan	ERF	DPFP - Combined Plan	DPFP - Supplemental Plan	ERF	DPFP - Combined Plan	DPFP - Supplemental Plan
<b>Total Pension Liability</b>									
Service cost	\$ 141,654	\$ 69,963	\$ 394	\$ 118,452	\$ 56,244	\$ 379	\$ 124,288	\$ 49,156	\$ 212
Interest	322,901	326,949	2,373	330,348	324,046	2,438	325,766	318,703	2,223
Changes of assumptions	(1,303,798)	(4,238)	(4)	479,292	257,525	1,559	(43,032)	155,569	1,332
Differences between expected and actual experience	30,791	(26,683)	3,371	(82,641)	70,548	47	(7,819)	16,723	3,007
Plan changes	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(307,038)	(324,633)	(2,750)	(294,323)	(317,951)	(2,778)	(288,445)	(309,859)	(2,766)
Net change	(1,115,490)	41,358	3,384	551,128	390,412	1,645	110,758	230,292	4,008
Total Pension Liability, Beginning	6,209,853	5,122,372	37,484	5,658,725	4,731,960	35,839	5,547,967	4,501,668	31,831
Total Pension Liability, Ending <sup>(a)</sup>	5,094,363	5,163,730	40,868	6,209,853	5,122,372	37,484	5,658,725	4,731,960	35,839
<b>Plan Fiduciary Net Position</b>									
Contributions - City	63,583	165,541	2,099	61,615	161,950	1,778	62,177	155,721	1,530
Contributions - Employee	59,256	58,560	228	58,359	57,305	245	58,314	52,268	111
Net investment income	578,010	321,063	2,765	229,105	(8,928)	(123)	550,942	124,260	169
Benefit payments, including refunds	(307,038)	(324,633)	(2,750)	(294,322)	(317,951)	(2,778)	(288,443)	(309,861)	(2,766)
Administrative expense	(7,350)	(6,391)	(55)	(5,700)	(6,534)	(55)	(7,513)	(6,445)	(55)
Other changes	-	-	-	(393)	-	-	298	-	-
Net change	386,461	214,140	2,287	48,664	(114,158)	(933)	375,775	15,943	(1,011)
Plan Fiduciary Net Position, Beginning	3,706,753	1,943,699	16,374	3,658,089	2,057,857	17,307	3,282,314	2,041,914	18,318
Plan Fiduciary Net Position, Ending <sup>(b)</sup>	4,093,214	2,157,839	18,661	3,706,753	1,943,699	16,374	3,658,089	2,057,857	17,307
City's Net Pension Liability <sup>(a) - (b)</sup>	\$ 1,001,149	\$ 3,005,891	\$ 22,207	\$ 2,503,100	\$ 3,178,673	\$ 21,110	\$ 2,000,636	\$ 2,674,103	\$ 18,532
Plan Fiduciary Net Position as a percentage of Total Pension Liability	80%	42%	46%	60%	38%	44%	65%	43%	48%
Covered payroll	\$ 442,863	\$ 436,971	\$ 1,631	\$ 428,824	\$ 427,441	\$ 626	\$ 433,890	\$ 396,955	\$ 584
City's Net Pension Liability as a percentage of covered payroll	226%	688%	1362%	584%	744%	3372%	461%	674%	3173%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

2019			2018			2017			2016*		
ERF	DFFP - Combined Plan	DFFP - Supplemental Plan	ERF	DFFP - Combined Plan	DFFP - Supplemental Plan	ERF	DFFP - Combined Plan	DFFP - Supplemental Plan	ERF	DFFP - Combined Plan	DFFP - Supplemental Plan
\$ 84,843	\$ 44,792	\$ 223	\$ 81,178	\$ 148,552	\$ 111	\$ 133,457	\$ 167,432	\$ 70	\$ 78,020	\$ 125,441	\$ 36
332,011	318,536	2,359	325,620	348,171	2,799	305,826	360,567	2,911	313,850	359,023	2,953
1,020,969	(31,460)	28	-	(2,851,241)	(479)	(1,227,079)	(712,004)	(917)	1,238,431	908,988	(601)
4,793	(46,556)	(2,628)	(59,066)	(134,665)	(1,435)	(38,327)	(77,463)	1,106	(26,829)	379,461	929
-	16,091	889	-	(1,167,597)	(5,306)	-	-	-	-	-	-
(272,496)	(297,081)	(2,708)	(261,690)	(296,154)	(2,669)	(249,639)	(825,092)	(5,912)	(239,960)	(285,003)	(2,640)
1,170,120	4,322	(1,837)	86,042	(3,952,934)	(6,979)	(1,075,762)	(1,086,560)	(2,742)	1,363,512	1,487,910	677
4,377,847	4,497,346	33,668	4,291,805	8,450,280	40,647	5,367,567	9,536,840	43,389	4,004,055	8,048,930	42,712
5,547,967	4,501,668	31,831	4,377,847	4,497,346	33,668	4,291,805	8,450,280	40,647	5,367,567	9,536,840	43,389
60,924	149,357	1,980	58,966	126,318	2,077	56,130	119,345	3,064	50,721	114,886	2,443
56,772	49,332	75	55,175	32,977	66	53,436	25,518	35	50,742	25,676	43
(167,783)	42,822	1,220	413,511	98,911	740	294,918	164,791	1,141	(53,344)	(235,338)	(1,690)
(272,496)	(297,081)	(2,708)	(261,690)	(296,154)	(2,669)	(249,639)	(825,092)	(5,912)	(239,960)	(285,003)	(2,640)
(7,485)	(5,861)	(53)	(5,951)	(8,089)	(69)	(5,343)	(9,492)	(78)	(4,598)	(8,417)	(61)
121	-	-	207	(1,280)	(11)	333	(4,532)	(37)	162	(5,875)	(43)
(329,947)	(61,431)	514	260,218	(47,317)	134	149,835	(529,462)	(1,787)	(196,277)	(394,071)	(1,948)
3,612,261	2,103,345	17,804	3,352,043	2,150,662	17,670	3,202,208	2,680,124	19,457	3,398,485	3,074,195	21,405
3,282,314	2,041,914	18,318	3,612,261	2,103,345	17,804	3,352,043	2,150,662	17,670	3,202,208	2,680,124	19,457
\$ 2,265,653	\$ 2,459,754	\$ 13,513	\$ 765,586	\$ 2,394,001	\$ 15,864	\$ 939,762	\$ 6,299,618	\$ 22,977	\$ 2,165,359	\$ 6,856,716	\$ 23,932
59%	45%	58%	83%	47%	53%	78%	25%	43%	60%	28%	45%
\$ 423,723	\$ 363,117	\$ 622	\$ 421,269	\$ 346,037	\$ 916	\$ 409,433	\$ 357,414	\$ 525	\$ 393,186	\$ 365,210	\$ 725
535%	677%	2173%	182%	692%	1732%	230%	1763%	4377%	551%	1877%	3301%

**CITY OF DALLAS, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS**  
**Last Ten Fiscal Years**  
**(Dollar amounts in thousands)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Employees Retirement Fund</b>				
Actuarially determined contribution	\$ 107,167	\$ 96,558	\$ 92,567	\$ 85,945
Contributions in relation to the actuarially determined contribution	\$ 68,492	\$ 61,892	\$ 61,798	\$ 62,462
Contribution deficiency (excess)	\$ 38,676	\$ 34,666	\$ 30,769	\$ 23,483
Covered payroll	\$ 497,758	\$ 437,707	\$ 435,198	\$ 434,064
Contributions as a percentage of covered payroll	14%	14%	14%	14%
<b>Dallas Police and Fire Pension - Combined Plan</b>				
Actuarially determined contribution	\$ 228,658	\$ 223,152	\$ 193,748	\$ 157,368
Contributions in relation to the actuarially determined contribution	\$ 169,910	\$ 165,330	\$ 161,928	\$ 151,850
Contribution deficiency (excess)	\$ 58,748	\$ 57,822	\$ 31,820	\$ 5,518
Statutorily required contribution	N/A	N/A	N/A	N/A
Contributions in relation to the statutorily required contribution	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A
Covered payroll	\$ 437,204	\$ 431,045	\$ 414,790	\$ 375,759
Contributions as a percentage of covered payroll	39%	38%	39%	40%
<b>Dallas Police and Fire Pension - Supplemental Plan</b>				
Actuarially determined contribution	\$ 2,807	\$ 2,099	\$ 1,777	\$ 1,881
Contributions in relation to the actuarially determined contribution	\$ 2,807	\$ 2,099	\$ 1,777	\$ 1,881
Covered payroll	\$ 1,680	\$ 646	\$ 584	\$ 723
Contributions as a percentage of covered payroll	167%	325%	304%	260%

(1) Beginning in September 2017, the Texas House Bill 3158 required that contributions to the Plan be based computation pay. Per the House Bill, computation pay is based on the biweekly rate of pay of a member, educational incentive pay, longevity pay, and city service incentive pay. Overtime, assignment pay, and lump sum payments are not included.

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 91,977	\$ 88,547	\$ 81,838	\$ 68,100	\$ 62,756	\$ 54,289
\$ 60,589	\$ 58,045	\$ 56,987	\$ 49,135	\$ 44,816	\$ 35,515
\$ 31,388	\$ 30,502	\$ 24,851	\$ 18,965	\$ 17,940	\$ 18,774
\$ 420,754	\$ 405,062	\$ 389,706	\$ 376,421	\$ 357,887	\$ 336,483
14%	14%	15%	13%	13%	11%
\$ 157,997	\$ 202,167	N/A	N/A	N/A	N/A
\$ 151,850	\$ 120,351	N/A	N/A	N/A	N/A
\$ 6,147	\$ 81,816	N/A	N/A	N/A	N/A
N/A	N/A	\$ 118,508	\$ 113,026	\$ 108,268	\$ 105,753
N/A	N/A	\$ 118,508	\$ 113,026	\$ 108,268	\$ 105,753
N/A	N/A	\$ -	\$ -	\$ -	\$ -
\$ 348,011 (1)	\$ 427,867	\$ 432,082	\$ 414,373	\$ 378,000	\$ 361,000
44%	28%	27%	27%	29%	29%
\$ 2,274	\$ 2,087	\$ 3,064	\$ 2,443	\$ 1,817	\$ 1,936
\$ 2,274	\$ 2,087	\$ 3,064	\$ 2,443	\$ 1,817	\$ 1,936
\$ 916	\$ 525	\$ 725	\$ 556	\$ 521	\$ 450
248%	398%	423%	439%	349%	430%

**CITY OF DALLAS, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS  
Last 10 Fiscal Years**

**Employees' Retirement Fund**

Valuation date	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12			
Timing	The actuarially determined contribution rate is effective October 1 after the valuation date.												
Actuarial cost method	Entry age normal.												
Amortization method	30-year open group projection. The City ordinance authorizing the plan specifies that the rate may not change from year-to-year if the calculated rate is less than 300 basis points different from the current rate.				30-year open amortization period level percentage of payroll. The City ordinance authorizing the plan specifies that the rate may not change from year-to-year if the calculated rate is less than 300 basis points different from the current rate.								
Asset valuation method	5-year smoothed market value of assets.												
Inflation	2.50%			2.75%			3%						
Salary increases	3.0% to 8.25%, including inflation			3.25% to 6.25%, including inflation			3.5% to 7%, including inflation						
Discount rate	7.25%	5.27%	5.93%	5.98%	7.75%	8.00%		8.25%					
Cost of Living Adjustment	The greater of (a) the percentage of change in the price index for October of the current year over October of the previous year, or (b) the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment. The maximum change per year is 5% for Tier A and 3% for Tier B members.						The greater of (a) the percentage of change in the price index for October of the current year over October of the previous year, up to 5%, or (b) the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment, up to 5%.						
Mortality	<b>For actives:</b> Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019). <b>For healthy retirees:</b> 2019 Texas Municipal Retirees Motility Table projected using Scale UMP (Ultimate MP-2019). <b>For all disabled lives:</b> 2019 Texas Municipal Retirees Mortality Table, set forward four years for males and three years for females, projected using Scale UMP (Ultimate MP-2019).			<b>For actives:</b> Males - RP-2000 Employee Mortality Table for male employees, set forward 4 years. Females - RP-2000 Employee Mortality Table for female employees, set back 5 years. <b>For healthy retirees:</b> Males - RP-2000 Combined with Blue Collar adjustment for male annuitants, with a 109% multiplier and fully generational mortality using improvement scale BB Females - RP-2000 Combined with Blue Collar adjustment for female annuitants, with a 103% multiplier and fully generational mortality using improvement scale BB <b>For all disabled lives:</b> RP-2000 Disabled Mortality Table for male annuitants, set forward one year.			<b>For actives:</b> Males - RP-2000 Healthy Mortality Table for male employees, set forward 4 years. Females - RP-2000 Healthy Mortality Table for female employees, set back 5 years. <b>For healthy retirees:</b> Males - RP-2000 Healthy Mortality Table for male annuitants, projected to 2007 using mortality improvement scale BB, set forward two years. P2000 Healthy Mortality Table for female annuitants. <b>For all disabled lives:</b> RP-2000 Disabled Mortality Table for male annuitants, set forward one year.			<b>For actives:</b> Males - RP-2000 Healthy Mortality Table for male employees, set forward 4 years. Females - RP-2000 Healthy Mortality Table for female employees, set back 5 years. <b>For healthy retirees:</b> Males - RP-2000 Healthy Mortality Table for male annuitants, projected to 2007 using mortality improvement scale AA, set forward two years. P2000 Healthy Mortality Table for female annuitants. <b>For all disabled lives:</b> RP-2000 Disabled Mortality Table for male annuitants, set forward one year.			



**CITY OF DALLAS, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS (Continued)  
Last 10 Fiscal Years**

**Dallas Police and Fire Pension - Combined Plan**

Valuation date	01/01/22	01/01/21	01/01/20	01/01/19	01/01/18	01/01/17	01/01/16	01/01/15	01/01/14	01/01/13	
Timing	The actuarially determined contribution is included in the report for informational purposes only, beginning in January 1, 2017.										
Actuarial cost method	Entry age normal.										
Amortization method	Level percentage of payroll.										
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.										
Inflation	2.50%		2.75%								
Salary increases	2.5% to 3.25%, including inflation.			2.0% to 5.0%, including inflation.		3.0% to 5.2%, including inflation.		2.75%			
Discount rate	6.5%		7%		7.25%		7.25%		7.25%		
Cost of Living Adjustment	2.00% simple increases starting October 1, 2073		Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2063.		Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2050.		Ad hoc granted by the Board when the Plan is 70 percent funded and other financial benchmarks have been met.		0% prior to October 1, 2049. 2% on original benefit beginning October 1, 2049.		
Mortality	<b>For actives:</b> Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019. <b>For healthy retirees:</b> Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019. <b>For all disabled lives:</b> Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.			<b>For actives:</b> RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015 <b>For healthy retirees:</b> RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015 <b>For all disabled lives:</b> Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.		<b>For actives:</b> Sex distinct RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015. <b>For healthy retirees:</b> RP-2014 Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015. <b>For all disabled lives:</b> Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.					

**Dallas Police and Fire Pension - Supplemental Plan**

Valuation date	01/01/22	01/01/21	01/01/20	01/01/19	01/01/18	01/01/17	01/01/16	01/01/15	01/01/14	01/01/13
Timing	The actuarially determined contribution is due September 30 after the valuation date.									
Actuarial cost method	Entry age normal.									
Amortization method	Level percentage of payroll.									
Asset valuation method	Market value of assets.									
Inflation	2.50%		2.75%						4%	
Salary increases	2.50% to 3.25%, including inflation			2.0% to 5.0%, including inflation.		3.0% to 5.2%, including inflation.		2.75%		4% - 9.64%, including inflation
Discount rate	6.5%		7%		7.25%				8.50%	
Cost of Living Adjustment	1.50% simple increases starting October 1, 2073		Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2063.		Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2050.		None		4% for members hired on or before December 31, 2006. New members hired after December 31, 2006 are not eligible for an automatic increase.	
Mortality	<b>For actives:</b> Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019. <b>For healthy retirees:</b> Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019. <b>For all disabled lives:</b> Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.			<b>For actives:</b> RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015 <b>For healthy retirees:</b> RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015 <b>For all disabled lives:</b> Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.		<b>For actives:</b> Sex distinct RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015. <b>For healthy retirees:</b> RP-2014 Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015. <b>For all disabled lives:</b> Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.		<b>For actives:</b> RP-2000 Combined Healthy Mortality Table projected ten years beyond the valuation date using Scale AA. <b>For healthy retirees:</b> RP-2000 Combined Healthy Mortality Table projected ten years beyond the valuation date using Scale AA. <b>For all disabled lives:</b> RP-2000 Combined Healthy Mortality Table with a one-year set forward.		

