CITY OF DALLAS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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DALLAS, TEXAS

For the Fiscal Year ended September 30, 2025

City of Dallas

SERVICE FIRST, NOW!

Scoring Big for Dallas

Investing in Priority Programs & People

CITY OF DALLAS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2025

Issued by
City Controller's Office

Jack Ireland, Chief Financial Officer
Sheri Kowalski, CPA, CIA, CISA, City Controller
Lance Sehorn, CPA, CGMA, Assistant City Controller
Jenifer West, Financial Reporting Manager

Nancy Hong
Adam Wong
Prakash Gautam
Bethlehem Kassa
Theresa Lu
Jade O'Martin
Maribel Pierce
Ailin Ruiz
Lina Wang, CPA

City of Dallas

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CITY OF DALLAS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

City of Dallas

March 23, 2026

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, 2025. 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 that 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 would like to express our sincere appreciation to the staff of the City Controller's Office, as well as to all those in financial management roles across the various departments, for their unwavering commitment to excellence, transparency, and accountability. This report would not have been possible without their dedication. We would also like to acknowledge the valuable support of Budget and Management Services, the Office of Economic Development, and the Information and Technology Services Department, whose contributions of essential data were instrumental in the preparation of this report.

As we move forward, we are committed to implementing even more robust fiscal policies and practices, ensuring that Dallas residents and taxpayers receive the utmost value from 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.

THE PEOPLE OF 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 (DFW), the nation's fourth-largest metropolitan area.[1]

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.

The remainder of this page intentionally left blank.

[1] U.S. Census Bureau, City, Metropolitan and Micropolitan Statistical Areas Population Totals: 2020-2024

THE PEOPLE OF DALLAS

Below is a population snapshot of our City at a glance with notable facts about the people that make up our communities:[2]

TOTAL HOUSEHOLDS

533,915

MEDIAN HOUSEHOLD INCOME

$70,518

BACHELOR'S DEGREE OR HIGHER

38.2%

HIGH SCHOOL DIPLOMA OR EQUIVALENT

23.0%

MEDIAN AGE

33.4

TOTAL POPULATION

1.33 million

AGES 18-65

64.3%

UNDER 18

23.9%

OVER 65

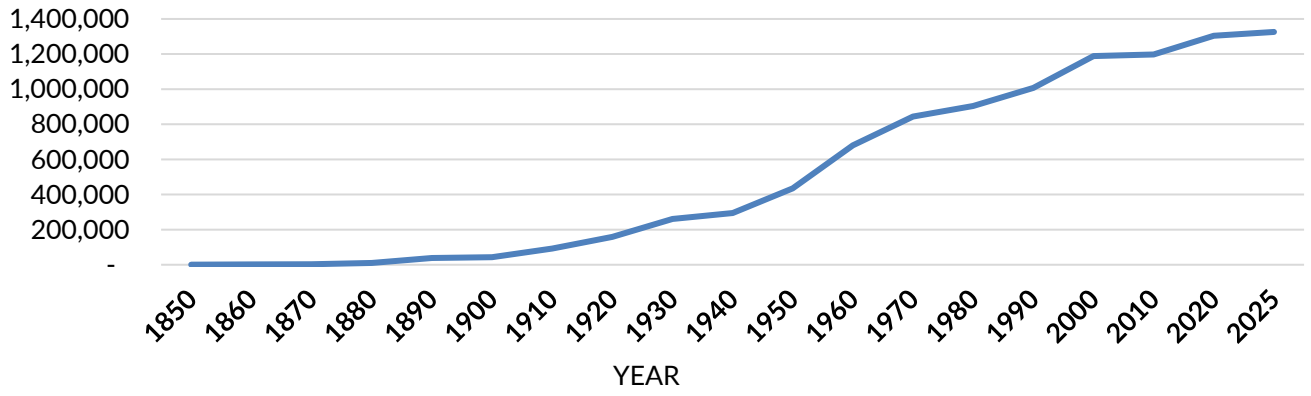
11.8%

[2] United States Census Bureau City Profile: https://data.census.gov/profile/Dallas_city,_Texas?g=160XX00US4819000

THE DALLAS ECONOMY

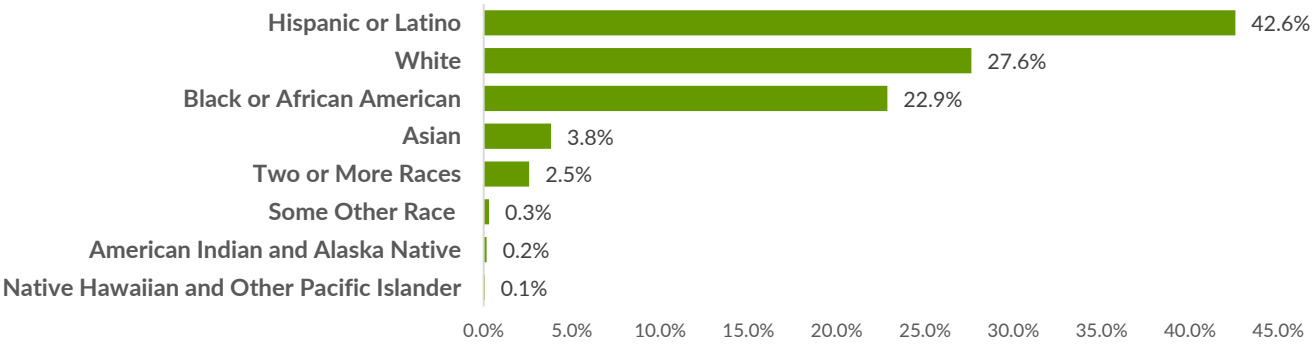
The City of Dallas is home to 1,326,087 people.[3] The U.S. Census data shows an increase in the population of about 32% during the last 35 years.[4] Per the most recent census numbers, the Dallas-Fort Worth (DFW) area experienced an increase of over 177,500 residents between July 1, 2023, and July 1, 2024, to bring the current DFW population to 8,344,032. This is one of the largest population increases for any metropolitan area in the nation.[5] Dallas' population growth includes people migrating from all over the world. Nearly one in four Dallas residents was born outside the U.S.[6]

Figure 1.
Population



Dallas is a vibrant and diverse city, as reflected in the latest census data. Approximately 42.6% of residents identify as Hispanic or Latino (of any race), while 57.4% identify as non-Hispanic or Latino. Among non-Hispanic or Latino residents, 27.6% are White, 22.9% are Black, 3.8% are Asian, and 3.1% represent other racial backgrounds.[7]

Figure 2.
Race & Ethnicity



[3] U.S. Census Bureau, City, Metropolitan and Micropolitan Statistical Areas Population Totals: 2020-2024
[4] Texas Almanac, http://www.texasalmanac.com/places/dallas
[5] U.S. Census Bureau, City, Metropolitan, and Micropolitan Statistical Areas Population Totals: 2020-2024
[6] United States Census Bureau Quick https://www.census.gov/quickfacts/fact/table/dallascitytexas,US/PST045222
[7] 2024 American Community Survey, 5-Year Estimates, Table DP05

THE DALLAS ECONOMY

Dallas is the center of one of the nation's best regional economies and fastest-growing urban areas. The city continues to attract an influx of new residents from across the United States and around the globe. Dallas' diverse and robust economy has been a key driver of growth, contributing an additional 77,000 jobs to the Dallas-Fort Worth (DFW) area over the past year, and the DFW region has been one of the nation's leaders in job creation, with a 25.7 percent increase in job creation over the past 10 years.[8]

Dallas is a prominent hub for business, offering a unique combination of advantages, including no state income tax, a highly educated workforce of over 730,000 city residents[9], and more than 540 company headquarters.[10] Notable corporations like AT&T, CBRE, and AECOM are headquartered in Dallas. The area continues to attract companies across professional, business, and financial services sectors. It also boasts a robust health services industry with a rapidly expanding presence in life sciences and biotech. Additionally, Dallas remains a top destination for logistics, transportation, and warehousing services. This sustained growth is underpinned by a well-educated population and a highly competitive cost structure.

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[8] U.S. Bureau of Labor Statistics, Current Employment Statistics, 2025.
[9] Estimated using data from ESRI Business Analyst, 2025
[10] Reference Solutions, 2025

THE DALLAS ECONOMY

Corporate Headquarters

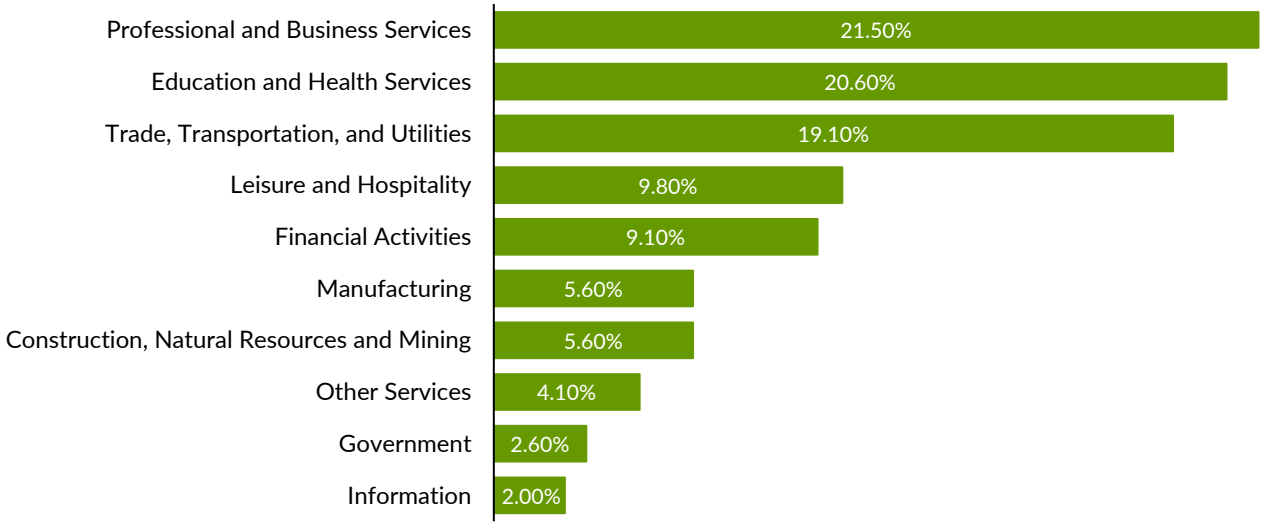
The Dallas-Fort Worth metroplex is one of the world's leading corporate headquarters in 2025. The Dallas business community includes:

- Nine of the 21 Fortune 500 companies in the DFW area and 19 of the 45 Fortune 1000 companies.[11]
- Dallas ranks fifth in the U.S. for locally headquartered Fortune 1000 companies, with 19 companies located within the City limits.[12]

Major Industries

With a diverse industry mix, Dallas is strategically positioned to weather any downturns in the U.S. economy, due to no industry providing more than 30% of the City's employment. The city has experienced robust job growth across various industries and is home to a thriving business community, supporting nearly 65,000 businesses.[13] The largest sector in the City of Dallas is Professional and Business Services, employing 217,887 workers. The next-largest sectors in the region are Education and Health Services (208,853 workers) and Trade, Transportation, and Utilities (193,050).[14]

Figure 3.
City of Dallas Employment By Industry



[11] Reference Solutions, 2025
[12] Reference Solutions, 2025
[13] Estimated using data from ESRI Business Analyst, 2025
[14] JobsEQ- 2025Q2 Industry Snapshot, 2025

THE DALLAS ECONOMY

In FY 2025, the average monthly labor force in Dallas was 731,056, with an average of 29,064 unemployed residents each month. The labor force in Dallas has decreased by about 20,000 over the past year, with the number of unemployed virtually unchanged from FY2024. Despite the decrease in the Dallas labor force, the average number of employees increased, and the average unemployment rate for Dallas remains steady at 4.0 percent for FY 2025. This unemployment rate is less than the national average of 4.2 percent in FY 2025.[15]

Figure 4.
Dallas Unemployment Rate
(Percent)

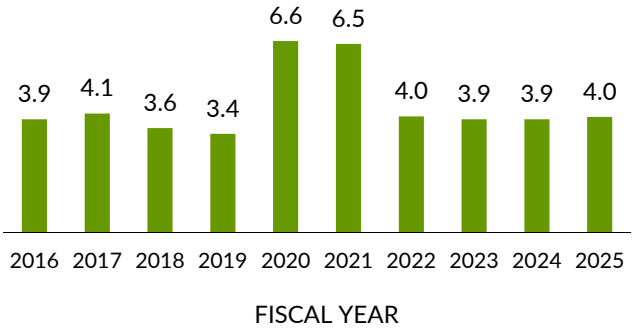
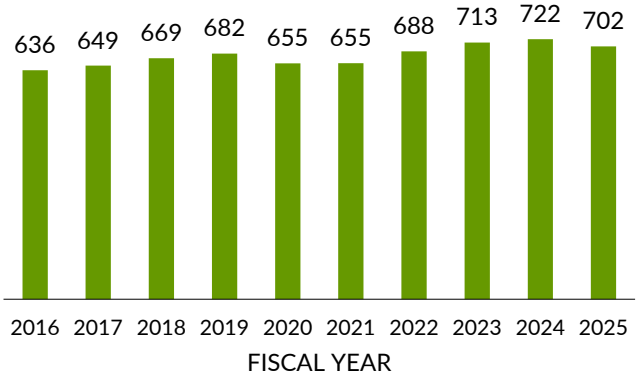


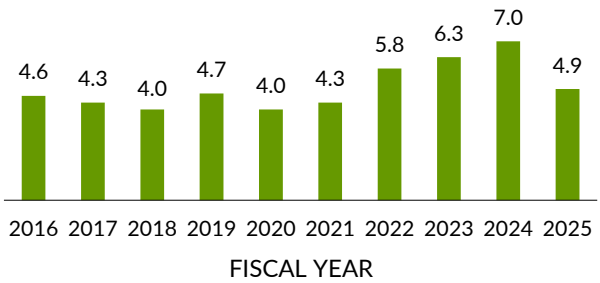
Figure 5.
Dallas Employment
(1,000's of Employed Residents)



The unemployment rate in Dallas peaked at 4.5 percent in August 2025, experiencing fluctuations throughout the fiscal year. December 2024 and April 2025 recorded the lowest unemployment rates of the year at 3.6 percent. Similar to the overall Dallas labor force numbers, the employed population in Dallas slightly decreased, reaching approximately 701,992 residents in fiscal year 2025, compared to 722,006 in fiscal year 2024. This reflects a 2.8 percent decrease.[16] [17]

In FY 2025, the annual value of issued construction permits was about $4.9 billion. New construction values decreased from the previous year by approximately 30 percent.[18]

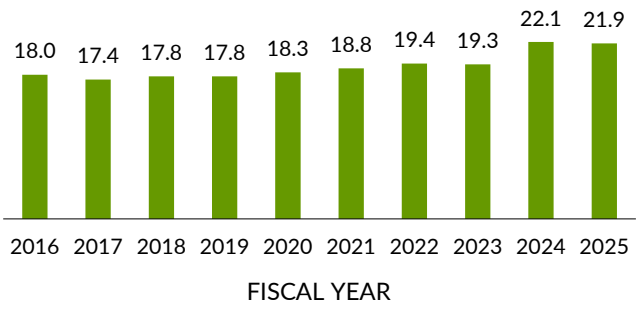
Figure 6. Dallas Building Activity
(In Billions)



[15] Texas Workforce Commission (TWC) and U.S. Bureau of Labor Statistics, 2025
[16] Texas Workforce Commission (TWC) and U.S. Bureau of Labor Statistics, 2025
[17] U.S. Bureau of Labor Statistics (non-seasonally adjusted values), 2025
[18] City of Dallas Planning & Development Department (valuation methodology changed in May 2025)

THE DALLAS ECONOMY

Figure 7. Dallas Office Vacancy Rate (Percent)



According to the CoStar commercial real estate database, Dallas has approximately 141 million square feet of office space and 80 million square feet of retail space. The slight increase in office vacancy in Dallas is part of a broader trend across the U.S. as companies adjust to new work patterns in the post-COVID era. This trend is expected to continue in the near future. Some buildings are being repurposed for residential or hotel use, while others may see a resurgence in office demand.

According to the CoStar commercial real estate database, the industrial vacancy rate was 9.4 percent in FY 2025. Despite the increased vacancy rates and ongoing move-ins and move-outs, Dallas's industrial market remains resilient, with strong tenant demand, more interest in manufacturing, positive net absorption, and developers pursuing new projects. Dallas–Fort Worth (DFW) region continues to rank among the top 5 industrial markets in the United States, underscoring its long-term competitiveness and strategic importance.[19]

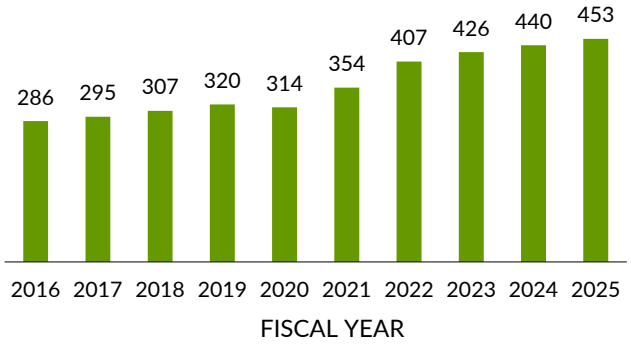
Figure 8. Dallas Industrial Vacancy Rate (Percent)

Currently, Dallas has approximately 237 million square feet of industrial space, which reflects a modest increase from the previous year. Many of these new construction projects are located in Southern Dallas, particularly along Interstates 45, 35, and 20. Over the past three years, this area has seen the addition of 34 million square feet to the market and continues to be a hub of construction activity this year. Industrial activity continues to be steady, with a growing interest in manufacturing and light industrial opportunities.

[19] Colliers, 2025

THE DALLAS ECONOMY

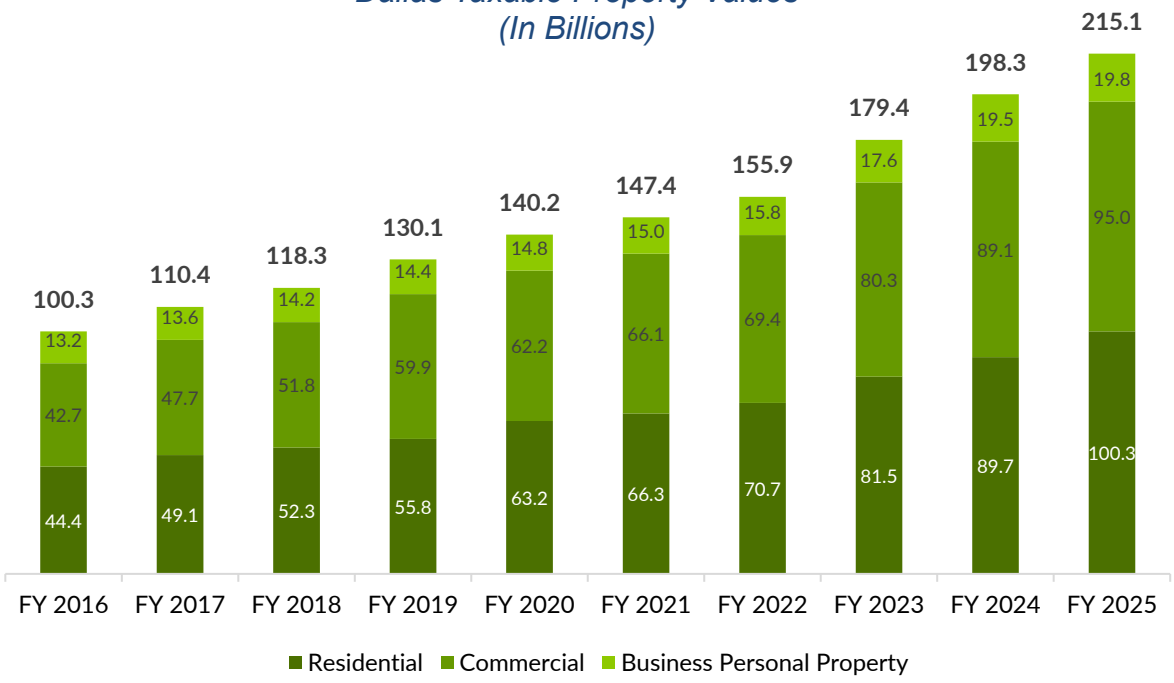
Figure 9. Dallas Sales Tax Revenue (In Millions)