**CITY OF DALLAS, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION (1)**  
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL LIABILITY**  
**AND RELATED RATIOS**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**Last Five Fiscal Years**  
**(Dollar amounts in thousands)**

	2022	2021	2020	2019	2018 (2)
Total OPEB Liability					
Service cost	\$ 7,912	\$ 14,023	\$ 16,491	\$ 14,006	\$ 14,817
Interest	5,867	12,940	15,775	19,813	18,420
Changes of assumptions	(38,723)	12,863	(47,877)	82,662	(26,244)
Differences between expected and actual experience	(8,639)	(30,661)	(198)	(42,693)	6,669
Changes in benefit terms	-	(255,621)	-	-	-
Benefit payments	(11,006)	(18,373)	(18,573)	(19,537)	(21,343)
Net change	(44,589)	(264,829)	(34,382)	54,251	(7,681)
Total OPEB Liability, Beginning	266,160	530,989	565,371	511,120	518,801
Total OPEB Liability, Ending	<u>\$ 221,571</u>	<u>\$ 266,160</u>	<u>\$ 530,989</u>	<u>\$ 565,371</u>	<u>\$ 511,120</u>
Covered employee payroll	\$ 1,045,494	\$ 983,482	\$ 959,102	\$ 914,916	\$ 877,768
Total OPEB Liability as a Percentage of Covered Employee Payroll	21%	27%	55%	62%	58%

(1) There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

(2) This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.



“Our Product is Service”  
Empathy | Ethics | Excellence | Engagement | Equity

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Community Development Fund – to account for funds received by the City of Dallas pursuant to the Community Development Act of 1974, as amended, and grant funds for community development type programs.

Health and Human Services Fund – to account for private and grant funds received for public health and human services programs.

Library Fund – to account for private and grant funds received for acquisition of library materials and expansion of library services.

Police Fund – to account for private and grant funds received for crime prevention and law enforcement programs.

Recreation Fund – to account for private and grant funds received for summer recreation and other recreation programs.

Transportation Fund – to account for private and grant funds received for transportation studies and construction.

Public Improvement Districts Fund – to account for special assessments restricted for public improvement districts.

Storm Water Operations Fund – to account for the administration and operational activities of the Storm Water Program. Financing is provided by a Storm Water fee.

Municipal Fund – to account for private contributions restricted to the provision of various employee and citizen municipal purposes.

General Citizen Fund – to account for private contributions restricted to the provision of various general governmental projects.

Arts and Cultural Fund – to account for private contributions restricted for the financing arts and cultural activities.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets which are not financed by Enterprise Funds, Internal Service Funds, and Trust Funds.

Neighborhood Projects – to account for construction of neighborhood facilities and paving projects.

Parks – to account for construction of parks, playgrounds, and recreational facilities.

Streets and Drainage – to account for construction of streets and storm sewers.

Buildings – to account for construction of City-owned buildings

Transportation – to account for construction of traffic signals and controls.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs that is, for the benefit of the government or its citizenry.

Samuell Park – to account for the private donation by Dr. W.W. Samuell. The income from this fund is restricted to the operation and improvement of Samuell Park.

Grauwylers Memorial – to account for the private donation by Mrs. Emma H. Grauwylers. The income from the trust is to be used to improve and beautify Grauwylers Park.

Craddock Park – to account for the private donation by Mr. and Mrs. L. Craddock. The earnings from the trust are to be used for improving and maintaining Craddock Park.

Martin Weiss Park – to account for the private donations by Mr. and Mrs. Martin Weiss, the earnings from which are restricted to the use for further improvements of the Martin Weiss Park.

Hale Davis – to account for private donations by Hale Davis, restricted for municipal purposes.

**CITY OF DALLAS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2022  
(in thousands)

	Special Revenue				
	Community Development	Health and Human Services	Library	Police	Recreation
<b>Assets</b>					
Pooled cash and cash equivalents	\$ 2,470	\$ -	\$ 2,250	\$ 2,998	\$ 44,677
Other investments, at fair value	-	-	1,000	-	-
Receivables:					
Notes	40,242	-	-	-	-
Special assessments-paving notes	-	-	-	-	-
Accounts	5,738	-	11	-	48
Accrued interest	15	1	5	10	112
Leases	-	-	-	-	228
Allowance for uncollectible accounts	(19,448)	-	-	-	-
Due from other governments	13,393	3,111	-	5,703	261
Prepaid items	87	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Notes receivable from other funds	-	-	-	-	-
Total assets	<u>42,497</u>	<u>3,112</u>	<u>3,266</u>	<u>8,711</u>	<u>45,326</u>
<b>Liabilities, deferred inflows, and fund balances</b>					
<b>Liabilities</b>					
Accrued payroll	179	273	-	64	9
Accounts payable	4,953	268	72	427	150
Due to other governments	-	-	-	-	-
Due to other funds	-	2,035	-	-	-
Unearned revenue	-	-	-	1,382	91
Construction accounts payable	-	-	-	-	-
Notes payable to other funds	-	-	-	-	4,995
Customer deposits	-	-	-	-	-
Contracts payable	-	-	-	-	-
Other liabilities	300	-	-	79	25
Total liabilities	<u>5,432</u>	<u>2,576</u>	<u>72</u>	<u>1,952</u>	<u>5,270</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue related to taxes, accounts receivable, and grants	26,527	-	-	-	16
Unavailable revenue related to leases	-	-	-	-	226
Total deferred inflows of resources	<u>26,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242</u>
<b>Fund balances</b>					
Nonspendable	87	-	-	-	-
Restricted	10,451	536	3,194	6,759	-
Committed	-	-	-	-	39,814
Total fund balances	<u>10,538</u>	<u>536</u>	<u>3,194</u>	<u>6,759</u>	<u>39,814</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 42,497</u>	<u>\$ 3,112</u>	<u>\$ 3,266</u>	<u>\$ 8,711</u>	<u>\$ 45,326</u>

	Transportation	Public Improvement Districts	Storm Water Operations	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
\$	21,467	\$ 1,584	\$ 81,571	\$ 38,942	\$ 2,513	\$ 4,740	\$ 203,212
	-	-	-	-	-	2,235	3,235
	-	-	-	21,753	-	-	61,995
	-	-	-	-	-	-	-
	-	1,716	14,539	1,022	-	-	23,074
	38	1	50	570	4	20	826
	-	-	-	-	-	-	228
	-	(117)	(6,866)	(3,118)	-	-	(29,549)
	1,874	-	-	-	-	-	24,342
	-	-	-	-	-	-	87
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	<u>23,379</u>	<u>3,184</u>	<u>89,294</u>	<u>59,169</u>	<u>2,517</u>	<u>6,995</u>	<u>287,450</u>
	-	-	513	167	-	-	1,205
	311	2,836	1,971	126	5	-	11,119
	-	-	-	-	-	-	-
	-	-	-	494	-	-	2,035
	-	-	-	-	-	-	1,967
	-	-	-	-	-	-	-
	-	-	-	-	-	-	4,995
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	2	-	923	3	-	-	1,332
	<u>313</u>	<u>2,836</u>	<u>3,407</u>	<u>790</u>	<u>5</u>	<u>-</u>	<u>22,653</u>
	-	-	1,014	19,451	-	-	47,008
	-	-	-	-	-	-	226
	-	-	<u>1,014</u>	<u>19,451</u>	-	-	<u>47,234</u>
	-	-	-	-	-	-	87
	23,066	348	84,873	38,928	2,512	6,995	177,662
	-	-	-	-	-	-	39,814
	<u>23,066</u>	<u>348</u>	<u>84,873</u>	<u>38,928</u>	<u>2,512</u>	<u>6,995</u>	<u>217,563</u>
\$	<u>23,379</u>	\$ <u>3,184</u>	\$ <u>89,294</u>	\$ <u>59,169</u>	\$ <u>2,517</u>	\$ <u>6,995</u>	\$ <u>287,450</u>

continued

**CITY OF DALLAS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
September 30, 2022  
(in thousands)

	Capital Projects					Total Nonmajor Capital Project Funds
	Neighborhood Projects	Parks	Streets and Drainage	Building	Trans- portation	
<b>Assets</b>						
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other investments, at fair value	1	67	20,672	30	3	20,773
Receivables:						
Notes	1,712	-	-	1,500	-	3,212
Special assessments-paving notes	-	-	5,971	-	-	5,971
Accounts	37	-	-	230	-	267
Accrued interest	359	174	132	212	363	1,240
Leases	-	29,255	-	-	-	29,255
Allowance for uncollectible accounts	-	-	(4,752)	(1,500)	-	(6,252)
Due from other governments	-	2,304	-	5,043	12,354	19,701
Prepaid items	-	15,608	-	-	-	15,608
Restricted cash and cash equivalents	218,271	18,938	91,988	136,349	207,917	673,463
Notes receivable from other funds	-	-	4,161	-	-	4,161
Total assets	<u>220,380</u>	<u>66,346</u>	<u>118,172</u>	<u>141,864</u>	<u>220,637</u>	<u>767,399</u>
<b>Liabilities, deferred inflows, and fund balances</b>						
<b>Liabilities</b>						
Accrued payroll	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds	3,862	-	-	44	-	3,906
Unearned revenue	-	1,003	-	98	12,964	14,065
Construction accounts payable	60	1,831	6,681	2,249	8,148	18,969
Notes payable to other funds	4,491	-	-	-	-	4,491
Customer deposits	-	-	-	-	-	-
Contracts payable	7,154	4,064	16,188	15,576	6,419	49,401
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>15,567</u>	<u>6,898</u>	<u>22,869</u>	<u>17,967</u>	<u>27,531</u>	<u>90,832</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue related to taxes, receivable, and grants	1,712	-	1,199	-	-	2,911
Unavailable revenue related to leases	-	28,729	-	-	-	28,729
Total deferred inflows of resources	<u>1,712</u>	<u>28,729</u>	<u>1,199</u>	<u>-</u>	<u>-</u>	<u>31,640</u>
<b>Fund balances</b>						
Nonspendable	-	15,608	-	-	-	15,608
Restricted	203,101	15,111	94,104	123,897	193,106	629,319
Committed	-	-	-	-	-	-
Total fund balances	<u>203,101</u>	<u>30,719</u>	<u>94,104</u>	<u>123,897</u>	<u>193,106</u>	<u>644,927</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 220,380</u>	<u>\$ 66,346</u>	<u>\$ 118,172</u>	<u>\$ 141,864</u>	<u>\$ 220,637</u>	<u>\$ 767,399</u>



**CITY OF DALLAS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
September 30, 2022  
(in thousands)

	Permanent Funds					Total Permanent Funds	Total Nonmajor Governmental Funds
	Samuell Park	Grauwyler Memorial	Craddock Park	Martin Weiss Park	Hale Davis		
<b>Assets</b>							
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,212
Other investments, at fair value	7,500	125	1,151	111	347	9,234	33,242
Receivables:							
Notes	-	-	-	-	-	-	65,207
Special assessments-paving notes	-	-	-	-	-	-	5,971
Accounts	-	-	-	-	-	-	23,341
Accrued interest	-	-	-	-	-	-	2,066
Leases	-	-	-	-	-	-	29,483
Allowance for uncollectible accounts	-	-	-	-	-	-	(35,801)
Due from other governments	-	-	-	-	-	-	44,043
Prepaid items	-	-	-	-	-	-	15,695
Restricted cash and cash equivalents	-	-	-	-	-	-	673,463
Notes receivable from other funds	-	-	-	-	-	-	4,161
Total assets	<u>7,500</u>	<u>125</u>	<u>1,151</u>	<u>111</u>	<u>347</u>	<u>9,234</u>	<u>1,064,083</u>
<b>Liabilities, deferred inflows, and fund balances</b>							
<b>Liabilities</b>							
Accrued payroll	-	-	-	-	-	-	1,205
Accounts payable	-	-	-	-	-	-	11,119
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	5,941
Unearned revenue	-	-	-	-	-	-	16,032
Construction accounts payable	-	-	-	-	-	-	18,969
Notes payable to other funds	-	-	-	-	-	-	9,486
Customer deposits	-	-	-	-	-	-	-
Contracts payable	-	-	-	-	-	-	49,401
Other liabilities	-	-	-	-	-	-	1,332
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,485</u>
<b>Deferred inflows of resources</b>							
Unavailable revenue related to taxes, accounts receivable, and grants	-	-	-	-	-	-	49,919
Unavailable revenue related to leases	-	-	-	-	-	-	28,955
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,874</u>
<b>Fund balances</b>							
Nonspendable	7,500	125	1,151	111	347	9,234	24,929
Restricted	-	-	-	-	-	-	806,981
Committed	-	-	-	-	-	-	39,814
Total fund balances	<u>7,500</u>	<u>125</u>	<u>1,151</u>	<u>111</u>	<u>347</u>	<u>9,234</u>	<u>871,724</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 7,500</u>	<u>\$ 125</u>	<u>\$ 1,151</u>	<u>\$ 111</u>	<u>\$ 347</u>	<u>\$ 9,234</u>	<u>\$ 1,064,083</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2022  
(in thousands)

	Special Revenue				
	Community Development	Health and Human Services	Library	Police	Recreation
<b>Revenues:</b>					
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -
Tax increment financing, intergovernmental	-	-	-	-	-
Franchise fees	-	-	-	-	-
Licenses and permits	-	-	-	-	5,057
Intergovernmental	38,365	15,389	63	17,427	1,260
Customer charges	-	-	-	-	-
Service to others	303	-	7	16	3,707
Fines and forfeitures	-	30	-	287	-
Investment income (loss)	(142)	(6)	(29)	(87)	(723)
Special assessments	-	-	-	-	-
Contributions and gifts	158	139	550	57	1,982
Confiscated money awards	-	-	-	1,404	-
Other revenues	11	-	-	355	-
<b>Total revenues</b>	<b>38,695</b>	<b>15,552</b>	<b>591</b>	<b>19,459</b>	<b>11,283</b>
<b>Expenditures:</b>					
<b>Current</b>					
General government	10,757	-	-	-	-
Public safety	-	-	-	16,393	-
Environmental and health services	-	14,521	-	-	-
Streets, public works, and transportation	-	-	-	-	-
Equipment and building services	-	-	-	-	-
Culture and recreation	566	-	132	-	7,753
Human services	26,580	-	-	-	-
<b>Debt service:</b>					
Principal	607	1,065	-	-	-
Interest and fiscal charges	264	19	-	-	216
Capital outlay	764	3,581	386	4,562	918
<b>Total expenditures</b>	<b>39,538</b>	<b>19,186</b>	<b>518</b>	<b>20,955</b>	<b>8,887</b>
Excess (deficiency) of revenues over (under) expenditures	(843)	(3,634)	73	(1,496)	2,396
<b>Other financing sources (uses):</b>					
Transfers in	-	89	-	-	4,166
Transfers out	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Issuance of certificates of obligation	-	-	-	-	-
Issuance of general obligation bonds	-	-	-	-	-
Inception of capital lease	-	3,194	-	-	-
Proceeds of financed purchases	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Issuance of commercial paper notes	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>3,283</b>	<b>-</b>	<b>-</b>	<b>4,166</b>
Net change in fund balances	(843)	(351)	73	(1,496)	6,562
Fund balances, beginning of year	11,381	887	3,121	8,255	33,252
Fund balances, end of year	<b>\$ 10,538</b>	<b>\$ 536</b>	<b>\$ 3,194</b>	<b>\$ 6,759</b>	<b>\$ 39,814</b>

Transportation	Public Improvement Districts	Storm Water Operations	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	64	-	-	-	5,121
3,477	-	-	459	-	-	76,440
-	-	-	-	-	-	-
2,163	-	72,549	5,549	13	598	84,905
1	-	-	-	-	-	318
(348)	(5)	(468)	(556)	(37)	(53)	(2,454)
-	36,379	-	-	-	-	36,379
820	-	-	1,000	326	151	5,183
-	-	-	-	-	-	1,404
-	-	-	25	-	-	391
<u>6,113</u>	<u>36,374</u>	<u>72,145</u>	<u>6,477</u>	<u>302</u>	<u>696</u>	<u>207,687</u>
-	36,067	50,144	13,129	13	-	110,110
-	-	-	-	-	-	16,393
-	-	-	-	-	-	14,521
3,395	-	-	-	-	-	3,395
-	-	-	-	-	-	-
-	-	-	-	-	-	8,451
-	-	-	-	-	-	26,580
-	-	-	-	-	-	1,672
-	-	-	-	-	-	499
3,080	-	13,994	62	243	-	27,590
<u>6,475</u>	<u>36,067</u>	<u>64,138</u>	<u>13,191</u>	<u>256</u>	<u>-</u>	<u>209,211</u>
<u>(362)</u>	<u>307</u>	<u>8,007</u>	<u>(6,714)</u>	<u>46</u>	<u>696</u>	<u>(1,524)</u>
3,547	-	-	8,767	-	-	16,569
-	-	(1,173)	(2,000)	-	-	(3,173)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	3,194
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,547</u>	<u>-</u>	<u>(1,173)</u>	<u>6,767</u>	<u>-</u>	<u>-</u>	<u>16,590</u>
<u>3,185</u>	<u>307</u>	<u>6,834</u>	<u>53</u>	<u>46</u>	<u>696</u>	<u>15,066</u>
<u>19,881</u>	<u>41</u>	<u>78,039</u>	<u>38,875</u>	<u>2,466</u>	<u>6,299</u>	<u>202,497</u>
<u>\$ 23,066</u>	<u>\$ 348</u>	<u>\$ 84,873</u>	<u>\$ 38,928</u>	<u>\$ 2,512</u>	<u>\$ 6,995</u>	<u>\$ 217,563</u>

continued

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
For the Year Ended September 30, 2022  
(in thousands)