Total actual sales tax revenue for FY 2024-25 was $453.3 million, which is $13.6 million, or 3.1 percent more than the actual reported in FY 2023-24. Sales tax revenue has increased by 58.4 percent since FY 2016.[16]

The certified value of the property tax base, which includes business personal property (BPP) and commercial and residential real property taxes, has increased to $215.1 billion in FY 2025. This represents an 8.5 percent rise from the $198.3 billion recorded in FY 2024. Remarkably, despite the challenges posed by the COVID-19 pandemic, FY 2025 marks the thirteenth consecutive year of growth in Dallas' taxable property values.[20]

Figure 10. Dallas Taxable Property Values (In Billions)



[20] City of Dallas Budget & Management Services

THE DALLAS ECONOMY

Development in Dallas has continued to progress as the economy rebounds from the impacts of COVID-19. Currently, the downtown loop is home to a residential community of over 15,000 residents across 45 properties and 10,000 units. The multifamily sector remains strong, benefiting from high demand and consistent performance, with occupancy rates near 90 percent. Additionally, the downtown area features a significant presence of 140 commercial office buildings and 30 hotels, with more than 24.1 million square feet of occupied space downtown, and $6 billion in active development underway. The total office space in Downtown has decreased by 3.8%, to a total of approximately 34 million square feet. Despite this contraction, Downtown Dallas remains the densest office market in the Dallas-Fort Worth area.[21] Additionally, within a 2.5-mile radius of the Central Business District (CBD), the population now exceeds 108,000 residents, representing an 11.9% increase since 2010.[22]

In January 2023, City Council approved a new Economic Development Incentive Policy (with subsequent revisions in 2024 and 2025) with goals of proactively addressing disparities, minimizing existing inequities, and focusing incentives on areas with a higher need as demonstrated by the poverty rate. The revised economic development incentive policy retains what was working and addresses some of the challenges that developers and business owners faced, including the need for streamlined applications, processes and approvals; the need for additional sources of capital for the significant infrastructure needs often found in Southern Dallas; and the need for incentives for smaller businesses and projects.

Under programs authorized by the new incentive policy, the City approved an $8 million community development grant to support the rehabilitation of the historic Forest Theater and a $1.4 million incentive (loan and grant) to support the development of Malcolm's Point, a new retail development in the Jeffries-Meyers neighborhood of South Dallas/Fair Park. Additionally, within the first year of operating a small business program, the City approved four small business projects, bringing needed expansions and new small businesses to our neighborhoods.

Dallas has made strong investments in its public spaces, with the Halperin Park (formerly the Southern Gateway Park) scheduled to open to the public by summer 2026. Dallas is making a major investment in its new convention center and the surrounding area to provide new opportunities both for residents and visitors in the greater downtown area. Some of Dallas' significant projects include the items on the following pages.

[21] Downtown Dallas Inc, State of the Market, 2025

[22] PolicyMap, accessed January 12th, 2026

THE DALLAS ECONOMY

Y'all Street

The financial services industry continues to represent a significant and growing opportunity for Dallas. Scotiabank recently selected Dallas as the home for their new regional hub that will bring 1000 new jobs and a $60 million investment to Dallas. Construction continues on Goldman Sachs' new 800,000 square foot corporate office building that will house approximately 5,000 employees and feature a 1.5-acre park that will enhance connectivity between the American Airlines Center and the Perot Museum. In addition to these major expansion activities, the Texas Stock Exchange received operations approval, NYSE moved its Chicago trading operations to Dallas, and Nasdaq has announced plans to open a regional headquarters in Dallas, and plans to establish Nasdaq Texas, a dual listing stock exchange.

Biotechnology and Life Sciences Innovation

Dallas continues to be an emerging biotechnology and life sciences hub. Pegasus Park serves as the home of the Advanced Research Projects Agency for Health (ARPA-H) Customer Experience Hub, which focuses on developing new, cutting-edge healthcare innovations. Bridge Labs at Pegasus Park provides a 135,000 square-foot research and development facility, featuring lab suites designed for growth-stage life sciences entrepreneurs and companies, and BioLabs Pegasus Park offers 37,000 square feet of flexible and state-of-the-art co-working lab and office facilities. Bridge Labs also hosts UT Arlington and Texas A&M's Biomanufacturing Hub, which serves as both a workforce training hub and a resource for biotech startups. Dallas is home to multiple life sciences headquarters, including Verily, a Google subsidiary focused on medical research, Koya Medical, a manufacturer of medical devices, and Curve Biosciences, a blood test and diagnostics company.

Kay Bailey Hutchinson Convention Center Redevelopment

The groundbreaking for the Kay Bailey Hutchison Convention Center redevelopment was celebrated on June 26, 2024. The newly redesigned convention center will be transformed from 5 separate, aging buildings that begun being developed in 1957 into one large, cohesive space that includes 750,000 sq ft of exhibition space, a 105,000 sq ft ballroom, and 180,000 sq ft of meeting rooms with a total project cost of more than $3 billion. The redevelopment of the convention center, located in the southern part of downtown will free up 21 acres which will be developed into other amenities including restaurants, hotels, and nightlife. The surrounding space and master plan are envisioned to be inclusive, open, and pedestrian-friendly. The redevelopment of the Kay Bailey Hutchinson Convention Center is on track for a 2029 ribbon cutting, and the expansion is expected to double the size of Dallas' convention business.

THE DALLAS ECONOMY

Transit-Oriented Development

City Council authorized economic development incentives to facilitate two mixed-income transit-oriented development (TOD) projects. At the Cityplace/Uptown DART station, NexPoint will deliver the new ground-up construction of approximately 465 mixed-income apartments and 15,000 square feet of ground floor retail in a low-rise configuration around the base of the existing Cityplace Tower. NexPoint will also convert 17 floors of Cityplace Tower's existing office space into approximately 505 mixed-income apartments. Twenty percent of the units will be set aside for households earning a maximum of 80% of the Area Median Family Income (AMFI), and eighty percent of the units will not be income-restricted. The total project cost is estimated at more than $445 million, and the project is expected to be completed by December 2030. At the Buckner DART Station, Palladium will deliver the new ground-up construction of approximately 304 mixed-income apartments and two structured parking garages. Eighty percent of the units will be set aside for households earning a maximum of 60% of the AMFI, and twenty percent of the units will not be income-restricted. The total project cost is estimated at more than $107 million, and the project is expected to be completed by December 2027.

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 investments 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.

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AT YOUR SERVICE

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

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

Dallas maintains 11,730 paved lane miles and 9,176 miles of water and wastewater mains, not to mention stormwater and drainage infrastructure. We also offer 89 lane miles of on-street bicycle facilities, plus 192 lane miles of trails and other off-street facilities.

Last year, Dallas Water Utilities (DWU) provided 153 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 86 billion gallons of wastewater.

The City supports 59 fire stations, 47 full-time ambulances, eight peak demand 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 July 2025, DAS holds an 84.4% live release rate for dogs and cats for the fiscal year. DAS has also responded to more than 55,500 resident service calls this year.

Park and Recreation maintains and operates six golf courses, four tennis centers, 43 recreation centers, and more than 22,311 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 29 library locations and circulates items over eight million times to residents annually. Arts and Culture supported more than 150 local artists and arts providers this year and provided nearly 11,000 in-person art experiences to residents and visitors – not to mention hundreds of virtual

Data based on FY 2024-25

FOUNDATIONAL STRUCTURE

FOUNDATIONAL STRUCTURE AND BUDGET ALIGNMENT

We have organized the biennial budget and aligned our major investments by the seven pillars of our Foundational Structure. In the sections that follow, department programs and initiatives are highlighted for each Foundational Structure.

We will build on a ***safe***, ***vibrant***, and ***growing*** Dallas, by transforming our foundational structure to become a more ***livable***, ***sustainable***, and ***fiscally sound*** city with strong, aligned systems at its ***core*** while serving our residents, visitors, and business community.	
Pillars	Goals
Safe	To be the safest large city in the United States by serving and protecting our diverse community with equity, integrity, and respect.
Vibrant	To be an ethical, inclusive, and welcoming city that celebrates our diverse culture, advances environmental sustainability and resiliency, and enhances quality of life by offering recreational, educational, arts, and cultural activities while supporting residents through all stages of life.
Growing	To be known as a city that creates economic and housing opportunities for all Dallasites by proactively addressing disparities in economic opportunities and outcomes for underserved communities and by supporting job creation, development, a broadened tax base, and private investment.
Livable	To be a world-class city that people want to live in for its healthy, clean, and safe neighborhoods and where homelessness is rare, brief, and non-recurring.
Sustainable	To be a climate-resilient city with well-built, maintained, and sustainable infrastructure and transportation networks, especially in our most vulnerable neighborhoods, with project delivery and operational practices that can support our population in the future.
Fiscally Sound	To be a well-managed and fiscally responsible city focused on delivering effective and efficient government services while being known as a top employer where people want to work and grow.
Core	To be a high-performing city that is supported by strong, innovative, and efficient city assets and other systems that enable effective service delivery for residents.