	Capital Projects			
	Neighborhood Projects	Parks	Streets and Drainage	Building
<b>Revenues:</b>				
Ad valorem tax	\$ 104,248	\$ -	\$ -	\$ -
Tax increment financing, intergovernmental	11,466	-	-	-
Franchise fees	-	-	12,543	-
Licenses and permits	-	-	-	-
Intergovernmental	-	4,155	-	3,980
Customer charges	-	-	-	-
Service to others	1,182	3,662	493	-
Fines and forfeitures	-	-	-	-
Investment income (loss)	(3,271)	212	(1,128)	(1,444)
Special assessments	-	-	-	-
Contributions and gifts	29,675	4,395	10,169	680
Confiscated money awards	-	-	-	-
Other revenues	1	54	-	-
<b>Total revenues</b>	<u>143,301</u>	<u>12,478</u>	<u>22,077</u>	<u>3,216</u>
<b>Expenditures:</b>				
<b>Current</b>				
General government	93,890	-	-	10,446
Public safety	-	-	-	-
Environmental and health services	-	-	-	-
Streets, public works, and transportation	-	-	28,182	48,509
Equipment and building services	-	-	-	281
Culture and recreation	-	6,890	-	190
Human services	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal charges	67	-	17	282
<b>Capital outlay</b>	<u>830</u>	<u>37,628</u>	<u>81,401</u>	<u>73,967</u>
<b>Total expenditures</b>	<u>94,787</u>	<u>44,518</u>	<u>109,600</u>	<u>133,675</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>48,514</u>	<u>(32,040)</u>	<u>(87,523)</u>	<u>(130,459)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	1,668	13,637	-
Transfers out	(1,547)	-	-	(7,133)
Premium on bonds issued	39	-	929	13,102
Issuance of certificates of obligation	-	-	-	45,920
Issuance of equipment acquisition notes	-	-	-	26,880
Issuance of general obligation bonds	3,135	-	6,000	-
Inception of lease	-	-	-	-
Proceeds of financed purchases	-	-	-	43,419
Proceeds from sale of capital assets	-	-	2,080	3,830
Proceeds from repayment of notes receivable	-	-	-	-
Issuance of commercial paper notes	-	4,705	17,604	5,000
<b>Total other financing sources (uses)</b>	<u>1,627</u>	<u>6,373</u>	<u>40,250</u>	<u>131,018</u>
<b>Net change in fund balance</b>	<u>50,141</u>	<u>(25,667)</u>	<u>(47,273)</u>	<u>559</u>
<b>Fund balances, beginning of year</b>	<u>152,960</u>	<u>56,386</u>	<u>141,377</u>	<u>123,338</u>
<b>Fund balances, end of year</b>	<u>\$ 203,101</u>	<u>\$ 30,719</u>	<u>\$ 94,104</u>	<u>\$ 123,897</u>

Trans- portation	Total Nonmajor Capital Project Funds
\$ -	\$ 104,248
-	11,466
-	12,543
-	-
2,040	10,175
-	-
-	5,337
-	-
(3,263)	(8,894)
-	-
-	44,919
-	-
-	55
<u>(1,223)</u>	<u>179,849</u>
-	104,336
-	-
-	-
505	77,196
-	281
-	7,080
-	-
-	-
-	366
<u>53,986</u>	<u>247,812</u>
<u>54,491</u>	<u>437,071</u>
<u>(55,714)</u>	<u>(257,222)</u>
-	15,305
-	(8,680)
-	14,070
-	45,920
-	26,880
-	9,135
-	-
-	43,419
-	5,910
-	-
<u>200</u>	<u>27,509</u>
<u>200</u>	<u>179,468</u>
<u>(55,514)</u>	<u>(77,754)</u>
<u>248,620</u>	<u>722,681</u>
<u>\$ 193,106</u>	<u>\$ 644,927</u>

continued

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
For the Year Ended September 30, 2022  
(in thousands)

	Permanent Funds		
	Samuell Park	Grauwyler Memorial	Craddock Park
<b>Revenues:</b>			
Ad valorem tax	\$ -	\$ -	\$ -
Tax increment financing, intergovernmental	-	-	-
Franchise fees	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Service to others	-	-	-
Fines and forfeits	-	-	-
Investment income (loss)	(1,970)	(30)	(280)
Special assessments	-	-	-
Contributions and gifts	-	-	-
Confiscated money awards	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<b>(1,970)</b>	<b>(30)</b>	<b>(280)</b>
<b>Expenditures:</b>			
<b>Current</b>			
General government	-	-	-
Public safety	-	-	-
Environment and health services	-	-	-
Streets, public works, and transportation	-	-	-
Equipment and building services	-	-	-
Culture and recreation	-	-	-
Human services	-	-	-
<b>Debt service:</b>			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,970)</b>	<b>(30)</b>	<b>(280)</b>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(389)	-	-
Premium on bonds issued	-	-	-
Issuance of certificates of obligation	-	-	-
Issuance of equipment acquisition notes	-	-	-
Issuance of general obligation bonds	-	-	-
Inception of capital lease	-	-	-
Proceeds of financed purchases	-	-	-
Proceeds from sale of capital assets	-	-	-
Issuance of commercial paper notes	-	-	-
<b>Total other financing sources (uses)</b>	<b>(389)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,359)</b>	<b>(30)</b>	<b>(280)</b>
<b>Fund balances, beginning of year</b>	<b>9,859</b>	<b>155</b>	<b>1,431</b>
<b>Fund balances, end of year</b>	<b>\$ 7,500</b>	<b>\$ 125</b>	<b>\$ 1,151</b>

	Martin Weiss Park	Hale Davis	Total Permanent Funds	Total Nonmajor Governmental Funds
\$	-	\$ -	\$ -	\$ 104,248
	-	-	-	11,466
	-	-	-	12,543
	-	-	-	5,121
	-	-	-	86,615
	-	-	-	90,242
	-	-	-	318
	(27)	(101)	(2,408)	(13,756)
	-	-	-	36,379
	-	-	-	50,102
	-	-	-	1,404
	-	-	-	446
	(27)	(101)	(2,408)	385,128
	-	-	-	214,446
	-	-	-	16,393
	-	-	-	14,521
	-	-	-	80,591
	-	-	-	281
	-	-	-	15,531
	-	-	-	26,580
	-	-	-	1,672
	-	-	-	865
	-	-	-	275,402
	-	-	-	646,282
	(27)	(101)	(2,408)	(261,154)
	-	-	-	31,874
	-	(17)	(406)	(12,259)
	-	-	-	14,070
	-	-	-	45,920
	-	-	-	26,880
	-	-	-	9,135
	-	-	-	3,194
	-	-	-	43,419
	-	-	-	5,910
	-	-	-	27,509
	-	(17)	(406)	195,652
	(27)	(118)	(2,814)	(65,502)
	138	465	12,048	937,226
\$	111	\$ 347	\$ 9,234	\$ 871,724

## **NONMAJOR ENTERPRISE FUNDS**

To account for operations which are financed and operated in a manner similar to private business enterprise.

Municipal Radio – to account for City-owned radio broadcast services.

Building Inspection – to account for construction inspection services within the Dallas city limits.



**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**

September 30, 2022  
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets:			
Pooled cash and cash equivalents	\$ 310	\$ 52,239	\$ 52,549
Receivables:			
Accounts	349	60	409
Accrued interest	1	115	116
Allowance for uncollectible accounts	(14)	-	(14)
Total current assets	<u>646</u>	<u>52,414</u>	<u>53,060</u>
Capital assets:			
Nondepreciable	-	5,268	5,268
Depreciable, net of accumulated depreciation	554	11,100	11,654
Right-to-use assets, net of amortization	1,397	1,631	3,028
Total capital assets	<u>1,951</u>	<u>17,999</u>	<u>19,950</u>
Total assets	<u>2,597</u>	<u>70,413</u>	<u>73,010</u>
<b>Deferred outflows of resources</b>			
Deferred loss on refunding	2	10	12
Deferred outflows of resources related to pensions	641	16,812	17,453
Deferred outflows of resources related to other postemployment benefits	17	563	580
Total deferred outflows of resources	<u>660</u>	<u>17,385</u>	<u>18,045</u>
<b>Liabilities</b>			
Current liabilities:			
Accrued payroll	17	712	729
Accounts payable	24	1,167	1,191
Compensated absences	33	1,095	1,128
Pension obligation bonds - current	147	1,077	1,224
Other liabilities	5	3,293	3,298
Unearned revenue	-	8,369	8,369
Accrued bond interest payable	2	12	14
Leases	156	369	525
Total current liabilities	<u>384</u>	<u>16,094</u>	<u>16,478</u>
Noncurrent liabilities:			
Accreted interest on pension obligation bonds	758	5,567	6,325
Pension obligation bonds	974	6,723	7,697
Leases	1,276	1,283	2,559
Total long-term debt	<u>3,008</u>	<u>13,573</u>	<u>16,581</u>
Other noncurrent liabilities			
Compensated absences	34	1,104	1,138
Other postemployment benefits	118	4,345	4,463
Net pension liability	3,925	35,338	39,263
Total other noncurrent liabilities	<u>4,077</u>	<u>40,787</u>	<u>44,864</u>
Total long-term liabilities	<u>7,085</u>	<u>54,360</u>	<u>61,445</u>
Total liabilities	<u>7,469</u>	<u>70,454</u>	<u>77,923</u>
<b>Deferred inflows of resources</b>			
Deferred inflows of resources related to pensions	1,966	53,835	55,801
Deferred inflows of resources related to other postemployment benefits	62	1,915	1,977
Total deferred inflows of resources	<u>2,028</u>	<u>55,750</u>	<u>57,778</u>
<b>Net position</b>			
Net investment in capital assets	519	16,347	16,866
Unrestricted (deficit)	(6,759)	(54,753)	(61,512)
Total net position (deficit)	<u>\$ (6,240)</u>	<u>\$ (38,406)</u>	<u>\$ (44,646)</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
For the Year Ended September 30, 2022  
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Operating revenues:			
Customer charges	\$ 1,396	\$ 42,205	\$ 43,601
Other revenues	55	94	149
Total operating revenues	<u>1,451</u>	<u>42,299</u>	<u>43,750</u>
Operating expenses:			
Personnel services	1,075	23,999	25,074
Supplies and materials	65	388	453
Contractual and other services	537	14,157	14,694
Depreciation and amortization	263	597	860
Total operating expenses	<u>1,940</u>	<u>39,141</u>	<u>41,081</u>
Operating income (loss)	<u>(489)</u>	<u>3,158</u>	<u>2,669</u>
Nonoperating revenues (expenses):			
Investment loss	(4)	(1,032)	(1,036)
Interest on bonds and notes	(114)	(708)	(822)
Total nonoperating revenues (expenses)	<u>(118)</u>	<u>(1,740)</u>	<u>(1,858)</u>
Loss before contributions and transfers	<u>(607)</u>	<u>1,418</u>	<u>811</u>
Transfers out	<u>-</u>	<u>(111)</u>	<u>(111)</u>
Change in net position	<u>(607)</u>	<u>1,307</u>	<u>700</u>
Net position (deficit), beginning of year	<u>(5,633)</u>	<u>(39,713)</u>	<u>(45,346)</u>
Net position (deficit), end of year	<u>\$ (6,240)</u>	<u>\$ (38,406)</u>	<u>\$ (44,646)</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
For the Year Ended September 30, 2022  
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 1,491	\$ 41,168	\$ 42,659
Cash payments to suppliers for goods and services	(51)	(388)	(439)
Cash payments to employees for services	(860)	(22,449)	(23,309)
Cash payments for contractual services	(538)	(13,124)	(13,662)
Other operating cash receipts (payments)	55	94	149
Net cash provided by (used in) operating activities	<u>97</u>	<u>5,301</u>	<u>5,398</u>
<b>Cash flows from non capital financing activities:</b>			
Principal paid on pension obligation bonds	(136)	(1,000)	(1,136)
Interest paid on pension obligation bonds	(16)	(121)	(137)
Transfers to other funds	-	(111)	(111)
Net cash provided by (used in) non capital financing activities	<u>(152)</u>	<u>(1,232)</u>	<u>(1,384)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	-	(14,810)	(14,810)
Principal paid on notes payable and other obligations	(150)	(389)	(539)
Interest paid on bonds, notes and other obligations	(18)	(16)	(34)
Net cash provided by (used in) capital and related financing activities	<u>(168)</u>	<u>(15,215)</u>	<u>(15,383)</u>
<b>Cash flows from investing activities:</b>			
Investment loss	(6)	(1,136)	(1,142)
Net cash provided by (used in) investing activities	<u>(6)</u>	<u>(1,136)</u>	<u>(1,142)</u>
Net increase (decrease) in cash and cash equivalents	(229)	(12,282)	(12,511)
Cash and cash equivalents, beginning of year	539	64,521	65,060
Cash and cash equivalents, end of year	<u>\$ 310</u>	<u>\$ 52,239</u>	<u>\$ 52,549</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	<u>\$ (489)</u>	<u>\$ 3,158</u>	<u>\$ 2,669</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>			
Depreciation and amortization	263	597	860
Change in assets and liabilities			
(Increase) Decrease in accounts and other receivables	95	3	98
(Increase) Decrease in deferred outflows for other postemployment benefits	10	403	413
(Increase) Decrease in deferred outflows for pension contributions	657	13,029	13,686
Increase (Decrease) in accounts payable	14	704	718
Increase (Decrease) in accrued payroll	(13)	100	87
Increase (Decrease) in compensated absences	(11)	(142)	(153)
Increase (Decrease) in unearned revenue	-	(1,040)	(1,040)
Increase (Decrease) in other post employment benefits	(24)	(912)	(936)
Increase (Decrease) in net pension liability	(2,201)	(60,562)	(62,763)
Increase (Decrease) in other liabilities	(1)	329	328
Increase (Decrease) in deferred inflows for other postemployment benefits	7	262	269
Increase (Decrease) in deferred inflows for pension contributions	1,790	49,372	51,162
Total adjustments	<u>586</u>	<u>2,143</u>	<u>2,729</u>
Net cash provided by (used in) operating activities	<u>\$ 97</u>	<u>\$ 5,301</u>	<u>\$ 5,398</u>
<b>Current Assets:</b>			
Pooled cash and cash equivalents	<u>\$ 310</u>	<u>\$ 52,239</u>	<u>\$ 52,549</u>
Total cash and cash equivalents end of year	<u>\$ 310</u>	<u>\$ 52,239</u>	<u>\$ 52,549</u>
<b>Noncash investing, capital, and financing activities:</b>			
Premium/discount amortization	\$ (20)	\$ (146)	\$ (166)
Accretion on capital appreciation bonds	96	708	804
Amortization of deferred gain/loss on refunding	(2)	(16)	(18)

## **INTERNAL SERVICE FUNDS**

Equipment Services Fund – to account for the cost of providing vehicles, vehicle maintenance, and fuel and lubrication to other City departments.

Communication Equipment Services Fund – to account for the cost of providing communication services to other City Departments.

Office Systems Fund – to account for the cost of providing office supplies, printing, copying, and mailing services to other City Departments.

Information Systems Fund – to account for the cost of providing data processing and programming services to other City departments.

Risk Funds – to account for the cost of providing risk financing and insurance-related activities to other City departments.