FOUNDATIONAL STRUCTURE

FY 2024-25 MAJOR INVESTMENTS

SAFE

The following items represent the major investments made in the Safe pillar of the foundational framework:

- Provide market-based compensation and step increases in accordance with the Meet and Confer Agreement for uniform employees
- Keep Dallas safe by hiring 250 police recruits, and implementing an incentive program to retain officers
- Enhance the fire department staffing model by adding 63 firefighters and four Single Function Paramedics to strengthen the response to medical calls
- Support development and succession planning within Dallas Fire Rescue with a new construction team to conduct inspections, site visits, and annual private hydrant reviews
- Implement a career series in 911 Communications for hard-to-fill and high-turnover positions to attract and retain top talent and reduce reliance on uniform overtime
- Reimagine Emergency Preparedness and Management and Crisis Intervention by creating the Office of Emergency Management and Crisis Response
- Invest $42.8 million for equipment and fleet for the Dallas Police Department and Dallas Fire Rescue

VIBRANT

The following items represent the major investments made in the Vibrant pillar of the foundational framework:

- Reimagine services for children, youth and young adults by increasing awareness of educational, arts, and recreational programs offered across multiple departments, and connecting residents to community care and financial empowerment programs that serve all stages of life
- Preserve the expanded library hours and the accessibility this creates across the city, and implement innovative service delivery methods for the Skillman Southwestern area
- Enhance the quality of life for residents by investing in new Park and Recreation infrastructure, maintenance oversight, and governance at Fair Park, along with security enhancements as part of the Dallas Park Strategic Plan
- Advance private and public partnerships and leverage hotel occupancy tax to promote tourism and support a vibrant arts and cultural ecosystem
- Continue advancement of the Comprehensive Environmental and Climate Action Plan (CECAP) and recognize CECAP across City departments

FOUNDATIONAL STRUCTURE

GROWING

The following items represent the major investments made in the Growing pillar of the foundational framework:

- Ensure planning, zoning, and permitting are directly aligned in a cohesive workflow to elevate customer experience for our development community by combining the Planning and Urban Design Department and the Development Services Department into one department, Planning and Development
- Implement the revised Dallas Housing Resource Catalog to align programs and projects to the areas that service residents most in need
- Continue implementation of the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan to transform the convention center district
- Grow the capacity of small developers and create a one-stop incentive toolbox for developers of all sizes
- Attract catalytic commercial real estate development projects to areas of historic underinvestment, incentivize the development of affordable housing units, and create and retain living-wage jobs for Dallas workers
- Use $6 million from the Infrastructure Investment Fund to incentivize investment in underserved areas

LIVABLE

The following items represent the major investments made in the Livable pillar of the foundational framework:

- Continue partnership for the R.E.A.L. Time Rehousing (RTR) program to reduce unsheltered homelessness as compared to 2021 levels by 50% by 2026
- Continue partnering with The Bridge by adjusting contribution to Pay-to-Stay (PTS) program to account for inflation for the first time since the inception of the PTS program six years ago
- Improve the quality of life and the appearance of the community with new funding through an Environmental Clean Up Fee
- Make investments to reduce blight and foster clean, healthy, and safe communities by investing in demolition and bolstering multi-family inspections
- Continue to review best practices for residential solid waste collections

FOUNDATIONAL STRUCTURE

SUSTAINABLE

The following items represent the major investments made in the Sustainable pillar of the foundational framework:

- Begin implementation of the $1.25 billion General Obligation Bond Program approved by voters in May 2024
- Realize synergy, increase efficiencies, and optimize resources by combining the Departments of Transportation and Public Works into one department, to be known as Transportation and Public Works (TPW) Department
- Invest $124 million in funding for TPW projects including street improvement and maintenance of approximately 676 lane miles, alley maintenance, sidewalk projects, bridge maintenance, and updating paving models to support quality modes of transportation
- Launch Clean Sweep! A proactive Citywide program to keep Dallas and External Partners' public-right-of-way clean including addressing clean-up and implementing preventative measures at encampments
- Leverage the City's General Fund investment with partnering agencies to maximize investments in corridor studies and mitigation measures to make progress toward Vision Zero goals
- Finalize the Dallas Love Field Terminal Area Masterplan to meet growing demand and establish a flexible framework to guide future development and improve customer experience
- Ensure quality water resources and services through the implementation of Phase I of the Southwest Pipeline and continued implementation of the Unserved Areas Program

FISCALLY SOUND

The following items represent the major investments made in the Fiscally Sound pillar of the foundational framework:

- Provide property tax relief by reducing the property tax rate by 3.10¢, the largest in modern history, from 73.57¢ to 70.47¢ per $100 valuation and by increasing the over-65 disabled exemption from $139,400 to $153,400
- Recognize employee performance through continued implementation of the annual merit program and increase the minimum wage from $18.50 to $19.25 per hour in FY 2024-25
- Ensure the fiscal soundness of both the Dallas Police and Fire Pension System (DPFPS) and the Employee Retirement Fund (ERF) with increased City contributions
- Increase accountability, transparency, and consistency in the management of grants as well as responsibly leverage federal resources as other avenues of funding for the City by activating a Grant Acquisition and Compliance Team
- Improve position management by repurposing under-utilized positions, eliminating positions vacant greater than 12 months, and eliminating unfunded positions

FOUNDATIONAL STRUCTURE

CORE

The following items represent the major investments made in the Core pillar of the foundational framework:

- Create a single front door for internal and external communication and enhance two-way engagement and responsiveness by reimagining service delivery through the Office of Communications and Customer Experience/311 (CCX/311)
- Reposition the Real Estate Division within the new department of Facilities and Real Estate Management (formerly Building Services) to streamline operations, improve accountability, and efficiently use existing resources and expertise to manage City real estate assets
- Invest $26.2 million to address City facility maintenance needs
- Fund replacement of general-purpose equipment and vehicles while eliminating surplus and electrifying assets where feasible to facilitate a state of good repair for fleet assets

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AWARDS AND ACCOLADES

The pages below highlight several of Dallas' award-winning achievements and accolades in FY 2024-25.

Certificate of Achievement for Excellence in Financial Reporting

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 for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the 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 19 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.

Distinguished Budget Presentation Award

The City also received the GFOA Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2024. 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 26th consecutive year that GFOA has recognized the City for its annual budget document.

Popular Annual Financial Report Award

The City also received the Popular Annual Financial Report (PAFR) Award from GFOA for the fiscal year ended September 30, 2024. The PAFR acknowledges government entities that excel in extracting information from their ACFR to create high-quality, user-friendly reports that are accessible and understandable. The City received this award for the first time for the fiscal year ended September 30, 2023, marking our second GFOA Triple Crown recognition, which honors governments that have achieved all three of GFOA's highest distinctions.

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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 Public Facility Corporation (DPFC) was created to assist the City in financing, refinancing, or providing public facilities that are located within the city limits of the City of Dallas. In general, the DPFC seeks to develop and preserve mixed-income workforce housing communities to serve residents earning at or below 80 percent of the area median income as well as provide non-income restricted units.
- Dallas Economic Development Corporation (DEDC) was organized as a public, nonprofit corporation to accomplish any governmental purpose of the City. The DEDC may engage in targeted and outbound marketing, inbound marketing, branding, media campaigns, marketing missions, attendance at trade shows and industry conferences to promote the City of Dallas, expand business recruitment, support the existing business community, and may perform any services to support the work of the City's Office of Economic Development.
- 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. These entities are not included as part of the reporting entity 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 internal audits including any findings, and leads by example to demonstrate the City's commitment to ethics and integrity.

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.

FINANCIAL INFORMATION

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 the annual comprehensive financial report. 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 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.

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. Annual budgets are legally adopted for the General Fund and Debt Service Fund. 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.

FINANCIAL INFORMATION

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,

Kimberly Bizor Tolbert
City Manager

Jack Ireland
Chief Financial Officer

Sheri Kowalski, CPA, CIA, CISA
City Controller

CITY OF DALLAS ELECTED OFFICIALS

Mayor Eric Johnson
At-Large

Chad West
District 1

Jesse Moreno
Mayor Pro Tem, District 2

Zarin D. Gracey
District 3

Maxie Johnson
District 4

Jaime Resendez
District 5

Laura Cadena
District 6

Adam Bazaldua
District 7

Lorie Blair
District 8

Paula Blackmon
District 9

Kathy Stewart
District 10

William Roth
District 11

Cara Mendelsohn
District 12

Gay Donnel Willis
Deputy Mayor Pro Tem, District 13

Paul E. Ridley
District 14

City of Dallas

SERVICE FIRST, NOW!

CITY OF DALLAS APPOINTED OFFICIALS

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

- City Manager, Kimberly Bizor Tolbert, appointed in January 2025
- City Attorney, Tammy Palomino, appointed in October 2023
- City Auditor, Mark S. Swann, appointed in May 2019
- City Secretary, Bilierae Johnson, appointed in April 2018
- Interim Inspector General, Barron Eliason, appointed in September 2025
- Municipal Court judges

The City Manager appoints an executive leadership team that collectively oversees the City's over $5.0 billion budget.