Bond Program Administration Fund – to account for the cost of managing the City's general obligation bond program.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
September 30, 2022

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
<b>Assets</b>							
<b>Current assets:</b>							
Pooled cash and cash equivalents	\$ 16,585	\$ 3,447	\$ 5,907	\$ 55,170	\$ 69,105	\$ 631	\$ 150,845
Receivables:							
Accounts	-	-	-	39	483	-	522
Accrued interest	2	2	10	63	179	-	256
Inventories, at cost	4,277	231	165	-	-	-	4,673
Prepaid expenses	-	-	-	-	885	-	885
Total current assets	<u>20,864</u>	<u>3,680</u>	<u>6,082</u>	<u>55,272</u>	<u>70,652</u>	<u>631</u>	<u>157,181</u>
<b>Capital assets:</b>							
Nondepreciable	1,696	-	-	-	-	20	1,716
Depreciable, net of accumulated depreciation	13,947	732	-	2,481	-	105	17,265
Right-to-us assets, net of amortization	-	1,731	853	4,445	-	-	7,029
Total capital assets	<u>15,643</u>	<u>2,463</u>	<u>853</u>	<u>6,926</u>	<u>-</u>	<u>125</u>	<u>26,010</u>
Total assets	<u>36,507</u>	<u>6,143</u>	<u>6,935</u>	<u>62,198</u>	<u>70,652</u>	<u>756</u>	<u>183,191</u>
<b>Deferred outflows of resources</b>							
Deferred outflows of resources related to pensions	11,245	1,392	395	14,391	3,500	10,409	41,332
Deferred outflows of resources related to other postemployment benefits	452	16	13	327	87	286	1,181
Total deferred outflows of resources	<u>11,697</u>	<u>1,408</u>	<u>408</u>	<u>14,718</u>	<u>3,587</u>	<u>10,695</u>	<u>42,513</u>
<b>Liabilities</b>							
<b>Current liabilities:</b>							
Accrued payroll	508	73	17	587	152	396	1,733
Accounts payable	3,595	161	124	4,323	2,005	234	10,442
Compensated absences	710	92	30	1,208	249	727	3,016
Estimated unpaid health claims	-	-	-	-	9,882	-	9,882
Estimated unpaid claims - general	-	-	-	-	50,442	-	50,442
Workers' compensation	-	-	-	-	11,237	-	11,237
Leases	-	170	73	1,234	-	-	1,477
Other liabilities	-	-	-	-	6,192	-	6,192
Total current liabilities	<u>4,813</u>	<u>496</u>	<u>244</u>	<u>7,352</u>	<u>80,159</u>	<u>1,357</u>	<u>94,421</u>
<b>Noncurrent liabilities:</b>							
Estimated unpaid claims - general	-	-	-	-	11,748	-	11,748
Workers' compensation	-	-	-	-	43,501	-	43,501
Compensated absences	716	93	30	1,218	251	733	3,041
Other postemployment benefits	4,814	176	79	3,170	870	2,031	11,140
Net pension liability	35,268	3,574	1,287	27,830	2,960	6,516	77,435
Leases	-	1,586	787	3,225	-	-	5,598
Total noncurrent liabilities	<u>40,798</u>	<u>5,429</u>	<u>2,183</u>	<u>35,443</u>	<u>59,330</u>	<u>9,280</u>	<u>152,463</u>
Total liabilities	<u>45,611</u>	<u>5,925</u>	<u>2,427</u>	<u>42,795</u>	<u>139,489</u>	<u>10,637</u>	<u>246,884</u>
<b>Deferred inflows of resources</b>							
Deferred inflows of resources related to pensions	36,420	4,993	1,343	47,061	10,763	31,229	131,809
Deferred inflows of resources related to other postemployment benefits	1,626	138	54	1,184	357	886	4,245
Total deferred inflows of resources	<u>38,046</u>	<u>5,131</u>	<u>1,397</u>	<u>48,245</u>	<u>11,120</u>	<u>32,115</u>	<u>136,054</u>
<b>Net position</b>							
Net investment in capital assets	15,643	707	(7)	2,467	-	125	18,935
Unrestricted (deficit)	(51,096)	(4,212)	3,526	(16,591)	(76,370)	(31,426)	(176,169)
Total net position (deficit)	<u>\$ (35,453)</u>	<u>\$ (3,505)</u>	<u>\$ 3,519</u>	<u>\$ (14,124)</u>	<u>\$ (76,370)</u>	<u>\$ (31,301)</u>	<u>\$ (157,234)</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2022  
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
<b>Operating revenues</b>							
Charges to other city departments	\$ 63,072	\$ 11,719	\$ 2,970	\$ 100,740	\$ 143,656	\$ 20,312	\$ 342,469
Charges to employees/retirees	131	-	-	1	49,233	29	49,394
Other revenues	-	-	168	39	5,582	-	5,789
Total operating revenues	<u>63,203</u>	<u>11,719</u>	<u>3,138</u>	<u>100,780</u>	<u>198,471</u>	<u>20,341</u>	<u>397,652</u>
<b>Operating expenses</b>							
Personnel services	18,561	2,216	590	20,861	30,221	12,009	84,458
Supplies and materials	31,633	664	1,592	877	27	360	35,153
Contractual and other services	14,038	2,148	-	62,167	195,894	6,397	280,644
Depreciation and amortization	3,953	282	37	1,675	-	5	5,952
Total operating expenses	<u>68,185</u>	<u>5,310</u>	<u>2,219</u>	<u>85,580</u>	<u>226,142</u>	<u>18,771</u>	<u>406,207</u>
Operating income (loss)	<u>(4,982)</u>	<u>6,409</u>	<u>919</u>	<u>15,200</u>	<u>(27,671)</u>	<u>1,570</u>	<u>(8,555)</u>
<b>Nonoperating revenues (expenses):</b>							
Investment loss	(16)	(11)	(88)	(574)	(1,710)	-	(2,461)
Interest on bonds, notes, and leases	-	(26)	(4)	(32)	-	-	-
Gain (loss) on property disposals	102	-	-	-	-	-	102
Total nonoperating revenues (expenses)	<u>86</u>	<u>(37)</u>	<u>(92)</u>	<u>(606)</u>	<u>(1,710)</u>	<u>-</u>	<u>(2,359)</u>
Income (loss) before transfers	<u>(4,896)</u>	<u>6,372</u>	<u>827</u>	<u>14,594</u>	<u>(29,381)</u>	<u>1,570</u>	<u>(10,914)</u>
<b>Transfers</b>							
Transfers in	-	-	-	5,456	548	-	6,004
Transfers out	(1,098)	(4,995)	(31)	(4,934)	(307)	-	(11,365)
Total transfers	<u>(1,098)</u>	<u>(4,995)</u>	<u>(31)</u>	<u>522</u>	<u>241</u>	<u>-</u>	<u>(5,361)</u>
Change in net position	(5,994)	1,377	796	15,116	(29,140)	1,570	(16,275)
Net position (deficit), beginning of year	<u>(29,459)</u>	<u>(4,882)</u>	<u>2,723</u>	<u>(29,240)</u>	<u>(47,230)</u>	<u>(32,871)</u>	<u>(140,959)</u>
Net position (deficit), end of year	<u>\$ (35,453)</u>	<u>\$ (3,505)</u>	<u>\$ 3,519</u>	<u>\$ (14,124)</u>	<u>\$ (76,370)</u>	<u>\$ (31,301)</u>	<u>\$ (157,234)</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2022  
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
<b>Cash flows from operating activities:</b>							
Cash received from customers	\$ 63,072	\$ 11,719	\$ 2,971	\$ 100,741	\$ 216,465	\$ 20,341	\$ 415,309
Cash payments to suppliers for goods and services	(31,284)	(650)	(1,706)	(1,339)	(1,357)	(921)	(37,257)
Cash payments to employees for services	(16,710)	(2,209)	(550)	(19,623)	(17,966)	(13,274)	(70,332)
Cash payments for contractual services	(14,038)	(2,148)	-	(62,167)	(210,020)	(6,397)	(294,770)
Other operating cash receipts (payments)	131	-	168	39	5,582	-	5,920
Net cash provided by (used in) operating activities	<u>1,171</u>	<u>6,712</u>	<u>883</u>	<u>17,651</u>	<u>(7,296)</u>	<u>(251)</u>	<u>18,870</u>
<b>Cash flows from non capital financing activities:</b>							
Transfers from other funds	-	-	-	5,456	548	-	6,004
Transfers to other funds	(1,098)	(4,995)	(31)	(4,934)	(307)	-	(11,365)
Net cash provided by (used in) non capital financing activities	<u>(1,098)</u>	<u>(4,995)</u>	<u>(31)</u>	<u>522</u>	<u>241</u>	<u>-</u>	<u>(5,361)</u>
<b>Cash flows from capital and related financing activities:</b>							
Acquisition and construction of capital assets	(2,321)	(97)	-	(396)	(856)	(123)	(3,793)
Proceeds from sale of capital assets	352	-	-	-	-	-	352
Principal paid on notes payable and other obligations	-	(163)	(31)	(1,226)	-	-	(1,420)
Interest paid on bonds, notes and other obligations	-	(25)	(4)	(32)	-	-	(61)
Net cash provided by (used in) capital and related financing activities	<u>(1,969)</u>	<u>(285)</u>	<u>(35)</u>	<u>(1,654)</u>	<u>(856)</u>	<u>(123)</u>	<u>(4,922)</u>
<b>Cash flows from investing activities:</b>							
Investment loss	(19)	(12)	(97)	(630)	(1,874)	-	(2,632)
Net cash provided by (used in) investing activities	<u>(19)</u>	<u>(12)</u>	<u>(97)</u>	<u>(630)</u>	<u>(1,874)</u>	<u>-</u>	<u>(2,632)</u>
Net increase (decrease) in cash and cash equivalents	(1,915)	1,420	720	15,889	(9,785)	(374)	5,955
Cash and cash equivalents, beginning of year	18,500	2,027	5,187	39,281	78,890	1,005	144,890
Cash and cash equivalents, end of year	<u>\$ 16,585</u>	<u>\$ 3,447</u>	<u>\$ 5,907</u>	<u>\$ 55,170</u>	<u>\$ 69,105</u>	<u>\$ 631</u>	<u>\$ 150,845</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>							
Operating income (loss)	\$ (4,982)	\$ 6,409	\$ 919	\$ 15,200	\$ (27,671)	\$ 1,570	\$ (8,555)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>							
Depreciation and amortization	3,953	282	37	1,675	-	5	5,952
Change in assets and liabilities							
(Increase) Decrease in accounts and other receivables	-	-	1	-	84	-	85
(Increase) Decrease in inventories	(718)	6	(65)	-	-	-	(777)
(Increase) Decrease in other assets	-	-	-	-	449	-	449
(Increase) Decrease in deferred outflows for other postemployment benefits	340	40	12	253	81	195	921
(Increase) Decrease in deferred outflows for pension contributions	9,505	1,041	324	11,055	1,941	4,763	28,629
Increase (Decrease) in accounts payable	1,067	8	(49)	(462)	(1,330)	(561)	(1,327)
Increase (Decrease) in accrued payroll	86	19	4	87	32	51	279
Increase (Decrease) in compensated absences	43	19	2	(27)	23	38	98
Increase (Decrease) in other post employment benefits	(768)	(90)	(28)	(572)	(183)	(441)	(2,082)
Increase (Decrease) in estimated unpaid health claims	-	-	-	-	922	-	922
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-	5,884	-	5,884
Increase (Decrease) in workers' compensation	-	-	-	-	11,623	-	11,623
Increase (Decrease) in net pension liability	(41,066)	(5,671)	(1,507)	(53,068)	(12,069)	(34,905)	(148,286)
Increase (Decrease) in other liabilities	-	-	-	-	3,033	-	3,033
Increase (Decrease) in deferred inflows for other postemployment benefits	220	26	9	163	52	126	596
Increase (Decrease) in deferred inflows for pension contributions	33,491	4,623	1,224	43,347	9,833	28,908	121,426
Total adjustments	<u>6,153</u>	<u>303</u>	<u>(36)</u>	<u>2,451</u>	<u>20,375</u>	<u>(1,821)</u>	<u>27,425</u>
Net cash provided by (used in) operating activities	<u>\$ 1,171</u>	<u>\$ 6,712</u>	<u>\$ 883</u>	<u>\$ 17,651</u>	<u>\$ (7,296)</u>	<u>\$ (251)</u>	<u>\$ 18,870</u>
<b>Noncash investing, capital, and financing activities:</b>							
Right-to-use assets acquired through lease liabilities	\$ -	\$ -	\$ (891)	\$ -	\$ -	\$ -	\$ (891)
Lease liabilities incurred as a result of acquiring right-to-use assets	-	-	891	-	-	-	891

## **FIDUCIARY FUNDS**

Pension Trust Funds - to account for the activities of three defined benefit plans and three deferred compensation plans. The defined benefit plans include the Employees' Retirement System, Police and Fire Pension System, and Supplemental Police and Fire Pension Plan. The three contributory defined benefit plans are used to accumulate resources for pension benefits payments to qualified employees. The deferred compensation plans include the 401(k) Retirement Plan, 457 Deferred Compensation Plan, and 457 Deferred Compensation Plan for Part-time, Seasonal, Temporary Employees, and City Councilmembers. The City does not make contributions for the deferred compensations plans; however, qualified individuals make contributions to accumulate resources for their retirement.

Custodial Funds - to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The three custodial funds include confiscated money, unclaimed property, and municipal court funds collected for other agencies).



**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
September 30, 2022 (1)  
(in thousands)

	Employees' Retirement Fund (1)	Dallas Police & Fire Pension System (1)	Police & Fire Supplemental Pension Fund (1)	401K Retirement Fund (1)	457 Deferred Compensation Plan (1)	457 (PST) Deferred Compensation Plan (1)	Total Pension Trust Funds (1)
<b>Assets</b>							
Cash and cash equivalents	\$ 117,258	\$ 59,517	\$ 516	\$ -	\$ -	\$ -	\$ 177,291
Invested securities lending collateral	349,348	-	-	-	-	-	349,348
Receivables:							
Accounts	293,568	6,511	9	553	628	5	301,274
Accrued interest and dividends	12,110	3,415	30	-	-	-	15,555
Notes Receivable-DC Member	-	-	-	12,893	14,847	-	27,740
Investments /Participants	-	-	-	444,053	479,324	4,237	927,614
Short-term investments	-	12,829	111	-	-	-	12,940
Equity securities	-	960,008	8,316	-	-	-	968,324
Domestic equities	1,570,109	-	-	-	-	-	1,570,109
U.S. and foreign government fixed income securities	139,741	416,490	3,608	-	-	-	559,839
Domestic corporate fixed income	851,306	-	-	-	-	-	851,306
International equities and fixed income	489,039	-	-	-	-	-	489,039
Commingled index funds	239,274	-	-	-	-	-	239,274
Real assets	291,794	405,937	3,516	-	-	-	701,247
Private equities and venture capital funds	384,761	287,200	2,488	-	-	-	674,449
Forward currency contracts	-	-	-	-	-	-	-
Prepaid expenses	-	407	3	-	-	-	410
Capital assets, net	7,010	11,745	101	-	-	-	18,856
Total assets	<u>4,745,318</u>	<u>2,164,059</u>	<u>18,698</u>	<u>457,499</u>	<u>494,799</u>	<u>4,242</u>	<u>7,884,615</u>
<b>Liabilities</b>							
Accounts payable	9,006	5,864	35	-	-	-	14,905
Payable for securities purchased	2,177	355	3	-	-	-	2,535
Securities lending collateral	349,348	-	-	-	-	-	349,348
Other liabilities	291,572	-	-	-	-	-	291,572
Total liabilities	<u>652,103</u>	<u>6,219</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>658,360</u>
<b>Net Position</b>							
Net investment in capital assets	7,010	-	-	-	-	-	7,010
Restricted for pensions	4,086,205	2,157,840	18,660	457,499	494,799	4,242	7,219,245
Total net position	<u>\$ 4,093,215</u>	<u>\$ 2,157,840</u>	<u>\$ 18,660</u>	<u>\$ 457,499</u>	<u>\$ 494,799</u>	<u>\$ 4,242</u>	<u>\$ 7,226,255</u>

(1) Although the City has a fiscal year-end of September 30, 2022 the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2021.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
For the Year Ended September 30, 2022  
(in thousands)

	Employees' Retirement Fund (1)	Dallas Police & Fire Pension System (1)	Police & Fire Supplemental Pension Fund (1)	401K Retirement Fund (1)	457 Deferred Compensation Plan (1)	457 (PST) Deferred Compensation Plan (1)	Total Pension Trust Funds (1)
<b>Additions:</b>							
<b>Contributions</b>							
Employer	\$ 63,584	\$ 165,541	\$ 2,099	\$ -	\$ -	\$ -	\$ 231,224
Employee	59,256	58,560	227	25,792	26,587	518	170,940
Total contributions	122,840	224,101	2,326	25,792	26,587	518	402,164
<b>Net investment income:</b>							
Interest and dividends	88,019	28,422	246	32,499	35,319	55	184,560
Net appreciation (depreciation) in fair value of investments	510,013	303,368	2,612	21,910	24,969	-	862,872
Securities lending income	971	-	-	-	-	-	971
<b>Less investment expenses:</b>							
Investment management fees	(20,260)	(11,063)	(96)	-	-	-	(31,419)
Custody fees	(125)	-	-	-	-	-	(125)
Consultant fees	(495)	-	-	-	-	-	(495)
Securities lending management fees	(194)	-	-	-	-	-	(194)
Total investment expenses	(21,074)	(11,063)	(96)	-	-	-	(32,233)
Net investment income	577,929	320,727	2,762	54,409	60,288	55	1,016,170
Other income(expense)	(721)	336	3	-	-	-	(382)
Total additions	700,048	545,164	5,091	80,201	86,875	573	1,417,952
<b>Deductions:</b>							
Benefit payments	296,587	321,348	2,750	-	-	-	620,685
Refund of contributions	10,452	3,285	-	-	-	-	13,737
Administrative expenses	6,547	6,391	55	50	42	1	13,086
Withdrawals-deferred compensation participants	-	-	-	33,195	24,564	455	58,214
Total deductions	313,586	331,024	2,805	33,245	24,606	456	705,722
Net increase (decrease) in net position available for benefits	386,462	214,140	2,286	46,956	62,269	117	712,230
Net position, beginning of year	3,706,753	1,943,700	16,374	410,543	432,530	4,125	6,514,025
Net position, end of year	\$ 4,093,215	\$ 2,157,840	\$ 18,660	\$ 457,499	\$ 494,799	\$ 4,242	\$ 7,226,255

(1) Although the City has a fiscal year-end of September 30, 2022, the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2021.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
September 30, 2022  
(in thousands)

	Confiscated Money	Unclaimed Property	Municipal Court	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 3,164	\$ 7,086	\$ 23	\$ 10,273
Receivables:				
Accounts	-	-	-	-
Total assets	<u>3,164</u>	<u>7,086</u>	<u>23</u>	<u>10,273</u>
<b>Liabilities</b>				
Accounts payable	<u>7</u>	<u>-</u>	<u>20</u>	<u>27</u>
Total liabilities	<u>7.365</u>	<u>-</u>	<u>20</u>	<u>27</u>
<b>Net Position</b>				
Restricted	<u>3,157</u>	<u>7,086</u>	<u>3</u>	<u>10,246</u>
Total net position	<u>\$ 3,157</u>	<u>\$ 7,086</u>	<u>\$ 3</u>	<u>\$ 10,246</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**

For the Year Ended September 30, 2022  
(in thousands)

	Confiscated Money	Unclaimed Property	Municipal Court	Totals
Additions:				
Confiscated money receipts	2,227	-	-	2,227
Unclaimed property receipts	-	3,099	-	3,099
Municipal court receipts for other jurisdictions	-	-	112	112
Investment loss	(39)	-	-	(39)
Other income	-	-	-	-
Total additions	<u>2,188</u>	<u>3,099</u>	<u>112</u>	<u>5,399</u>
Deductions:				
Confiscated money payments	1,663	-	-	1,663
Unclaimed property payments	-	2,351	-	2,351
Municipal court payments to other jurisdictions	-	-	115	115
Total deductions	<u>1,663</u>	<u>2,351</u>	<u>115</u>	<u>4,129</u>
Net increase (decrease) in net position	525	748	(3)	1,270
Net position, beginning of year, as previously reported	<u>2,632</u>	<u>6,338</u>	<u>6</u>	<u>8,976</u>
Net position, end of year	<u>\$ 3,157</u>	<u>\$ 7,086</u>	<u>\$ 3</u>	<u>\$ 10,246</u>

## **DEBT SERVICE FUND**

The City maintains one fund to account for payment of principal and interest on the following general obligation debt: bonds, certificates of obligation, and equipment acquisition notes.