EXECUTIVE LEADERSHIP TEAM

Kimberly Bizor Tolbert
City Manager

Dominique Artis
Chief of Public Safety

Dev Rastogi
Assistant City Manager

Liz Cedillo-Pereira
Assistant City Manager

Alina Ciocan
Assistant City Manager

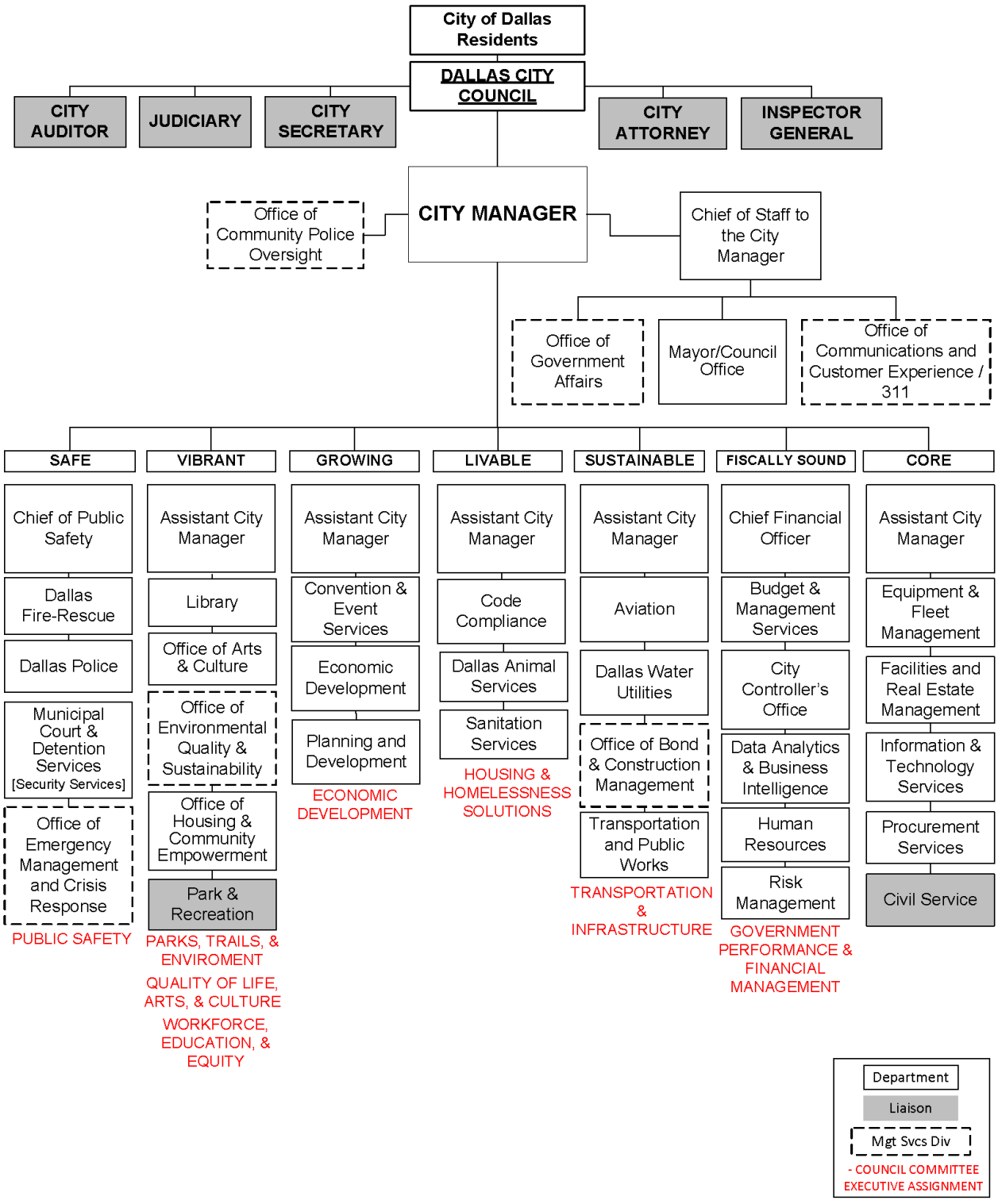
Donzell Gipson
Assistant City Manager

Robin Bentley
Assistant City Manager

Jack Ireland
Chief Financial Officer

Ahmad Goree
Chief of Staff

CITY OF DALLAS ORGANIZATIONAL CHART SEPTEMBER 30, 2025



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, 2024

Christopher P. Morrill

Executive Director/CEO

SERVICE FIRST, NOW!

FINANCIAL SECTION

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

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 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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for 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 of 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 19%, 24%, and 19% of the assets, net position, and additions, respectively, of the aggregate remaining fund information. We also did not audit the financial statements of the Dallas Development Fund and the Dallas Economic Development Corporation, which are discretely presented component units, which represent 1%, 13%, and 2% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for those component units, are 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 22 to the basic financial statements, during the year ended September 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Beginning net position of the governmental activities, business-type activities, Dallas Water Utilities, Convention Center, Airport Revenues, Sanitation, Storm Water Operations, Nonmajor Enterprise Funds, and Internal Service Funds 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

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, schedule of changes in the City's net pension liability and related ratios - pension plans, schedule of City contributions to pension plans, notes to the schedule of City contributions to pension plans, and schedule of changes in the City's total liability and related ratios - other postemployment benefits, as listed in the table of contents, 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 the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS by us and other auditors. In our opinion, the accompanying 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.

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 basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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
March 23, 2026

SERVICE FIRST, NOW!

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, 2025. 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-xxxi 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 $5.1 billion.
- The City's governmental activities net position increased from the beginning net position by $242.4 million while the business-type activities net position increased by $550.1 million.
- As of the close of fiscal year 2025, the City's governmental funds reported combined ending fund balances of $2.5 billion, a decrease of $3.8 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $400 million, or approximately 21.9 percent of the total general fund expenditures, including transfers out.
- The City's governmental long-term liabilities had a net decrease of $576.3 million from the prior balance of $8.9 billion. The City's business-type activities long-term liabilities increased $90.6 million from the prior year's balance of $6.2 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 private-sector business and are made up of the following two statements: the statement of net position and the statement of activities. 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 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, 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, storm water operations, 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 nine 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, Dallas Convention Center Hotel Development Corporation, Dallas Public Facility Corporation (DPFC), and Dallas Economic 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.

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 and debt service funds, which are considered to be major funds. Data from the other twenty-two 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 24-33 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, storm water operations, and water utilities operations. All 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 26-35 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 36-128 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was approximately $5.1 billion as of September 30, 2025. Analyzing the net position of governmental and business-type activities separately, the governmental activities had a balance of $23.9 million and the business-type activities net position was $5.1 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.

Table 1
Net Position (in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2025	2024*	2025	2024*	2025	2024*
Current and other assets	$ 3,074,365	$ 3,105,018	$3,154,929	$ 2,661,462	$ 6,229,294	$ 5,766,480
Capital assets	5,653,189	5,300,844	8,802,619	8,285,219	14,455,808	13,586,063
Total assets	8,727,554	8,405,862	11,957,548	10,946,681	20,685,102	19,352,543
Deferred outflows of resources	854,800	1,153,284	234,938	408,277	1,089,738	1,561,561
Long-term liabilities	8,351,072	8,927,340	6,339,196	6,248,609	14,690,268	15,175,949
Other liabilities	282,380	302,003	330,461	316,161	612,841	618,164
Total liabilities	8,633,452	9,229,343	6,669,657	6,564,770	15,303,109	15,794,113
Deferred inflows of resources	925,045	548,372	452,090	269,505	1,377,135	817,877
Net position:						
Net investment in capital assets	3,830,809	3,490,385	4,524,503	4,220,179	8,355,312	7,710,564
Restricted	1,047,252	983,900	585,478	389,401	1,632,730	1,373,301
Unrestricted (deficit)	(4,854,204)	(4,692,854)	(39,242)	(88,897)	(4,893,446)	(4,781,751)
Total net position (deficit)	$ 23,857	$ (218,569)	$5,070,739	$ 4,520,683	$ 5,094,596	$ 4,302,114

*Restated for change in accounting principle (see Note 22)

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. Net position of the governmental activities increased $242.4 million. Overall revenues and transfers in decreased $130.8 million. Ad valorem tax and sales tax revenues increased $74.3 million and $13.7 million, respectively, related to increases in property values, additions through new construction, and increased consumer spending. Charges for services increased $32.3 million. Other income increased $27.7 million due primarily to increases in rebates on pharmacy benefits. These increases were offset by a decrease in operating grants of $194.7 million, mostly due to decreases in revenues recognized for COVID-19 financial assistance. Capital grants decreased $44.8 million. Additionally, investment income decreased $44.8 million due to a slight decrease in the average rate of return on investments and an overall decrease in cash and investments during fiscal year 2025.

Long-term liabilities in governmental activities decreased by $576.3 million during the fiscal year. This decrease was primarily driven by a $572.2 million reduction in the net pension liability, along with decreases in financed purchases of $20.9 million, leases payable of $13.8 million, and developer payable of $8.4 million. These reductions were partially offset by the issuance of bonds, obligations, and certificates totaling $342.2 million, net of $374.0 million in principal payments. Additional increases included $53.9 million related to Subscription-Based Information Technology Arrangements (SBITAs), $13.5 million in arbitrage rebate liability, $11.2 million in estimated unpaid claims, and $5.0 million in compensated absences.

The City's business-type activities reported a net increase in total long-term liabilities of approximately $90.6 million. This increase was primarily driven by significant capital investments in Dallas Water Utilities (DWU) and the Convention Center. DWU experienced a net increase of $229.3 million, largely due to a $408.6 million addition to its water transmission facilities financing agreement and the issuance of $282.5 million in new Revenue Refunding and Improvement Bonds. Simultaneously, the Convention Center saw a net increase of $66.2 million following the issuance of $252.5 million in Senior Lien Special Tax Notes, Series 2025, which was partially offset by the refunding of $170.6 million in older Special Tax Revenue Bonds.