**CITY OF DALLAS, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**

Year Ended September 30, 2022  
(in thousands)

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget-- Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 321,280	\$ 321,280	\$ 322,461	\$ 1,181
"Build American Bonds" Federal Subsidy	1,094	1,094	1,094	-
Investment income	200	200	511	311
Total revenues	<u>322,574</u>	<u>322,574</u>	<u>324,066</u>	<u>1,492</u>
Expenditures:				
Principal	231,350	231,350	466,149	(234,799)
Interest and fiscal charges	89,421	89,421	84,535	4,886
Other	28,006	28,006	27,971	35
Total expenditures	<u>348,777</u>	<u>348,777</u>	<u>578,655</u>	<u>(229,878)</u>
Deficiency of revenues over expenditures	<u>(26,203)</u>	<u>(26,203)</u>	<u>(254,589)</u>	<u>(228,386)</u>
Other financing sources:				
Transfers	22,956	22,956	8,185	(14,771)
General obligation bonds and premium issued	-	-	262,930	262,930
Total other financing sources	<u>22,956</u>	<u>22,956</u>	<u>271,115</u>	<u>248,159</u>
Deficiency of revenues and other financing sources over expenditures	<u>(3,247)</u>	<u>(3,247)</u>	<u>16,526</u>	<u>19,773</u>
Fund balance, beginning of year	<u>23,431</u>	<u>23,431</u>	<u>54,411</u>	<u>30,980</u>
Fund balance, end of year	<u>\$ 20,184</u>	<u>\$ 20,184</u>	<u>\$ 70,937</u>	<u>\$ 50,753</u>

Adjustments necessary to convert the deficiency of revenues and other sources under expenditures and other uses on the budget basis to a GAAP basis are provided below:

Excess of revenues and other financing sources over expenditures and other uses-budget basis	\$ 16,526
Change in fair market value of investments	<u>(1,554)</u>
Excess of revenues and other financing sources-GAAP basis over expenditures and other uses-GAAP basis	<u>14,972</u>

## **DISCRETELY PRESENTED COMPONENT UNITS**

Downtown Dallas Development Authority – to account for tax increment financing revenue bonds issued to finance major improvements by developers on behalf of the City.

North Oak Cliff Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, and the arts, entertainment, economic development, safety, the public welfare in the district, and educational scholarships for college-bound students residing in or out of the District.

Cypress Waters Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the District.

Housing Finance Corporation – organized to issue tax-exempt mortgage revenue bonds to encourage low to moderate income citizen opportunities for single family residential home ownership.

Housing Acquisition and Development Corporation – organized solely and exclusively for the public purpose of providing safe, affordable housing facilities which are incidental thereto for the benefit of low and moderate-income persons.

Dallas Development Fund – organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities.

Dallas Convention Center Hotel Development Corporation – organized to promote the development of the geographic area of the City included at or in the vicinity of the Dallas Convention Center, in furtherance of the promotion, development, encouragement and maintenance of employment, commerce, convention and meeting activity, tourism, and economic development in the City, including specifically, without limitation, the development and financing of a convention center hotel to be located within 1,000 feet of the Dallas Convention Center.



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**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
As of September 30, 2022  
(in thousands)

	Governmental-Type Activities Component Units				Business-Type Activities Component Units				
	Downtown Dallas Development Authority	North Oak Cliff Municipal Management District	Cypress Waters Municipal Management District	Total Governmental	Housing Finance Corporation *	Housing Acquisition and Development Corporation	Dallas Development Fund	Dallas Convention Center Hotel Development Corporation *	Total Business-Type
<b>Assets:</b>									
Current assets:									
Cash and cash equivalents	\$ 16,266	\$ 10	\$ -	\$ 16,276	\$ 6,709	\$ 5	\$ 3,597	\$ 92,737	\$ 103,048
Investments, at fair value	-	-	-	-	2,502	-	11	-	2,513
Receivables	37	-	-	37	907	574	294	12,072	13,847
Inventory	-	-	-	-	-	-	-	630	630
Prepaid expenses	-	-	-	-	17	-	25	661	703
Land held for resale	-	-	-	-	-	540	-	-	540
Franchise fee (net of accumulated amortization)	-	-	-	-	-	-	-	13	13
Other assets	-	-	-	-	-	-	1,591	-	1,591
Restricted assets:									
Cash and cash equivalents	8,304	-	-	8,304	-	-	263	26,674	26,937
Investments, at fair value	-	-	-	-	-	-	-	35,723	35,723
Capital assets:									
Non-depreciable	-	-	-	-	-	-	-	27,511	27,511
Depreciable, net of accumulated depreciation	-	-	-	-	37,607	-	-	269,831	307,438
<b>Total assets</b>	<b>24,607</b>	<b>10</b>	<b>-</b>	<b>24,617</b>	<b>47,742</b>	<b>1,119</b>	<b>5,781</b>	<b>465,852</b>	<b>520,494</b>
Deferred outflows of resources	-	-	-	-	-	-	-	94	94
<b>Liabilities:</b>									
Accrued payroll	-	-	-	-	-	-	-	630	630
Accounts payable	-	3	-	3	-	13	83	2,849	2,945
Accrued expenses	-	-	-	-	-	-	-	1,955	1,955
Accrued taxes payable	-	-	-	-	-	-	-	583	583
Unearned revenue	-	-	-	-	36,026	-	57	4,674	40,757
Accrued interest payable	168	-	-	168	-	-	-	14,573	14,573
Accounts payable Omni	-	-	-	-	-	-	-	1,666	1,666
Other liabilities	-	-	328	328	-	-	1,023	267	1,290
Long-term liabilities:									
Due within one year	3,249	-	-	3,249	-	-	-	10,690	10,690
Due in more than one year	81,964	-	-	81,964	-	-	-	427,666	427,666
<b>Total liabilities</b>	<b>85,381</b>	<b>3</b>	<b>328</b>	<b>85,712</b>	<b>36,026</b>	<b>13</b>	<b>1,163</b>	<b>465,553</b>	<b>502,755</b>
<b>Net position:</b>									
Net investment in capital assets	-	-	-	-	1,777	-	-	(59,786)	(58,009)
Restricted for debt service	8,149	-	-	8,149	-	-	-	-	-
Unrestricted	(68,923)	7	(328)	(69,244)	9,939	1,106	4,618	60,179	75,842
<b>Total net position</b>	<b>\$ (60,774)</b>	<b>\$ 7</b>	<b>\$ (328)</b>	<b>\$ (61,095)</b>	<b>\$ 11,716</b>	<b>\$ 1,106</b>	<b>\$ 4,618</b>	<b>\$ 393</b>	<b>\$ 17,833</b>

\* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2021.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
Year Ended September 30, 2022  
(in thousands)

<b>Function/Program Activities</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Downtown Dallas Development Authority</b>
Component units:					
Governmental activities:					
Downtown Dallas Development Authority	\$ 34,637	\$ -	\$ -	\$ -	\$ (34,637)
North Oak Cliff Municipal Management District	1	-	-	-	-
Cypress Waters Municipal Management District	1	-	-	-	-
Total governmental activities	<u>34,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,637)</u>
Business-Type activities:					
Housing Finance Corporation *	196	3,834	-	-	-
Housing Acquisition and Development Corporation	380	-	-	-	-
Dallas Development Fund	867	382	-	-	-
Dallas Convention Center Hotel Development Corporation *	85,392	63,284	-	-	-
Total business-type activities	<u>86,835</u>	<u>67,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
General revenues:					
Tax increment contributions					37,696
City tax revenues					-
Investment income					144
Other revenues					-
Total general revenues					<u>37,840</u>
Change in net position					3,203
Net position (deficit), beginning of year-restated (see Note 21)					<u>(63,977)</u>
Net position (deficit), end of year					<u>\$ (60,774)</u>

\* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2021.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities			Business-Type Activities				
North Oak Cliff Municipal Management District	Cypress Waters Municipal Management District	Total	Housing Finance Corporation *	Housing Acquisition and Development Corporation	Dallas Development Fund	Dallas Convention Center Hotel Development Corporation *	Total
\$ -	\$ -	\$ (34,637)	\$ -	\$ -	\$ -	\$ -	\$ -
(1)	-	(1)	-	-	-	-	-
-	(1)	(1)	-	-	-	-	-
(1)	(1)	(34,639)	-	-	-	-	-
-	-	-	3,638	-	-	-	3,638
-	-	-	-	(380)	-	-	(380)
-	-	-	-	-	(485)	-	(485)
-	-	-	-	-	-	(22,108)	(22,108)
-	-	-	3,638	(380)	(485)	(22,108)	(19,335)
-	-	37,696	-	-	-	-	-
-	-	-	-	-	-	4,652	4,652
-	-	144	32	-	5	1,089	1,126
12	-	12	61	363	42	10,273	10,739
12	-	37,852	93	363	47	16,014	16,517
11	(1)	3,213	3,731	(17)	(438)	(6,094)	(2,818)
(4)	(327)	(64,308)	7,985	1,123	5,056	6,487	20,651
\$ 7	\$ (328)	\$ (61,095)	\$ 11,716	\$ 1,106	\$ 4,618	\$ 393	\$ 17,833



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# **STATISTICAL SECTION**



## STATISTICAL SECTION

(Unaudited)

The City of Dallas comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall health.

		<b>Tables</b>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-4
<b>Revenue Capacity</b>	These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.	5-9
<b>Debt Capacity</b>	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	10-15
<b>Demographic &amp; Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	16-17
<b>Operating information</b>	These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	18-20

**Sources:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF DALLAS, TEXAS**  
**NET POSITION BY COMPONENT**  
Last Ten Fiscal Years (Unaudited)  
(accrual basis of accounting)  
(in thousands)

	2013	2014 <sup>(1)</sup>	2015	2016 <sup>(2)</sup>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 2,241,628	\$ 2,406,821	\$ 2,520,158	\$ 2,640,551
Restricted	216,280	144,269	195,210	169,538
Unrestricted	<u>(294,490)</u>	<u>(306,474)</u>	<u>(5,393,940)</u>	<u>(6,163,516)</u>
 Total Governmental Activities net position	 <u>2,163,418</u>	 <u>2,244,616</u>	 <u>(2,678,572)</u>	 <u>(3,353,427)</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	2,738,208	2,770,931	2,778,732	2,917,498
Restricted for debt service	212,472	223,230	261,399	288,970
Unrestricted	<u>292,801</u>	<u>362,862</u>	<u>239,436</u>	<u>1,946</u>
 Total Business-Type Activities net position	 <u>3,243,481</u>	 <u>3,357,023</u>	 <u>3,279,567</u>	 <u>3,208,414</u>
<b>Primary government</b>				
Net investment in capital assets	4,979,836	5,177,752	5,298,890	5,558,049
Restricted	428,752	367,499	456,609	458,508
Unrestricted	<u>(1,689)</u>	<u>56,388</u>	<u>(5,154,504)</u>	<u>(6,161,570)</u>
 Total primary government net position	 <u>\$ 5,406,899</u>	 <u>\$ 5,601,639</u>	 <u>\$ 600,995</u>	 <u>\$ (145,013)</u>

<sup>(1)</sup> 2014 was not restated because the information was not available.

<sup>(2)</sup> In fiscal year 2016, sanitation was reclassified from governmental activities to business-type activities.

<sup>(3)</sup> 2017 was not restated because the information was not available.

<sup>(4)</sup> The 2018 classifications of net position for the business-type activities have been updated to be consistent with the 2019 presentation.

<sup>(5)</sup> The 2021 net position for governmental and business-type activities were restated as a result of the implementation of GASB Statement No. 87, Leases.

\*Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent year's Comprehensive Annual Financial Report, Management Discussion and Analysis.



**Table 1**

2017 <sup>(3)</sup>	2018 <sup>(4)</sup>	2019	2020	2018 <sup>(5)</sup>	2022
\$ 2,746,024	\$ 2,818,586	\$ 2,776,179	\$ 2,779,462	\$ 3,078,939	\$ 3,104,432
180,303	263,184	272,002	477,600	418,226	626,035
(6,773,455)	(5,903,832)	(5,752,159)	(5,560,832)	(4,941,789)	(4,552,599)
<u>(3,847,128)</u>	<u>(2,822,062)</u>	<u>(2,703,978)</u>	<u>(2,303,770)</u>	<u>(1,444,624)</u>	<u>(822,132)</u>
3,009,285	3,200,152	3,292,594	3,389,626	3,446,193	3,661,142
360,630	362,960	394,465	421,790	429,744	350,215
(50,473)	(142,755)	(224,444)	(285,914)	(265,533)	(155,634)
<u>3,319,442</u>	<u>3,420,357</u>	<u>3,462,615</u>	<u>3,525,502</u>	<u>3,610,404</u>	<u>3,855,723</u>
5,755,309	6,018,738	6,068,773	6,169,088	6,525,132	6,765,574
540,933	626,144	666,467	899,390	847,970	976,250
(6,823,928)	(6,046,587)	(5,976,603)	(5,846,746)	(5,207,322)	(4,708,233)
<u>\$ (527,686)</u>	<u>\$ 598,295</u>	<u>\$ 758,637</u>	<u>\$ 1,221,732</u>	<u>\$ 2,165,780</u>	<u>\$ 3,033,591</u>

**CITY OF DALLAS, TEXAS**  
**CHANGE IN NET POSITION**  
Last Ten Fiscal Years (Unaudited)  
(accrual basis of accounting)  
(in thousands)

<b>Expenses</b>	2013	2014 (1)	2015	2016
<b>Governmental Activities:</b>				
General government	\$ 191,643	\$ 263,147	\$ 220,164	\$ 339,671
Public safety	684,636	684,808	594,747	1,345,492
Code enforcement (2)	-	-	-	-
Environmental and health services	19,026	16,747	18,067	19,431
Streets, lighting, sanitation, code enforcement (3)	194,248	192,981	213,665	195,187
Public works and transportation	66,755	62,168	74,130	88,141
Equipment and building services	28,259	35,369	36,917	50,829
Cultural and recreation	135,934	142,519	160,527	222,921
Housing	12,998	10,367	17,529	32,694
Human services	21,995	24,006	20,451	26,789
Interest on long-term debt	74,193	75,133	63,404	80,890
<b>Total Governmental Activities</b>	<u>1,429,687</u>	<u>1,507,245</u>	<u>1,419,601</u>	<u>2,402,045</u>
<b>Business-Type Activities:</b>				
Dallas water utilities	436,858	429,034	499,585	586,505
Convention center	93,115	90,377	92,661	105,869
Airport revenues	77,516	91,807	103,950	137,143
Sanitation (2)	-	-	-	116,152
Municipal radio	2,312	2,047	2,254	3,009
Building inspection	21,021	23,647	28,704	45,988
<b>Total Business-Type Activities</b>	<u>630,822</u>	<u>636,912</u>	<u>727,154</u>	<u>994,666</u>
<b>Total primary government expenses</b>	<u>2,060,509</u>	<u>2,144,157</u>	<u>2,146,755</u>	<u>3,396,711</u>
<b>Program revenues</b>				
<b>Governmental Activities:</b>				
Charges for services				
General government	101,896	100,673	104,237	115,901
Public safety	74,746	59,061	74,126	102,308
Code enforcement (2)	102,117	102,621	109,391	18,984
Environmental and health services	-	-	-	71
Streets, public works, and transportation (3)	13,361	13,143	5,572	6,551
Equipment and building services	807	882	979	1,157
Cultural and recreation	19,503	21,021	19,972	21,467
Housing	3,488	2,234	1,994	2,973
Human Services	142	146	118	122
Operating grants and contributions	77,534	70,935	77,038	75,560
Capital grants and contributions	39,035	85,718	59,712	31,092
<b>Total Governmental Activities</b>	<u>432,629</u>	<u>456,434</u>	<u>453,139</u>	<u>376,186</u>
<b>Business-Type Activities:</b>				
Charges for services				
Dallas water utilities	551,498	564,546	573,327	607,329
Convention center	27,936	24,207	28,211	32,858
Airport revenues	70,553	84,426	109,777	123,757
Sanitation (2)	-	-	-	102,283
Municipal radio	1,920	1,908	1,975	1,608
Building inspection	26,867	28,208	31,378	33,648
Operating grants and contributions	5,192	5,699	5,937	6,343
Capital grants and contributions	53,977	16,586	21,135	37,317
<b>Total Business-Type Activities</b>	<u>737,943</u>	<u>725,580</u>	<u>771,740</u>	<u>945,143</u>
<b>Total primary government program revenues</b>	<u>1,170,572</u>	<u>1,182,014</u>	<u>1,224,879</u>	<u>1,321,329</u>
<b>Net (Expense) Revenue</b>				
Governmental Activities	(997,058)	(1,050,811)	(966,462)	(2,025,859)
Business-Type Activities	107,121	88,668	44,586	(49,523)
<b>Total primary government net expense</b>	<u>(889,937)</u>	<u>(962,143)</u>	<u>(921,876)</u>	<u>(2,075,382)</u>
<b>General Revenues:</b>				
Taxes:				
Ad valorem tax	659,693	687,573	735,913	791,420
Sales taxes	243,697	257,467	275,250	285,669
Franchise taxes	131,009	136,951	132,719	140,184
Tax increment financing, intergovernmental	6,937	4,108	4,892	6,473
Special assessments	-	-	-	-
Investment income (loss)	2,526	2,667	7,550	10,089
Miscellaneous	14,448	11,235	43,588	16,771
Transfer	21,478	32,008	23,120	32,856
<b>Total general revenues</b>	<u>1,079,788</u>	<u>1,132,009</u>	<u>1,223,032</u>	<u>1,283,462</u>
<b>Business-Type Activities:</b>				
Hotel occupancy tax	45,182	50,374	53,931	59,225
Motor vehicle tax	-	-	-	-
Alcohol beverage tax	7,648	10,256	11,247	12,058
Investment income (loss)	1,964	2,416	5,901	6,786
Miscellaneous	908	208	314	699
Transfer	(21,478)	(32,008)	(23,120)	(32,856)
Special item	(22,066)	(6,372)	-	-
<b>Total Business-Type Activities</b>	<u>12,158</u>	<u>24,874</u>	<u>48,273</u>	<u>45,912</u>
<b>Change in Net Position</b>				
Governmental Activities	82,730	81,198	256,570	(742,397)
Business-Type Activities	119,279	113,542	92,859	(3,611)
<b>Total primary government</b>	<u>\$ 202,009</u>	<u>\$ 194,740</u>	<u>\$ 349,429</u>	<u>\$ (746,008)</u>

(1) Fiscal year 2014 beginning net position was not restated because information was not available.

(2) In fiscal year 2017, streets, public works, and transportation were combined. Code enforcement was reported separately.

(3) In fiscal year 2016, Sanitation was reclassified from governmental activities to business-type activities.

(4) Fiscal year 2017 beginning net position was not restated because information was not available.

\*Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent year's Comprehensive Annual Financial Report, Management Discussion and Analysis

Table 2

	2017 (4)	2018	2019	2020	2021	2022
\$	312,279	\$ 371,548	\$ 525,676	\$ 455,389	\$ 534,764	\$ 437,888
	1,284,942	(350,079)	672,991	674,112	306,796	618,090
	60,897	51,710	63,709	49,083	51,616	52,944
	17,455	18,897	16,978	16,281	16,660	15,949
	222,444	-	-	-	-	-
	-	202,815	219,484	205,933	216,691	279,743
	46,620	50,980	50,025	40,137	50,843	40,417
	201,716	213,337	224,008	188,982	179,249	198,455
	23,696	15,045	6,731	3,494	3,528	4,074
	25,703	21,294	22,908	23,493	32,214	33,906
	70,676	70,693	78,124	76,948	58,792	69,798
	<u>2,266,428</u>	<u>666,240</u>	<u>1,880,634</u>	<u>1,733,852</u>	<u>1,451,153</u>	<u>1,751,264</u>
	524,308	553,038	604,779	591,692	623,532	606,180
	105,864	106,487	115,311	84,969	86,849	106,758
	144,903	143,697	163,250	152,267	160,158	154,951
	103,363	100,252	132,349	116,743	125,350	131,315
	2,290	2,187	2,784	2,870	2,013	2,054
	38,338	36,729	48,510	36,589	42,584	39,849
	<u>919,066</u>	<u>942,390</u>	<u>1,066,983</u>	<u>985,130</u>	<u>1,040,486</u>	<u>1,041,107</u>
	<u>3,185,494</u>	<u>1,608,630</u>	<u>2,947,617</u>	<u>2,718,982</u>	<u>2,491,639</u>	<u>2,792,371</u>
	110,857	115,092	126,722	128,650	130,523	131,682
	116,033	100,658	77,288	83,899	87,260	81,417
	9,959	10,654	9,719	8,044	12,638	13,237
	289	-	-	120	146	302
	4,378	19,714	6,337	7,117	9,451	17,393
	886	1,241	463	394	1,007	954
	21,831	21,853	22,367	11,859	15,016	23,139
	1,646	2,782	789	375	1,232	787
	104	-	-	-	-	419
	73,693	72,807	72,000	202,759	253,997	194,660
	64,858	52,942	78,769	48,349	54,979	71,662
	<u>404,534</u>	<u>397,743</u>	<u>394,454</u>	<u>491,566</u>	<u>566,249</u>	<u>535,652</u>
	632,469	668,624	617,510	635,940	675,180	775,576
	32,892	34,361	41,180	29,725	26,341	32,570
	133,677	156,167	182,475	146,976	166,997	195,140
	106,618	110,918	123,590	122,154	131,264	143,645
	1,636	1,751	1,771	1,500	1,229	1,396
	33,552	34,387	36,871	32,866	35,669	42,205
	6,296	6,356	6,039	31,095	15,414	33,768
	22,050	34,217	29,050	22,003	56,880	24,260
	<u>969,190</u>	<u>1,046,781</u>	<u>1,038,486</u>	<u>1,022,259</u>	<u>1,108,974</u>	<u>1,248,560</u>
	<u>1,373,724</u>	<u>1,444,524</u>	<u>1,432,940</u>	<u>1,513,825</u>	<u>1,675,223</u>	<u>1,784,212</u>
	(1,861,894)	(268,497)	(1,486,180)	(1,242,286)	(884,904)	(1,215,612)
	50,124	104,391	(28,497)	37,129	68,488	207,453
	<u>(1,811,770)</u>	<u>(164,106)</u>	<u>(1,514,677)</u>	<u>(1,205,157)</u>	<u>(816,416)</u>	<u>(1,008,159)</u>
	854,136	914,272	998,861	1,080,445	1,154,660	1,204,389
	295,361	307,149	320,413	314,385	354,288	407,309
	144,205	151,793	140,822	125,921	131,130	144,603
	8,829	11,139	12,766	12,553	11,136	11,466
	-	31,070	33,038	28,525	27,766	36,379
	9,567	16,601	36,304	22,885	4,404	(27,985)
	13,792	19,372	21,530	12,645	23,321	26,920
	42,303	45,157	40,530	45,135	35,121	35,023
	<u>1,368,193</u>	<u>1,496,553</u>	<u>1,604,264</u>	<u>1,642,494</u>	<u>1,741,826</u>	<u>1,838,104</u>
	59,746	65,307	67,836	41,602	40,416	70,365
	-	-	-	-	-	-
	12,624	13,323	13,877	9,747	12,935	16,940
	6,505	13,279	28,999	18,823	4,515	(15,555)
	24,332	1,343	673	621	849	1,139
	(42,303)	(45,157)	(40,530)	(45,135)	(35,121)	(35,023)
	-	-	-	-	-	-
	<u>60,904</u>	<u>48,095</u>	<u>70,855</u>	<u>25,658</u>	<u>23,594</u>	<u>37,866</u>
	(493,701)	1,228,056	118,084	400,208	856,922	622,492
	111,028	152,486	42,358	62,787	92,082	245,319
\$	<u>(382,673)</u>	<u>\$ 1,380,542</u>	<u>\$ 160,442</u>	<u>\$ 462,995</u>	<u>\$ 949,004</u>	<u>\$ 867,811</u>

**CITY OF DALLAS, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**

Last Ten Fiscal Years (Unaudited)  
(modified accrual basis of accounting)  
(in thousands)

	2013	2014	2015	2016 <sup>(1)</sup>
General Fund				
Nonspendable	\$ 9,324	\$ 10,044	\$ 9,894	\$ 10,659
Restricted	8,506	11,236	8,485	9,593
Committed	1,250	1,250	10,570	1,250
Assigned	17,086	28,905	29,603	15,836
Unassigned	120,839	129,239	141,550	153,693
Total General Fund	<u>157,005</u>	<u>180,674</u>	<u>200,102</u>	<u>191,031</u>
All Other Governmental Funds				
Nonspendable	13,647	13,885	17,119	17,484
Restricted	546,308	367,619	650,698	761,184
Committed	14,406	14,541	14,602	13,781
Total All Other Governmental Funds	<u>574,361</u>	<u>396,045</u>	<u>682,419</u>	<u>792,449</u>
Total all Governmental Funds	<u>\$ 731,366</u>	<u>\$ 576,719</u>	<u>\$ 882,521</u>	<u>\$ 983,480</u>

<sup>(1)</sup> In fiscal year 2016, Sanitation was reclassified from governmental funds to enterprise funds.

Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent years' Comprehensive Annual Financial Report, notes to the financial statements

**Table 3**

2017	2018	2019	2020	2021	2022
\$ 11,143	\$ 11,227	\$ 13,385	\$ 15,385	\$ 16,006	\$ 18,723
12,061	10,244	11,185	8,724	6,627	5,653
1,250	1,250	1,250	2,000	2,000	3,000
38,963	20,727	37,109	41,071	51,565	44,347
171,747	212,806	234,225	277,451	324,300	370,588
<u>235,164</u>	<u>256,254</u>	<u>297,154</u>	<u>344,631</u>	<u>400,498</u>	<u>442,311</u>
14,044	10,102	9,937	10,326	12,048	24,929
658,712	894,157	997,796	990,368	989,118	935,611
17,186	22,642	25,393	30,177	33,252	39,814
<u>689,942</u>	<u>926,901</u>	<u>1,033,126</u>	<u>1,030,871</u>	<u>1,034,418</u>	<u>1,000,354</u>
<u>\$ 925,106</u>	<u>\$ 1,183,155</u>	<u>\$ 1,330,280</u>	<u>\$ 1,375,502</u>	<u>\$ 1,434,916</u>	<u>\$ 1,442,665</u>

**CITY OF DALLAS, TEXAS**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

Last Ten Fiscal Years (Unaudited)  
(modified accrual basis of accounting)  
(in thousands)

	2013	2014	2015	2016 <sup>(1)</sup>
<b>REVENUES:</b>				
Ad valorem taxes	\$ 660,496	\$ 687,891	\$ 734,885	\$ 791,087
Tax increment financing, intergovernmental	6,937	4,108	4,892	6,473
Sales taxes	243,697	257,467	275,250	285,669
Franchise fees	131,009	136,951	132,719	140,184
Licenses and permits	6,271	6,232	6,047	6,232
Intergovernmental	102,879	99,326	87,633	98,329
Service to others	236,911	255,997	261,685	182,959
Fines and forfeitures	35,525	34,079	34,879	39,262
Investment income (loss)	2,454	2,542	7,235	9,804
Special assessments	-	-	-	-
Contributions and gifts	19,367	32,057	25,848	15,270
Confiscated money awards	2,253	3,493	4,764	3,256
Other revenues	3,215	7,671	9,401	12,640
Total revenues	<u>1,451,014</u>	<u>1,527,814</u>	<u>1,585,238</u>	<u>1,591,165</u>
<b>EXPENDITURES:</b>				
Current:				
General government	172,910	227,195	203,780	224,342
Public safety	643,510	656,941	685,444	700,430
Code enforcement <sup>(1)</sup>	165,875	175,853	186,631	129,472
Environmental and health services	18,629	16,662	17,757	18,576
Streets, public works, and transportation <sup>(1)(2)</sup>	28,548	19,467	17,257	18,046
Equipment and building services	21,290	25,648	23,439	24,375
Culture and recreation	110,676	120,198	129,866	140,566
Housing	9,499	10,290	13,551	11,932
Human services	22,747	20,741	20,440	25,285
Debt Service:				
Principal	147,293	147,177	168,962	165,234
Interest and fiscal charges	78,611	79,256	84,543	93,109
Payment to refunded bond escrow agent	3,204	-	-	2,880
Capital outlay	240,196	265,262	204,012	228,726
Total expenditures	<u>1,662,988</u>	<u>1,764,690</u>	<u>1,755,682</u>	<u>1,782,973</u>
Excess(deficiency) of revenues over expenditures	<u>(211,974)</u>	<u>(236,876)</u>	<u>(170,444)</u>	<u>(191,808)</u>
<b>OTHER FINANCING SOURCES(USES):</b>				
Transfers in	38,508	57,022	41,053	54,465
Transfers out	(14,178)	(18,647)	(15,357)	(19,265)
Inception of lease				
Proceeds from sale of capital assets	17,427	2,238	32,976	610
Premium on debt issued	69,304	-	95,392	31,556
Issuance of long-term debt	517,671	41,616	388,895	230,310
Payment to refunded bond escrow agent	(380,859)	-	(271,433)	-
Proceeds from repayment of notes receivable	-	-	-	6,143
Refunding bonds issued	-	-	204,720	2,880
Total other financing sources(uses)	<u>247,873</u>	<u>82,229</u>	<u>476,246</u>	<u>306,699</u>
Net change in fund balance	<u>\$ 35,899</u>	<u>\$ (154,647)</u>	<u>\$ 305,802</u>	<u>\$ 114,891</u>
Debt service as a percentage of noncapital expenditures	15.88%	15.10%	16.34%	16.62%

<sup>(1)</sup> In fiscal year 2017, streets, public works, and transportation were combined.  
Code enforcement was reported separately.

<sup>(2)</sup> In fiscal year 2016, Sanitation was reclassified from governmental funds to enterprise funds.

\*Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent years' Comprehensive Annual Financial Report, notes to the financial statements.

**Table 4**

	2017	2018	2019	2020	2021	2022
\$	853,733	\$ 912,645	\$ 1,000,380	\$ 1,076,976	\$ 1,153,474	\$ 1,202,945
	8,829	11,139	12,766	12,553	11,136	11,466
	295,361	307,149	320,413	314,385	354,288	407,309
	144,205	151,793	140,822	125,921	131,130	144,603
	5,242	10,555	12,612	9,274	11,791	16,643
	95,019	82,637	74,820	211,170	263,712	199,555
	192,420	197,862	182,517	196,546	207,128	214,274
	37,336	36,278	41,931	25,051	25,444	25,104
	9,324	15,801	34,471	21,886	4,262	(25,586)
	-	31,070	33,038	28,525	27,766	36,379
	18,931	23,580	29,712	33,852	29,835	50,265
	2,810	4,063	2,561	2,661	1,820	1,404
	14,898	18,129	12,566	8,615	14,995	16,704
	<u>1,678,108</u>	<u>1,802,701</u>	<u>1,898,609</u>	<u>2,067,415</u>	<u>2,236,781</u>	<u>2,301,065</u>
	240,142	314,174	380,273	440,845	465,568	448,584
	721,753	752,278	784,018	854,425	897,953	950,104
	40,509	42,717	43,779	44,628	45,712	50,232
	16,597	16,650	16,467	15,691	16,492	14,521
	112,924	107,830	128,348	126,573	139,498	197,878
	25,411	25,564	22,939	25,183	34,673	24,198
	147,098	159,837	151,242	149,912	146,157	167,162
	14,075	3,954	3,098	2,707	2,632	3,279
	25,284	19,325	22,679	21,806	37,590	34,108
	169,820	168,406	205,032	204,515	378,200	400,881
	89,778	96,318	101,030	105,692	90,869	87,914
	-	30,675	-	-	-	-
	213,060	266,364	268,765	296,412	381,256	301,222
	<u>1,816,451</u>	<u>2,004,092</u>	<u>2,127,670</u>	<u>2,288,389</u>	<u>2,636,600</u>	<u>2,680,083</u>
	<u>(138,343)</u>	<u>(201,391)</u>	<u>(229,061)</u>	<u>(220,974)</u>	<u>(399,819)</u>	<u>(379,018)</u>
	64,359	77,495	79,755	97,317	80,653	92,017
	(28,929)	(87,574)	(209,288)	(43,360)	(32,681)	(50,770)
	342	716	1,711	320	8,738	6,171
	-	36,444	51,803	3,798	26,255	45,885
	44,197	432,359	452,205	208,121	472,599	152,863
	-	-	-	-	(96,331)	(93,895)
	-	-	-	-	-	-
	-	-	-	-	-	231,115
	<u>79,969</u>	<u>459,440</u>	<u>376,186</u>	<u>266,196</u>	<u>459,233</u>	<u>386,767</u>
\$	<u>(58,374)</u>	<u>\$ 258,049</u>	<u>\$ 147,125</u>	<u>\$ 45,222</u>	<u>\$ 59,414</u>	<u>\$ 7,749</u>
	16.19%	15.23%	16.46%	15.57%	20.80%	20.55%

Table 5

**CITY OF DALLAS, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE**  
**OF TAXABLE PROPERTY**

Last Ten Fiscal Years (Unaudited)  
(in thousands)

Fiscal Year	Real Property Estimated Market Value <sup>(2)</sup>	Personal Property Estimated Market Value <sup>(2)</sup>	Less: Tax-Exempt Property <sup>(2)</sup>	Total Taxable Assessed Value <sup>(1) (4)</sup>	Total Direct Tax Rate <sup>(3)</sup>
2013	\$ 94,522,089	\$ 14,203,657	\$ (25,044,024)	\$ 83,681,722	0.7970
2014	98,764,424	14,903,530	(26,416,432)	87,251,522	0.7970
2015	106,519,690	14,900,052	(28,281,532)	93,138,210	0.7970
2016	115,476,547	15,323,489	(30,481,099)	100,318,937	0.7970
2017	128,220,454	15,903,571	(33,736,396)	110,387,629	0.7825
2018	139,265,026	16,381,314	(37,331,663)	118,314,677	0.7804
2019	154,913,351	17,625,961	(42,458,326)	130,080,986	0.7767
2020	170,062,755	17,610,106	(47,435,229)	140,237,632	0.7766
2021	182,020,035	17,625,961	(52,202,479)	147,443,517	0.7763
2022	192,407,848	15,827,680	(52,297,336)	155,938,192	0.7733

## Notes:

(1) Total Taxable Assessed Value represents original certified taxable value determined by the Dallas, Collin, Denton, and Rockwall Central Appraisal District.