These capital-related increases were significantly mitigated by a broad reduction in net pension liabilities across all enterprise funds. For example, DWU and Sanitation reported pension liability decreases of $193 million and $79.1 million, respectively, and Airport Revenues and Storm Water Operations saw reductions of $37.9 million and $28.8 million. These decreases, combined with standard debt service retirements and a $77.4 million net decrease in Sanitation liabilities, aided by lower landfill closure and post-closure costs, helped offset the new debt issuances.

An additional portion of the City's net position ($1 billion governmental activities and $585.5 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 $4.8 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 arbitrage rebate 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 $39.2 million, primarily for items such as the sanitation landfill closure/postclosure liability, as well as compensated absences, arbitrage rebate liability, net pension liability, and other post-employment benefits for all business-type activities.

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, 2025, with comparative totals for the fiscal year ended September 30, 2024. The governmental activities net position increased by $242.4 million and business-type activities net position increased by $550.1 million. Key elements of these changes in net position are as shown in the following table.

Table 2
Change in Net Position (in thousands)

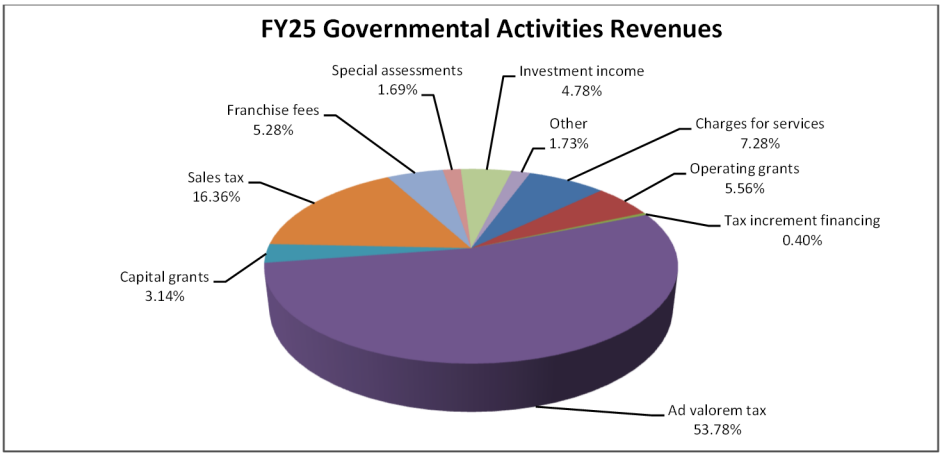
	Governmental Activities		Business-type Activities		Totals	
	2025	2024*	2025	2024*	2025	2024*
Revenues:						
Program revenues:						
Charges for services	$ 201,662	$ 169,325	$ 1,452,897	$ 1,395,678	$ 1,654,559	$ 1,565,003
Operating grants and contributions	153,945	348,688	1,457	4,581	155,402	353,269
Capital grants and contributions	86,928	131,722	231,725	55,847	318,653	187,569
General revenues:						
Ad valorem tax	1,490,106	1,415,798	-	-	1,490,106	1,415,798
Tax increment financing revenue	10,958	12,150	-	-	10,958	12,150
Special assessments	46,745	44,531	-	-	46,745	44,531
Sales tax	453,319	439,666	-	-	453,319	439,666
Franchise fees	146,254	143,851	-	-	146,254	143,851
Hotel occupancy tax	-	-	107,634	109,446	107,634	109,446
Alcohol beverage tax	-	-	17,794	17,850	17,794	17,850
Investment income	132,485	177,307	89,568	114,582	222,053	291,889
Other	48,026	20,292	1,198	2,684	49,224	22,976
Total revenues	2,770,428	2,903,330	1,902,273	1,700,668	4,672,701	4,603,998
Expenses:						
General government	397,954	374,472	-	-	397,954	374,472
Public safety	1,384,385	1,363,854	-	-	1,384,385	1,363,854
Code enforcement	62,077	74,451	-	-	62,077	74,451
Environmental and health services	19,380	19,001	-	-	19,380	19,001
Streets, public works, and transportation	230,598	400,055	-	-	230,598	400,055
Equipment and building services	54,422	56,611	-	-	54,422	56,611
Culture and recreation	240,439	269,240	-	-	240,439	269,240
Housing	3,763	4,824	-	-	3,763	4,824
Human services	60,791	40,972	-	-	60,791	40,972
Interest on long-term debt	122,184	107,728	-	-	122,184	107,728
Dallas Water Utilities	-	-	725,517	675,258	725,517	675,258
Convention center	-	-	128,042	102,687	128,042	102,687
Airport revenues	-	-	197,431	212,230	197,431	212,230
Sanitation	-	-	140,152	163,684	140,152	163,684
Storm Water	-	-	64,610	69,848	64,610	69,848
Municipal radio	-	-	258	(4,870)	258	(4,870)
Building inspection	-	-	48,216	60,177	48,216	60,177
Total expenses	2,575,993	2,711,208	1,304,226	1,279,014	3,880,219	3,990,222
Excess before transfers	194,435	192,122	598,047	421,654	792,482	613,776
Transfers	47,991	45,913	(47,991)	(45,913)	-	-
Increase in net position	242,426	238,035	550,056	375,741	792,482	613,776
Net position (deficit) - beginning of year, as previously reported	(176,034)	(414,069)	4,526,177	4,150,436	4,350,143	3,736,367
Adjustment for change in accounting principle (see note 22)	(42,535)	-	(5,494)	-	(48,029)	-
Net position (deficit) - beginning of year, as restated	(218,569)	(414,069)	4,520,683	4,150,436	4,302,114	3,736,367
Net position (deficit) - end of year	$ 23,857	$ (176,034)	$ 5,070,739	$ 4,526,177	$ 5,094,596	$ 4,350,143

* Information for 2024 is not restated in this table.

Governmental Activities

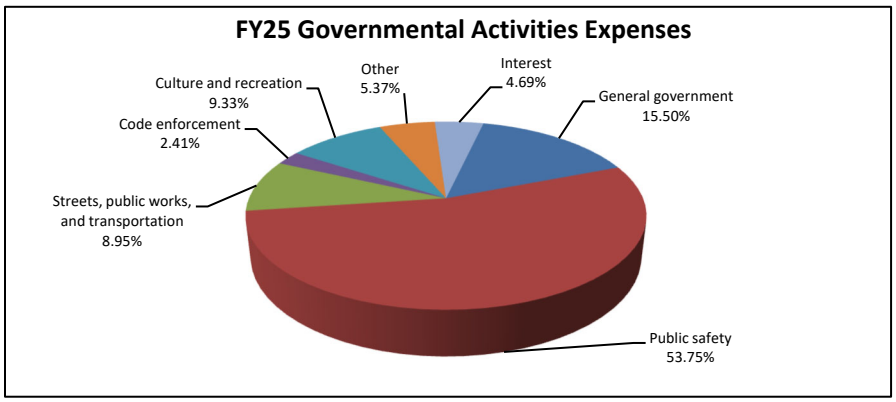
The governmental activities deficit net position increased $242.4 million in fiscal year 2025. Total revenues and transfers decreased $130.8 million, or 4.4 percent from fiscal year 2024. Significant changes in revenue include the following:

- Ad valorem tax revenues increased $74.3 million due to an increase in the certified property tax values as well as new properties added to the valuation.
- Sales tax revenue increased $13.7 million due to increased discretionary customer spending and increases in overall costs of goods and services.
- Operating grants and contributions decreased $194.7 million, mostly due to decreases in revenues recognized for COVID-19 financial assistance.
- The average interest rate on investments decreased slightly from 4.502 percent in 2024 to 4.292 percent in 2025. The interest rate decrease, combined with decreases in cash and investment balances resulted in a decrease in investment income of $44.8 million.



Total governmental activities expenses decreased $135.2 million, or 5 percent, from fiscal year 2024.

- Streets, public works, and transportation expenses decreased $169.5 million. Contractual services decreased $85.7 million driven mainly by decreases in expenses for street maintenance and repairs. In addition, expenses for traffic lighting repairs and maintenance decreased $13.4 million. Pension expense decreased $11.8 million. Additionally, in fiscal year 2024, $58.9 million in pension expense was allocated to streets, public works, and transportation as result of reallocation of pension expense in the prior year for changes in staffing.
- Human services expenses increased $19.8 million due mainly to an increase of $10.6 million in services provided through Community Development Block grants and an increase in services provided through management improvement grants of $8.2 million.
- Interest expense increased $14.5 million related an increase in the average outstanding long-term debt during fiscal year 2025.



Business-type Activities

Business-type activities net position increased $550.1 million during fiscal year 2025. Total revenues increased $201.6 million from fiscal year 2025.