(2) Values for each fiscal year reflect the tax rolls of the previous year (i.e., 2022 fiscal year reflects 2021 tax roll). See Note 1 in the Notes to the Financial Statements for more information.

(3) Per \$100 of valuation.

(4) Exemptions are granted by the City within the constraints of Texas Constitutional law SC 5.

Source: Dallas Central Appraisal District



**CITY OF DALLAS, TEXAS**  
**CITY TAX RATE DISTRIBUTION**  
 Last Ten Fiscal Years (Unaudited)  
 (Per \$100 of Assessed Value)  
 (in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund	\$ 0.5439	\$ 0.5601	\$ 0.5646	\$ 0.5646	\$ 0.5601	\$ 0.5580	\$ 0.5667	\$ 0.5691	\$ 0.5688	\$ 0.5658
Debt Service Fund	0.2531	0.2369	0.2324	0.2324	0.2224	0.2224	0.2100	0.2075	0.2075	0.2075
Total City Tax Rate	<u>\$ 0.7970</u>	<u>\$ 0.7970</u>	<u>\$ 0.7970</u>	<u>\$ 0.7970</u>	<u>\$ 0.7825</u>	<u>\$ 0.7804</u>	<u>\$ 0.7767</u>	<u>\$ 0.7766</u>	<u>\$ 0.7763</u>	<u>\$ 0.7733</u>

Source: Dallas Central Appraisal District

Table 7

**CITY OF DALLAS, TEXAS**  
**PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING TAX RATES**  
**(PER \$100 OF ASSESSED VALUE)**  
 Last Ten Fiscal Years (Unaudited)

Fiscal Year	City Direct Rates <sup>(1)</sup>			Overlapping Rates <sup>(2)</sup>				
	Operating General Rates	General Obligation Debt Service	Dallas County	Dallas County Community College District	Dallas Independent School District	Dallas County School Equalization	Dallas County Hospital District	Total Ad valorem Rate
2013	\$ 0.54390	\$ 0.25310	\$ 0.24310	\$ 0.11938	\$ 1.29035	\$ 0.00994	\$ 0.27100	\$ 2.73077
2014	0.56010	0.23690	0.24310	0.12470	1.28209	0.01000	0.27600	2.73289
2015	0.56460	0.23240	0.24310	0.12478	1.28209	0.01000	0.28600	2.74297
2016	0.56460	0.23240	0.24310	0.12365	1.28209	0.01000	0.28600	2.74184
2017	0.56010	0.22240	0.24310	0.12424	1.28209	0.01000	0.27940	2.72133
2018	0.55800	0.22240	0.24310	0.12424	1.28209	0.01000	0.27940	2.71923
2019	0.56670	0.21000	0.24310	0.12400	1.41204	0.01000	0.27940	2.84524
2020	0.56910	0.20750	0.24310	0.12400	1.31039	0.01000	0.26950	2.73359
2021	0.56880	0.20750	0.23974	0.12400	1.29674	0.01000	0.26610	2.71288
2022	0.56580	0.20750	0.22800	0.12351	1.24824	0.01000	0.25500	2.63805

Source: Dallas Central Appraisal District

<sup>(1)</sup> The City's basic property tax rate may be increased only by a majority vote of the City Council up to the limit of the State law, after which the City's residents may petition for a vote. Rates for debt service are set based on each year's requirements.

<sup>(2)</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Dallas.

Table 8

**CITY OF DALLAS, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years (Unaudited)  
 (in thousands)

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collection Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Current tax collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2013	2012	\$ 666,943	\$ 650,496	97.53%	\$ 4,572	\$ 655,068	98.22%
2014	2013	695,395	678,179	97.52%	4,258	682,437	98.14%
2015	2014	742,312	724,668	97.62%	4,468	729,136	98.23%
2016	2015	799,542	780,733	97.65%	4,431	785,164	98.20%
2017	2016	863,783	850,200	98.43%	4,853	855,053	98.99%
2018	2017	923,328	902,849	97.78%	2,858	905,707	98.09%
2019	2018	1,010,339	989,360	97.92%	3,905	993,265	98.31%
2020	2019	1,089,085	1,066,926	97.97%	2,146	1,069,072	98.16%
2021	2020	1,144,604	1,140,993	99.68%	3,708	1,144,701	100.01%
2022	2021	1,189,718	1,188,513	99.93%	5,053	1,193,565	100.32%

Source: Dallas County Tax Assessor/Collector.

**Table 9**

**CITY OF DALLAS, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS**  
Current Year and Nine Years Ago (Unaudited)  
(in thousands)

Name of Taxpayer	Nature of Property	2022		2013		Percent of Total Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
		Taxable Assessed Valuation	Rank	Taxable Assessed Valuation	Rank		
Oncor Electric Delivery	Electric Utility	\$ 1,039,140	1	690,026	1	0.74%	0.82%
Northpark Land Partners	Developer	740,206	2	578,775	4	0.57%	0.69%
Texas Instruments	Electronic Manufacturing	707,863	3	678,673	3	0.54%	0.81%
Southwest Airlines	Air Transportation	653,943	4	465,747	6	0.50%	0.56%
FM Village Fixed Rate LLC	Developer	565,934	5	-	-	0.44%	0.00%
AT&T Corporation	Telephone Utility	550,322	6	558,347	5	0.42%	0.67%
Atmos Energy	Gas Utility	383,822	7	-	-	0.30%	0.00%
Equinix LLC	Technology	374,138	8	-	-	0.29%	0.00%
Teachers Insurance	Insurance	353,658	9	-	-	0.27%	0.00%
Walmart Stores, Inc.	Retailer	343,318	10	-	-	0.26%	0.00%
Crescent TC Investors LP/Real Estate	Developer	-	-	681,226	2	-	0.81%
PC Village Apartments Dallas LP	Developer	-	-	299,138	7	-	0.36%
Galleria Mall Investors LP	Developer	-	-	288,351	8	-	0.34%
Walmart Stores, Inc.	Retailer	-	-	281,251	9	-	0.34%
Post Properties Inc.	Developer	-	-	208,666	10	-	0.25%
<b>Total</b>		<b>\$ 5,712,344</b>		<b>\$ 4,730,201</b>		<b>4.33%</b>	<b>5.65%</b>

Source: Dallas County Tax Office

Table 10

**CITY OF DALLAS, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
Year Ended September 30, 2022 (Unaudited)  
(in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>(1)</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt:			
City of Dallas			
Debt repaid with property taxes			
General obligation bonds	\$ 1,794,408		\$ 1,794,408
Certificates of obligation	17,187		17,187
Equipment acquisition notes	53,365		53,365
Pension obligation bonds	315,511		315,511
Other Debt			
Financed purchases	121,161		121,161
Leases	35,152		
Commercial paper	159,676		159,676
Long-term notes payable	19,025		19,025
Subtotal, direct debt	<u>2,515,485</u>	<u>100.00 %</u>	<u>2,515,485</u>
Overlapping Debt:			
Carrollton-Farmers Branch ISD	336,185	7.55 %	25,382
Cedar Hill ISD	95,225	1.39 %	1,324
Collin Co	543,645	3.58 %	19,462
Collin Co CCD	498,565	3.58 %	17,849
Community ISD	258,885	0.00 %	-
Coppell ISD	335,955	6.08 %	20,426
Dallas Co	236,605	48.15 %	113,925
Dallas Co CCD	110,835	48.15 %	53,367
Dallas Co Hosp Dist	559,905	48.15 %	269,594
Dallas ISD	3,467,730	88.28 %	3,061,312
Denton Co	559,930	1.46 %	8,175
Duncanville ISD	188,775	44.16 %	83,363
Garland ISD	424,040	1.56 %	6,615
Grand Prairie ISD	401,935	3.05 %	12,259
Highland Park ISD (Dallas)	336,135	9.50 %	31,933
Irving ISD	314,700	2.21 %	6,955
Lancaster ISD	181,952	0.50 %	910
Lewisville ISD	1,204,815	0.00 %	-
Mesquite ISD	704,828	1.21 %	8,528
Plano ISD	492,195	10.42 %	51,287
Richardson ISD	816,810	57.29 %	467,950
Rockwall Co	132,010	0.06 %	79
Rockwall ISD	692,843	0.08 %	554
Sunnyvale ISD	86,283	0.00 %	-
Wylie ISD [Collin]	419,994	0.02 %	84
Subtotal, overlapping debt	<u>\$ 13,400,780</u>		<u>\$ 4,261,334</u>
City Of Dallas (direct debt)	<u>2,515,485</u>	<u>100.00 %</u>	<u>2,515,485</u>
Total direct and overlapping debt	<u>\$ 15,916,265</u>		<u>\$ 6,776,819</u>
Ratio of Direct and Estimated Share of Overlapping Tax Debt to Taxable Assessed Valuation			5.21%
Per Capita Direct and Overlapping Tax Debt (not in thousands)			5,205

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

<sup>(1)</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. Debt outstanding data was obtained from each governmental unit.

**CITY OF DALLAS, TEXAS**  
**RATIO OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years (Unaudited)

Governmental

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Equipment Acquisition Notes	Pension Obligation Bonds	Financed Purchases	Leases <sup>(1)</sup>	Commercial Paper	Long-term Notes Payable	Revenue and Refunding Bonds	General Obligation Bonds
2013	\$ 1,452,292	\$ 36,477	\$ 9,375	\$ 407,301	\$ -	\$ 17,737	\$ -	\$ 31,635	\$ 2,423,049	\$ -
2014	1,318,947	26,457	4,685	404,248	-	26,991	26,475	32,402	2,316,892	-
2015	1,558,578	21,871	-	400,411	-	52,488	27,880	44,208	2,577,258	-
2016	1,641,422	18,011	-	261,102	-	59,117	10,220	42,893	2,701,953	8,396
2017	1,486,496	14,117	-	253,016	-	59,565	9,650	49,027	2,900,670	7,307
2018	1,699,537	10,779	-	244,418	-	75,788	35,160	48,058	3,006,797	6,261
2019	1,973,099	7,997	-	346,837	-	118,916	3,500	43,853	2,937,671	5,352
2020	1,791,598	21,588	33,071	339,205	-	98,185	163,500	25,484	3,134,664	4,456
2021	1,794,408	17,187	53,365	315,511	-	103,001	159,676	19,025	3,498,673	2,440
2022	1,784,031	66,867	70,568	305,520	121,161	35,152	9,185	16,138	3,392,347	805

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> Items reported as leases in fiscal years prior

<sup>(2)</sup> These ratios are calculated using personal income and population data (See Table 15).

<sup>(3)</sup> See Table 5 for property value data.

Table 11

Business-Type											
Pension Obligation Bonds	Financed Purchases	Leases <sup>(1)</sup>	Commercial Paper	Long-term Notes Payable	Total Primary Government	Percentage of Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup>	Total Bonded Debt	Percentage of Estimated Actual Property Value <sup>(3)</sup>	Per Capita <sup>(2)</sup>	
\$ 137,815	\$ -	\$ -	\$ -	\$ 6,867	\$ 4,522,548	14.65%	\$ 3,670	\$ 2,043,260	2.44%	\$ 1,660	
136,868	-	-	122,840	4,708	4,421,513	13.15%	3,663	1,891,205	2.17%	1,567	
135,617	-	30,115	90,458	2,508	4,941,392	14.50%	3,972	2,116,477	2.27%	1,701	
119,738	-	73,899	48,322	266	4,985,339	13.02%	3,963	2,048,669	2.04%	1,629	
116,029	-	75,909	18,500	-	4,990,286	12.44%	3,929	1,876,965	1.70%	1,478	
112,088	-	101,813	-	-	5,340,699	13.28%	4,153	2,073,083	1.75%	1,612	
159,051	-	87,519	164,500	-	5,848,295	13.17%	4,492	2,492,336	1.92%	1,914	
104,370	-	85,915	52,900	-	5,854,936	12.76%	4,399	2,294,288	1.64%	1,724	
144,691	-	82,445	2,280	-	6,192,702	13.50%	4,749	2,327,602	1.58%	1,785	
140,105	8,433	79,736	137,800	-	6,167,848	13.75%	4,730	2,367,896	1.52%	1,821	

**CITY OF DALLAS, TEXAS**  
**LEGAL DEBT MARGIN**  
Last Ten Fiscal Years (Unaudited)  
(in thousands)

	2013	2014	2015	2016
Total Assessed Valuation	\$83,681,722	\$87,251,522	\$93,138,211	\$100,318,937
Overall debt limitation - 10% of assessed valuation	8,368,172	8,725,152	9,313,821	10,031,894
Net Debt Subject to Limitation	1,691,184	1,547,227	1,700,335	1,774,889
Legal debt margin within 10% limitation (1)	<u>\$6,676,988</u>	<u>\$7,177,925</u>	<u>\$7,613,486</u>	<u>\$8,257,005</u>
Legal Debt Margin as a Percentage of the Debt Limit	79.8%	82.3%	81.7%	82.3%

<sup>(1)</sup> Chapter XXI, Section 3 of the City of Dallas Charter states, "The maximum bonded indebtedness of the City outstanding at any one time, and payable from taxation, shall not exceed 10% of the total assessed valuation of property shown by the last assessment roll of the City."



**Table 12**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>\$110,387,629</u>	<u>\$118,314,677</u>	<u>\$130,080,985</u>	<u>\$140,237,631</u>	<u>147,443,517</u>	<u>155,938,192</u>
<u>11,038,763</u>	<u>11,831,468</u>	<u>13,008,099</u>	<u>14,023,763</u>	<u>14,744,352</u>	<u>15,593,819</u>
1,625,654	1,816,873	2,055,841	1,939,270	1,936,978	1,952,168
<u>\$9,413,109</u>	<u>\$10,014,595</u>	<u>\$10,952,258</u>	<u>\$12,084,493</u>	<u>\$12,807,374</u>	<u>\$13,641,651</u>
85.3%	84.6%	84.2%	86.2%	86.9%	87.5%

**CITY OF DALLAS, TEXAS**  
**SCHEDULE OF REVENUE BOND COVERAGE**  
**DALLAS WATER UTILITIES**  
 Last Ten Fiscal Years (Unaudited)  
 (in thousands)

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements <sup>(2)</sup>			Revenue Bond Coverage <sup>(3)</sup>
	Gross Revenue	Expense <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
2013	\$ 554,686	\$ 233,177	\$ 321,509	\$ 89,510	\$ 84,269	\$ 173,779	1.85
2014	569,822	246,141	323,681	94,545	84,134	178,679	1.81
2015	568,841	287,983	280,858	96,675	86,186	182,861	1.54
2016	619,890	306,085	313,805	100,980	79,705	180,685	1.74
2017	630,542	283,669	346,873	101,803	85,955	187,758	1.85
2018	675,938	289,470	386,468	114,210	82,735	196,945	1.96
2019	626,181	278,649	347,532	116,320	83,241	199,561	1.74
2020	657,258	306,652	350,606	125,635	83,399	209,034	1.68
2021	677,326	332,569	344,757	125,635	85,790	211,425	1.63
2022	754,526	314,966	439,560	124,510	84,571	209,081	2.10

<sup>(1)</sup> Operating expenses do not include depreciation or any PILOT payments or similar payments that are not considered expenses of the operation and maintenance of the Water and Wastewater System.

Operating expenses includes payments for the Water Transmission Facilities Financing Agreement in, as explained in note 11.S. Per Texas Government Code, Section 1502.056(c), "a contract between a municipality and an issuer, as defined by Section 1201.002, under which the municipality obtains from the issuer part or all of the facilities or services of a utility system to that payments made by the municipality from the revenue of the utility system are an operating expense of the municipality's utility system."

<sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

<sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest.

Table 14

**CITY OF DALLAS, TEXAS**  
**SCHEDULE OF REVENUE BOND COVERAGE**  
**CONVENTION CENTER FUND**  
 Last Ten Fiscal Years (Unaudited)  
 (in thousands)

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements <sup>(2)</sup>			Revenue Bond Coverage <sup>(3)</sup>
	Gross Revenue	Expense <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
2013	\$ 85,820	\$ 52,850	\$ 32,970	\$ 3,675	\$ 16,282	\$ 19,957	1.7
2014	90,356	54,606	35,750	4,640	16,098	20,738	1.7
2015	99,805	57,479	42,326	5,740	15,866	21,606	2.0
2016	110,653	70,164	40,489	6,945	15,579	22,524	1.8
2017	111,515	71,123	40,392	8,250	15,232	23,482	1.7
2018	120,196	72,193	48,003	8,665	14,820	23,485	2.0
2019	131,860	81,761	50,099	9,095	14,386	23,481	2.1
2020	86,380	51,855	34,525	9,550	13,932	23,482	1.5
2021	79,995	54,588	25,407	10,030	13,454	23,484	1.1
2022	117,593	79,368	38,225	14,018	5,318	19,336	2.0

<sup>(1)</sup> Convention Center Revenue bond covenants require only Convention Center expenses be considered when calculating bond coverage. Expenses exclude depreciation expense.

<sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

<sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest.

**CITY OF DALLAS, TEXAS**  
**SCHEDULE OF REVENUE BOND COVERAGE**  
**AIRPORT REVENUES FUND**  
 Last Two Fiscal Years (Unaudited)  
 (in thousands)

Fiscal Year	Net Revenue Available for Debt Service			Average Debt Service Requirements <sup>(2)</sup>			Revenue Bond Coverage <sup>(3)</sup>
	Gross Revenue	Expense <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
2018 <sup>(4)</sup>	\$ 130,965	\$ 74,949	\$ 56,016	\$ 12,498	\$ 6,757	\$ 19,255	2.91
2019	159,229	91,555	67,674	13,002	6,497	19,498	3.47
2020	162,761	77,693	85,068	13,298	6,223	19,521	4.36
2021	147,612	82,650	64,962	24,130	11,392	35,522	1.83
2022	163,839	88,237	75,602	24,963	10,927	35,890	2.11

<sup>(1)</sup> Operating expenses do not include depreciation.

<sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

<sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by average principal and interest outstanding at fiscal year end.

<sup>(4)</sup> Debt service payments from net revenues began in fiscal year 2018.

**CITY OF DALLAS, TEXAS  
DEMOGRAPHIC STATISTICS AND ECONOMIC STATISTICS  
Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Population <sup>(1)</sup>	Personal Income	Per Capita Personal Income	Median Household Income	Median Age	Assessed Valuation (in thousands)	Labor Force	Unemployment <sup>(2)</sup>	Unemployment Rate <sup>(2)</sup>
2013	1,232,243	\$ 30,868,803,800 <sup>3)</sup>	\$ 25,051 <sup>4)</sup>	\$ 41,318 <sup>3)</sup>	32.0 <sup>3)</sup>	\$ 83,681,722 <sup>(7)</sup>	591,278	39,966	6.8 %
2014	1,232,360	33,615,083,720 <sup>(3)</sup>	27,277 <sup>(4)</sup>	41,666 <sup>(3)</sup>	32.3 <sup>(3)</sup>	87,251,522 <sup>(7)</sup>	596,473	34,977	5.9 %
2015	1,244,270	34,081,929,000 <sup>(3)</sup>	27,391 <sup>(4)</sup>	43,103 <sup>(3)</sup>	32.1 <sup>(3)</sup>	93,138,211 <sup>(7)</sup>	642,785	26,917	4.2 %
2016	1,257,730	38,299,687,300	30,451 <sup>(4)</sup>	44,461 <sup>(3)</sup>	32.5 <sup>(3)</sup>	100,318,937 <sup>(7)</sup>	661,622	25,627	3.9 %
2017	1,270,170	40,127,279,400 <sup>(3)</sup>	31,592 <sup>(4)</sup>	46,581 <sup>(3)</sup>	32.7 <sup>(3)</sup>	110,387,629	676,091	27,356	4.1 %
2018	1,286,380	40,212,238,800 <sup>(3)</sup>	31,260 <sup>(4)</sup>	47,285 <sup>(3)</sup>	32.5 <sup>(3)</sup>	118,314,677 <sup>(7)</sup>	694,383	25,302	3.7 %
2019	1,301,970	44,411,357,000 <sup>(3)</sup>	34,111 <sup>(4)</sup>	51,419 <sup>(3)</sup>	32.9 <sup>(3)</sup>	130,080,985 <sup>(7)</sup>	706,339	24,144	3.4 %
2020	1,330,612	45,878,171,148	34,479	52,580 <sup>(3)</sup>	32.7 <sup>(3)</sup>	140,237,631 <sup>(7)</sup>	695,823	45,769	6.6 %
2021	1,304,379	45,878,171,148 <sup>(8)</sup>	34,479 <sup>(8)</sup>	52,580 <sup>(8)</sup>	32.7 <sup>(8)</sup>	147,443,517 <sup>(7)</sup>	701,108	45,689	6.5 %
2022	1,300,239	44,841,342,393 <sup>(8)</sup>	34,487 <sup>(8)</sup>	54,747 <sup>(8)</sup>	33.1 <sup>(8)</sup>	155,938,192 <sup>(7)</sup>	717,021	28,726	4.0 %

<sup>(1)</sup> 2020 American Community Survey, 50 Year Estimates, Table B01003

<sup>(2)</sup> U.S. Bureau of Labor Statistics

<sup>(3)</sup> Personal Income, Median Household Income, and Median Age are averages of previous two years. Personal income is the aggregate income in the past 12 months. Census Bureau.

<sup>(4)</sup> Per Capita Personal Income is derived from Population and Personal Income values. Census Bureau.

<sup>(5)</sup> The 2011 North Central Texas Council of Governments estimate in based on 2010 Census and is not a continuation of previous 2001-2009 estimates. 2014 data obtained from United States Census Bureau.

<sup>(7)</sup> Consolidated Appraisal Value from Budget Office

<sup>(8)</sup> The information was not available for September 30, 2021, so the information as of September 30, 2020 was used in this table.

All values by year are current estimates as published by the source at the date of publication. Updates to the values after publication date by their source are not reflected.

Table 17

**CITY OF DALLAS, TEXAS  
PRINCIPAL EMPLOYERS**  
Current Year and Nine Years Ago (Unaudited)

Name of Employers	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Dallas Independent School District <sup>(4)</sup>	23,271	1	2.22%	19,800	1	2.40%
City of Dallas <sup>(5)</sup>	13,000	2	1.24%	13,000	2	1.57%
AT&T Inc. <sup>(1)</sup>	12,600	3	1.20%	7,500	7	0.91%
Medical City Dallas <sup>(2)</sup>	10,864	4	1.04%	-	-	-
Parkland Health & Hosp System <sup>(2)</sup>	10,406	5	0.99%	9,442	5	1.14%
Texas Instruments Inc. <sup>(3)</sup>	9,800	6	0.94%	10,411	4	1.26%
Dallas County Community College <sup>(6)</sup>	8,230	7	0.79%	-	-	-
Methodist Dallas Med Ctr <sup>(2)</sup>	6,887	8	0.66%	-	-	-
Dallas County <sup>(7)</sup>	6,500	9	0.62%	6,537	8	0.79%
Childrens Health <sup>(2)</sup>	6,276	10	0.60%	5,600	9	0.68%
Baylor Scott & White Health <sup>(2)</sup>	-	-	-	9,368	6	1.13%
UT Southwestern Medical Center <sup>(2)</sup>	-	-	-	12,100	3	1.47%
Texas Health Presbyterian Hosp <sup>(2)</sup>	-	-	-	-	-	-
Southwest Airlines Co <sup>(2)</sup>	-	-	-	4,052	10	0.49%
<b>Total</b>	<b>107,834</b>		<b>9.41%</b>	<b>97,810</b>		<b>11.84%</b>

Source <sup>(1)</sup>: Dallas Independent School District, 2022

Source <sup>(2)</sup>: City of Dallas - Annual Budget, FY22-23

Source <sup>(3)</sup>: Gale Business: DemographicsNow - People & Companies, 2022

Source <sup>(4)</sup>: ESRI Business Analyst, 2022; Data Axle Inc., 2022

Source <sup>(5)</sup>: Dallas County Community College, 2022

Source <sup>(6)</sup>: Dallas County, 2022

Source <sup>(7)</sup>: Data Axle Inc., 2022



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**CITY OF DALLAS, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years (Unaudited)

<b>Function/Program</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Public safety</u>				
Police stations	8	8	8	8
Fire stations	57	57	58	58
 <u>Streets, public works and transportation</u>				
Streets - paved (miles)	4,031	4,033	4,041	4,034
Lane miles	11,701	11,771	11,754	11,775
Traffic signals	1,342	1,348	1,354	1,354
Street lights	87,263	87,355	87,790	87,790
 <u>Parks and recreation</u>				
Parks	374	381	380	389
Parks acres	23,331	22,842	23,470	23,147
Miles of trails (jogging, hiking & biking)	130	130	144	153
Number of lakes	18	13	13	13
Swimming pools	20	18	18	19
Spraygrounds "Water-enhanced playground"	10	10	11	11
Athletic fields (soccer, football, baseball & rugby)	272	272	271	278
Tennis centers	5	5	5	5
Number of tennis courts	81	81	81	81
Neighborhood tennis courts	177	177	177	177
Multi-use courts	156	156	153	154
Golf courses (18 holes)	6	6	6	6
Recreation centers (community)	43	43	43	43
 <u>Water</u>				
Water mains (miles)	4,922	4,922	4,925	4,937
Fire hydrants	29,243	29,626	29,666	29,857
 <u>Wastewater</u>				
Miles of sanitary sewers	4,017	4,017	4,017	4,020
Miles of storm sewers	1,791	1,791	1,800	1,820

Source: City capital asset records



**TABLE 18**

2017	2018	2019	2020	2021	2022
8	8	8	8	8	8
58	58	58	58	58	59
4,027	4,027	4,056	4,069	4,009	4,022
11,757	11,755	11,811	11,860	11,622	11,673
1,368	1,373	1,383	1,399	1,422	1,434
91,000	88,122	92,542	92,909	93,977	94,201
396	397	397	397	397	410
20,109	20,245	20,109	23,464	20,245	20,835
158	161	162	168	180	207
13	13	40	40	40	41
19	20	19	19	19	19
11	11	11	11	17	17
274	269	287	287	287	288
5	5	5	5	4	4
99	99	99	99	99	65
157	157	157	157	157	189
158	154	159	159	159	158
6	6	6	6	6	6
43	43	43	43	43	42
4,955	4,983	4,986	5,005	5,017	5,038
30,176	30,558	30,707	30,950	31,091	31,398
4,022	4,040	4,046	4,052	4,058	4,063
1,838	1,963	1,963	1,869	1,879	1,875

**CITY OF DALLAS, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years (Unaudited)

<b>Function/Program</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public Safety				
Police				
Calls for Service	591,997	590,443	599,319	628,871
Fire				
Calls for Service - Fire	46,127	42,346	41,049	43,228
Calls for Service - EMS	193,820	195,802	189,894	202,212
Recreation				
Number of Membership Scans	348,830	545,998	564,684	632,246
Building Permits				
Permits Issued	38,478	36,044	37,951	41,480
Estimated Value	\$2,652,432,543	\$3,305,921,947	\$4,097,419,967	\$4,636,962,395
Airport				
Airport Operations (Takeoffs and Landings)	178,232	176,889	209,121	223,997
Utilities (millions of gallons)				
Water Usage - Peak	583	535	619	592
Water Usage - Average	391	369	374	369

Source: Department annual records

**Table 19**

2017	2018	2019	2020	2021	2022
608,548	586,727	617,111	587,564	569,280	584,268
43,783	53,171	49,594	60,892	66,357	75,865
206,323	206,161	205,245	172,993	194,646	209,426
453,369	344,127	361,833	17,913	818,548	391,688
40,650	38,826	44,981	40,013	44,618	18,471
\$4,264,728,943	\$4,011,159,859	\$4,730,498,312	\$4,025,997,722	\$4,264,667,272	\$5,782,936,004
225,754	232,380	229,594	187,220	197,436	226,591
511	607	606	588	687	655
372	389	369	380	382	412

Table 20

**CITY OF DALLAS, TEXAS**  
**HEADCOUNT OF CITY GOVERNMENT EMPLOYEES**  
**BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years (Unaudited)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Government</b>										
City Manager's Office	14	15	14	12	11	13	17	13	16	18
City Attorney	144	144	149	153	157	150	159	150	137	158
City Auditor	19	22	22	22	23	25	19	20	21	16
City Controller's Office	42	42	42	41	47	48	54	65	71	71
City Secretary	15	14	15	17	18	21	23	24	24	21
Code Compliance Services	388	397	404	440	455	345	326	329	359	367
Communication & Information Services	173	170	163	170	188	187	179	198	188	198
Dallas Animal Services	-	-	-	-	-	131	148	154	158	151
Office of Economic Development	41	41	39	36	37	27	24	30	42	29
Equipment and Building Services <sup>(2)</sup>	435	461	461	452	491	469	-	-	-	-
Equipment & Fleet Management	-	-	-	-	-	-	216	237	224	223
Building Services Department	-	-	-	-	-	-	169	176	173	157
Office of Budget	39	39	47	30	31	34	36	42	29	29
Office of Bond Program Administration	-	-	-	-	-	-	-	12	14	10
Office of Data Analytics and Business Intelligence	-	-	-	-	-	-	-	-	22	25
Human Resources	41	47	49	53	54	49	53	53	58	72
Housing & Neighborhood Revitalization	-	-	-	-	-	40	41	45	15	24
Housing	364	357	367	357	304	-	-	-	-	-
Office of Cultural Affairs	64	61	64	63	63	68	64	51	77	73
Municipal Court-Judiciary	34	33	32	29	32	30	27	26	38	46
Courts & Detention Services	151	145	152	158	153	140	202	197	194	192
Office of Procurement Services	39	41	41	40	36	31	34	34	32	32
Planning & Urban Design	-	-	23	28	28	26	25	26	24	51
Sustainable Development & Construction Services	-	-	-	-	-	297	310	308	303	265
Library	264	266	348	391	389	407	415	382	314	317
Management Services	160	164	160	181	199	452	505	494	572	631
<b>Subtotal</b>	<b>2,427</b>	<b>2,459</b>	<b>2,592</b>	<b>2,673</b>	<b>2,716</b>	<b>2,990</b>	<b>3,046</b>	<b>3,066</b>	<b>3,105</b>	<b>3,176</b>
<b>Public Safety</b>										
Police-Uniform	3,463	3,524	3,483	3,354	3,075	3,033	3,077	3,161	3,138	3,103
Police-Civilian	557	540	545	550	624	568	550	506	637	635
Fire-Uniform	1,870	1,867	1,901	1,878	1,811	1,940	1,986	1,986	2,002	2,005
Fire-Civilian	82	92	104	102	105	103	98	101	99	106
<b>Subtotal</b>	<b>5,972</b>	<b>6,023</b>	<b>6,033</b>	<b>5,884</b>	<b>5,615</b>	<b>5,644</b>	<b>5,711</b>	<b>5,754</b>	<b>5,876</b>	<b>5,848</b>
<b>Development Services</b>	<b>237</b>	<b>264</b>	<b>269</b>	<b>280</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public Works</b>										
Public Works & Transportation	143	144	138	137	-	-	-	-	-	-
Streets, Public Works, and Transportation <sup>(1)</sup>	485	491	510	508	609	633	-	-	-	-
Public Works	-	-	-	-	-	-	445	433	424	476
Trinity Watershed Management	170	193	205	207	209	208	-	-	-	-
Transportation	-	-	-	-	-	-	133	133	143	160
<b>Subtotal</b>	<b>798</b>	<b>828</b>	<b>853</b>	<b>852</b>	<b>818</b>	<b>841</b>	<b>578</b>	<b>566</b>	<b>567</b>	<b>636</b>
<b>Parks and Recreation</b>	<b>598</b>	<b>614</b>	<b>661</b>	<b>729</b>	<b>691</b>	<b>702</b>	<b>690</b>	<b>676</b>	<b>825</b>	<b>922</b>
<b>Water Utilities</b>	<b>1,440</b>	<b>1,432</b>	<b>1,463</b>	<b>1,439</b>	<b>1,439</b>	<b>1,363</b>	<b>1,520</b>	<b>1,473</b>	<b>1,468</b>	<b>1,440</b>
<b>Convention &amp; Events Services</b>	<b>71</b>	<b>74</b>	<b>80</b>	<b>98</b>	<b>111</b>	<b>106</b>	<b>27</b>	<b>28</b>	<b>23</b>	<b>19</b>
<b>Aviation</b>	<b>196</b>	<b>187</b>	<b>203</b>	<b>206</b>	<b>240</b>	<b>261</b>	<b>277</b>	<b>270</b>	<b>274</b>	<b>267</b>
<b>Sanitation</b>	<b>460</b>	<b>472</b>	<b>488</b>	<b>483</b>	<b>487</b>	<b>483</b>	<b>491</b>	<b>480</b>	<b>458</b>	<b>489</b>
<b>Other</b>										
Mayor & Council	37	36	39	37	40	37	39	34	52	52
Employee Retirement	22	19	23	25	28	29	31	33	35	35
Civil Services	18	20	24	22	28	26	27	24	21	21
Office of Risk Management	24	24	22	27	26	36	37	41	41	44
<b>Subtotal</b>	<b>101</b>	<b>99</b>	<b>108</b>	<b>111</b>	<b>122</b>	<b>128</b>	<b>134</b>	<b>132</b>	<b>149</b>	<b>152</b>
<b>Total</b>	<b>11,840</b>	<b>11,980</b>	<b>12,262</b>	<b>12,272</b>	<b>12,538</b>	<b>12,518</b>	<b>12,474</b>	<b>12,445</b>	<b>12,745</b>	<b>12,949</b>

Source: City Human Resources Records

<sup>(1)</sup> In fiscal year 2017, streets, public works, and transportation were combined.<sup>(2)</sup> In fiscal year 2019, Equipment and Building Services were reorganized as two separate departments - Equipment and Fleet Management and Building Services





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