Significant changes in revenues include the following:

- During fiscal year 2025, Dallas Water Utilities operating revenues increased $16.7 million primarily due increased consumption, combined with a 6 percent increase in wholesale rates and a 4.1 percent increase in retail rates. Investment income decreased $18.8 million, mainly due to a slightly decreased average interest rate on the City's investment pool and decreased cash and investments.
- Convention Center Project Financing Zone (PFZ) revenues totaled $163.8 million in FY25, compared with no revenues in FY24. The Texas State Comptroller's Office approved a PFZ agreement for the City beginning in January 2022, which requires certain State tax revenues to be deposited into a trust for the benefit of the City for a 30-year period to support debt service associated with the construction and improvements of the City's convention center facilities. The City satisfied the requirements to begin receiving PFZ revenues in April 2025 and received an initial catch-up payment in July 2025 representing all revenues deposited in the trust from January 2022 through June 2025. The City began receiving monthly PFZ revenue distributions after the initial catch-up payment and will continue receiving monthly distributions for the remainder of the agreement term. Convention Center customer charges decreased $10 million, due to decreases in events hosted by the Convention Center.
- During fiscal year 2025, total airport operating revenues increased $13 million. Increased traffic at Love Field resulted in increases in customer charges, concession fees, rental fees, and landing fees. Interest income also decreased $5 million mainly due to a slightly decreased average interest rate on the City's investment pool and decreased cash and investments. Intergovernmental revenues decreased $4.3 million, as the Aviation fund reported less operating grants in fiscal year 2025. Capital contributions increased $10.5 million due to increased federal funding for construction at the airport.
- Sanitation customer charges increased $21.4 million, mainly due to a rate increase of approximately 4.6 percent. In addition, effective October 1, 2024, the City implemented a $3 monthly environmental cleanup fee on all water utility accounts to fund the 'Clean Sweep!' initiative.
- Storm Water Operations customer charges increased $5.4 million mainly due to a 5 percent increase in rates.
- Operating revenues in the nonmajor enterprise funds increased $10 million, due mainly to increases in building inspections.

Total business-type activities expenses increased $25.2 million from fiscal year 2025. The following items contributed to changes in expenses during fiscal year 2025:

- Dallas Water Utilities expenses increased $50.3 million. Personnel expenses increased $24 million, due mainly to overall increases in salaries and benefits. Contractual services expense increased $5.7 million due to increased costs for professional, maintenance, and other service contracts driven by inflation. Interest on bonds and notes increased $17.7 million due to an increase in the average outstanding long-term debt during fiscal year 2025.
- Convention Center expenses increased $25.4 million. Convention Center personnel services increased $29.8 million. This increase was due to negative pension and other post-employment benefits (OPEB) expenses in fiscal year 2024 related to reallocation of the net pension and OPEB liabilities for changes in staffing. This increase was offset by a decrease of $5.3 million in contractual services, primarily related to increased reimbursements from other departments.
- Airport expenses decreased $14.8 million. Airport personnel expenses decreased $19.4 million due primarily to a decrease of $24.9 million in pension expense, offset by overall increases in salaries and benefits. Contractual services increased $8.8 million, due to overall increases in operating costs for increases in passenger traffic. Depreciation expense decreased $4 million.
- Sanitation expenses decreased $23.5 million. Personnel expenses decreased $25.5 million, due to a decrease in pension expense of $31.9 million, offset by overall increases in salaries and benefits. Interest expense increased $1.7 million.
- Storm Water Operations expenses decreased $5.2 million, primarily due to a decrease in personnel expenses of $4.6 million. This decrease was related to a decrease in pension expense of $5.1 million, offset by overall increases in salaries and benefits.
- Expenses in the nonmajor enterprise funds decreased $6.8 million. Personnel services in the nonmajor enterprise funds decreased $10.9 million, driven primarily by a $19.7 million, offset by overall increases in salaries and benefits. Contractual services increased $3.3 million due to increased costs for professional, maintenance, and other service contracts.

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.

As of the end of fiscal year 2025, the City's governmental funds reported combined ending fund balance of $2.5 billion, a decrease of $3.8 million in comparison with the prior fiscal year fund balance. The general fund and debt service fund balances decreased by $5.2 million and $13.8 million respectively, while the nonmajor fund balances increased by $15.3 million. The decrease in the debt service fund was primarily due to an increase in expenditures for principal and interest, offset by an increase in property taxes and new properties added to the valuation. The nonmajor fund balances increased $15.3 million, due to decreases in expenditures for public safety and streets, public works and transportation, offset by increases in capital outlay. In addition, intergovernmental revenues, proceeds from debt issuances, and transfers in decreased.

The general fund is the chief operating fund of the City, and its fund balance decreased $5.2 million in fiscal year 2025 compared to the prior year's increase of $5.6 million. Total revenues and transfers in increased $67.5 million, mostly due to an increase of $53.5 million in ad valorem tax related to increases in property tax valuations and new properties. Sales tax revenues increased $13.7 million, due to continually increased consumer activity. Franchise fees increased $2 million. Licenses and permits increased $2.6 million. In addition services to others increased $8.2 million due to an increase in services provided by Dallas Fire and Rescue of $3.8 million, an increase in charges for vital statistics of $1 million, an increase in charges for streets, public works, and transportation of $1 million, and other overall increases in services to others. These increases were offset by a decrease in investment income of $13.7 million. Expenditures and transfers out increased $25.6 million, due mainly to overall expenditures for payroll.

Approximately $399.6 million of the general fund's total fund balance of $467.6 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 21.9 percent of total general fund expenditures and transfers out, while total fund balance represents 25.7 percent of that same amount.

The debt service fund had a total fund balance of $115.6 million at September 30, 2025 restricted for the payment of debt service. The debt service fund balance decreased during the current year by $13.8 million primarily due to an increase in expenditures for principal and interest, offset by an increase in property taxes and new properties added to the valuation.

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, Sanitation, Municipal Radio, and Building Inspection funds at the end of the year amounted to deficit balances of $95.8 million, $160 million, $1.8 million, and $98.6 million, respectively. The unrestricted net position was $142.6 million in the Convention Center, $97.3 million in the Airport Revenues Fund, and $77.2 million in the Storm Water Operations Fund. The total change in net position was an increase of $173 million in Dallas Water Utilities, an increase of $196 million in Convention Center, an increase of $110 million in the Airport Revenues Fund, an increase of $41.3 million in Sanitation, and an increase of $28.5 million in the Storm Water Operations. 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, both the final amended revenue budget and the original revenue budget were $1.9 billion. The final amended expenditure budget represented a less than one-tenth of a percent increase from the original budget.

Actual budgetary basis revenues and transfers-in were $14.9 million, or less than one-tenth of a percent below final budgeted amounts. Actual budgetary expenditures and transfers out were $22.7 million, or 1.2 percent below the final amended budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2025, the City had approximately $14.5 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 and Subscription-Based Information Technology Arrangement (SBITAs) assets (see table 3). This amount represents a net increase of $869.7 million or approximately 6.4 percent over the prior fiscal year.

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

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 642,241	$ 602,660	$ 327,093	$ 279,657	$ 969,334	$ 882,317
Artwork	51,582	51,265	6,171	6,171	57,753	57,436
Construction in progress	614,261	540,947	2,194,702	1,880,172	2,808,963	2,421,119
Water rights	-	-	205,144	208,681	205,144	208,681
Buildings	900,976	917,450	1,098,819	1,129,608	1,999,795	2,047,058
Improvements other than buildings	658,891	527,970	395,470	369,144	1,054,361	897,114
Equipment	452,829	409,757	294,345	294,909	747,174	704,666
Infrastructure assets	2,127,118	2,092,420	433,198	435,616	2,560,316	2,528,036
Utility property	-	-	3,765,489	3,603,666	3,765,489	3,603,666
Intangible assets:						
Land (leased)	1,600	1,818	61,732	61,915	63,332	63,733
Buildings (leased)	20,947	23,237	11,501	13,117	32,448	36,354
Equipment (leased)	86,394	99,589	-	-	86,394	99,589
SBITAs	96,350	33,731	8,955	2,563	105,305	36,294
Totals	$ 5,653,189	$ 5,300,844	$ 8,802,619	$ 8,285,219	$ 14,455,808	$ 13,586,063

Some of the major additions for fiscal year 2025 included (gross additions – in millions):

Cotton Bowl Renovation (west side)	$ 120.8
Hi-line Connector - Circuit Trail Loop	8.9
Muchert Center Renovation	8.1
Land acquistions	87.4
Equipment acquisitions	137.6
Water and wastewater facilities	277.1
Total	$ 639.9

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, 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, the flood protection and storm drainage 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.

Debt

At fiscal year-end, the City had $7.5 billion in bonds for both governmental and business-type activities, an obligation for revenue credit agreement (including accrued unpaid interest), water transmission facilities financing agreement outstanding, and senior lien special tax revenue notes, as shown in Table 4.

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

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 1,844,613	$ 1,793,139	$ -	$ -	$ 1,844,613	$ 1,793,139
Certificates of obligation	369,206	417,240	115,465	89,265	484,671	506,505
Equipment acquisition obligations	106,880	135,850	9,520	-	116,400	135,850
Pension obligation bonds	57,369	62,652	29,910	32,663	87,279	95,315
Revenue bonds	42,400	43,360	3,372,165	3,409,195	3,414,565	3,452,555
Water transmission facilities financing agreement	-	-	1,239,811	861,590	1,239,811	861,590
Obligation for revenue credit agreement	-	-	48,620	59,365	48,620	59,365
Senior Lien Special Tax Revenue Notes	-	-	252,500	-	252,500	-
Total	$ 2,420,468	$ 2,452,241	$ 5,067,991	$ 4,452,078	$ 7,488,459	$ 6,904,319

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.

Bond and senior lien special tax revenue note proceeds for business-type activities will be used to pay costs of various equipment purchases, improvements to buildings, improvements to water and wastewater facilities, flood protection and storm drainage systems, air transportation facilities, refund special tax revenue bonds, and improvements to the convention center.

In December of 2024, the City issued General Obligation Refunding and Improvement Bonds, Series 2024C in the amount of $321.2 million, with a premium of $28.3 million for a total of $349.5 million. The interest rates on the bonds range from 4 percent to 5 percent. The proceeds were used to refund $97.5 million of General Obligation Refunding and Improvement Bonds, Series 2015; $250 million was deposited into projects funds for various infrastructure and facilities improvements, information technology improvements, and economic development projects; and the remaining amount was used for the cost of issuance. The bonds will mature on February 15, 2044.

In December of 2024, the City issued Equipment Acquisition Contractual Obligations, Series 2024A in the amount of $21 million, with a premium of $1.2 million for a total of $22.2 million. The interest rate on the obligations is 5 percent. The proceeds of the obligations will be used to purchase various personal property for the governmental activities and pay for the cost of issuance. The obligations will mature on August 15, 2029.

In December of 2024, the City issued Waterworks and Sewer System Revenue Bonds, Series 2024C in the amount of $34 million with interest rates ranging from 1.97 percent to 3.58 percent. The City will use the proceeds of the bonds to fund the construction costs for improvements to the system. The bonds will mature on October 1, 2049.

In December of 2024, the City issued Waterworks and Sewer System Revenue Refunding Bonds, Series 2024 in the amount of $248.5 million with a premium of $12.7 million for a total of $261.2 million. The interest rates on the bonds range from 4 percent to 5 percent. The proceeds from the bonds were used to refund outstanding commercial paper notes of the City. The bonds will mature on October 1, 2054.

In March of 2025, Tarrant Regional Water District issued new bonds for the integrated pipeline/water transmission financing agreement in the amount of $408.6 million with interest rates ranging from 4.25 percent to 5.00 percent. 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 30, 2055.

In August of 2025, the City issued $252.5 million of Senior Lien Special Tax Revenue Notes, Series 2025. The interest rates on the Notes range from 5.122 percent to 6.39 percent. The proceeds of the Notes were used to refund $170.6 million of Special Tax Revenue Bonds, Series 2023A for the Kay Bailey Hutchison Convention Center Dallas Venue Project, $81.9 million will be used to fund the tax-exempt project costs and the Owner Controlled Insurance Program associated with the Kay Bailey Hutchison Convention Center Venue Project and the cost of issuance of the Notes. The Notes will mature on June 30, 2026. The City expects to refinance these notes with long-term debt on or prior to the maturity date.

In December of 2024, the City issued Equipment Acquisition Contractual Obligations, Series 2024A in the amount of $7.6 million, with a premium of $.4 million for a total of $8 million. The interest rate on the obligations is 5 percent. The proceeds of the obligations will be used to purchase various personal property for the sanitation enterprise fund and pay for the cost of issuance. The obligations will mature on August 15, 2029.

In December of 2024, the City issued Equipment Acquisition Contractual Obligations, Series 2024A in the amount of $1.9 million, with a premium of $.1 million for a total of $2 million. The interest rate on the obligations is 5 percent. The proceeds of the obligations will be used to purchase various personal property for the storm water operations fund and pay for the cost of issuance. The obligations will mature on August 15, 2029.

In January of 2025, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2025A in the amount of $36.1 million with a premium of $3.2 million for a total of $39.3 million. The interest rate on the obligation is 5 percent. The proceeds of the obligation will be used to pay for contractual obligations for construction and improvements of the storm water drainage system, erosion control, and paying for the cost of issuance. The obligation will mature on February 15, 2034.

The City's General Obligation, General Obligation Pension, Waterworks and Sewer System, Storm Water Drainage Utility System, General Airport Revenue, Civic Center Convention Complex, KBHCCD Venue Project, Fair Park Venue Project, Dallas Convention Center Hotel Development Corp, and Downtown Dallas Development Authority bonds' underlying ratings as of September 30, 2025 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
Storm Water Drainage Utility System	N/R	N/R	N/R	N/R
General Airport Revenue	A1	A	AA	N/R
Civic Center Convention Complex	N/R	A	A+	N/R
KBHCCD Venue Project, Series 2023	N/R	A-	N/R	N/R
Fair Park Venue Project, Series 2023	N/R	BBB	N/R	N/R
Convention Center Senior Lien Special Tax Revenue Notes	N/R	SP-1	N?R	N/R
Dallas Convention Center Hotel Development Corp.	Baa1	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 – Public Safety; Parks, Trails and Environment; Quality of Life, Arts, and Culture; Government Efficiency; Economic Development; Housing and Homelessness Solutions; Transportation and Infrastructure; and Finance. Property value for the tax roll as of January 1, 2025, was $226.5 billion, which is a 5.3 percent increase from the 2024 certified value of $215.1 billion. The adopted fiscal year 2025-26 tax rate of $0.6988 per $100 valuation is a $0.0059 reduction from the fiscal year 2024-25 adopted tax rate of $0.7047. The fiscal year 2025-26 budget of $5.2 billion is balanced, utilizing various cost containment strategies 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 6.1 percent for fiscal year 2025-26.

The City of Dallas is experiencing areas of economic growth. The City's unemployment rate of 4.0 percent is slightly less than the national average of 4.2 percent. Property tax revenue is the single largest revenue source and accounts for 55.3 percent of general fund revenue. Fiscal year 2026 will mark the thirteenth consecutive year of growth in property value. As the second largest revenue source in general fund, sales tax revenue is projected at $474.3 million for fiscal year 2025-26, which is a 2.3 percent increase from the fiscal year 2024-25 amended budget. The combined property tax and sales tax revenues in the general fund budget is projected to increase $55.9 million from the fiscal year 2025 amended budget to the fiscal year 2026 budget.

In fiscal year 2026, the City will build on a *safe*, *vibrant*, and *growing* Dallas, by transforming our foundational structure to become a more *livable*, *sustainable*, and *fiscally sound* city with strong, aligned systems at its *core* while serving our residents, visitors, and business community. This budget makes significant investments in the following areas:

Safe means to become the safest large city by reducing crime and elevating the quality of life for all.

Vibrant means to create opportunity and impact across housing, social services, arts and culture, parks, environment, and libraries.

Growing means to drive an inclusive economy through targeted growth.

Livable means to nurture clean and healthy communities for people and pets alike.

Sustainable means to deliver customer-focused, industry-leading infrastructure that is resilient, sustainable, and future-forward.

Fiscally Sound means to advance effective financial stewardship for Dallas by maximizing the efficient use of taxpayer resources.

Core means to empower city operations through the delivery of resilient systems, assets, and services.

The City's fiscal year 2026 capital budget also provides $6.9 million for aviation facilities, $143.3 million for city facilities, $7.5 million for convention and event services, $95.2 million for economic development, $69.5 million for flood protection and storm drainage management, $78.1 million for parks and recreation, $17 million for sanitation services, $168 million for streets and transportation, and $367.2 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.

SERVICE FIRST, NOW!

CITY OF DALLAS, TEXAS
STATEMENT OF NET POSITION
September 30, 2025
(in thousands)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Governmental	Business-type
Assets					
Cash and cash equivalents	$ 1,103,009	$ 852,310	$ 1,955,319	$ 56,951	$ 200,438
Other investments, at fair value	36,691	-	36,691	-	3,341
Receivables, net	393,020	231,221	624,241	198	5,585
Internal balances	(97,557)	97,557	-	-	-
Prepaid items	10,761	29,451	40,212	-	1,446
Inventories, at cost	33,459	27,457	60,916	-	676
Prepaid escrow	-	-	-	-	-
Other assets	-	-	-	-	11,911
Restricted assets:					
Cash and cash equivalents	1,594,982	1,218,973	2,813,955	8,346	34,198
Other investments, at fair value	-	143,229	143,229	-	35,723
Future pipeline reserve capacity rights	-	554,096	554,096	-	-
Customer assessments	-	635	635	-	-
Capital assets:					
Capital assets, non-depreciable	1,308,084	2,527,966	3,836,050	-	90,674
Capital assets, depreciable, net of accumulated depreciation/amortization	4,345,105	6,274,653	10,619,758	-	317,063
Total assets	8,727,554	11,957,548	20,685,102	65,495	701,055
Deferred outflows of resources					
Deferred loss on refunding	-	36,950	36,950	-	-
Deferred outflows of resources related to pensions	842,621	195,662	1,038,283	-	-
Deferred outflows of resources related to other postemployment benefits	12,179	2,326	14,505	-	-
Total deferred outflows of resources	854,800	234,938	1,089,738	-	-
Liabilities					
Accrued payroll	15,622	195	15,817	-	3,359
Accounts payable	75,699	47,206	122,905	291	6,027
Due to other governments	2,004	1,278	3,282	-	-
Contracts payable	60,514	-	60,514	-	-
Other liabilities	36,325	3,671	39,996	37,270	10,792
Construction accounts payable	24,761	134,643	159,404	-	-
Accrued interest payable	16,629	62,184	78,813	153	13,682
Unearned revenue	48,167	47,698	95,865	-	16,662
Customer deposits	2,659	31,441	34,100	-	-
Customer construction advances	-	2,145	2,145	-	-
Noncurrent liabilities:					
Due within one year	487,371	482,461	969,832	2,239	5,552
Due in more than one year	7,863,701	5,856,735	13,720,436	71,643	402,254
Total liabilities	8,633,452	6,669,657	15,303,109	111,596	458,328
Deferred inflows of resources					
Deferred gain on refunding	12,996	-	12,996	-	-
Deferred inflows of resources related to pensions	773,941	375,346	1,149,287	-	-
Deferred inflows of resources related to other postemployment benefits	41,682	7,959	49,641	-	-
Deferred inflows of resources related to leases	96,426	40,251	136,677	-	136,312
Deferred inflows of resources related to conduit debt	-	28,534	28,534	-	-
Total deferred inflows of resources	925,045	452,090	1,377,135	-	136,312
Net position					
Net investment in capital assets	3,830,809	4,524,503	8,355,312	-	(50,985)
Restricted for:					
Capital projects	491,315	-	491,315	-	-
Debt service	109,756	499,089	608,845	8,218	-
General government	102,569	-	102,569	-	-
Public safety	46,841	-	46,841	-	-
Culture and recreation	80,107	-	80,107	-	-
Streets and transportation	34,210	-	34,210	-	-
Other purposes	169,687	-	169,687	-	-
Permanent funds - nonexpendable	12,767	-	12,767	-	-
Emergency repairs and replacements	-	5,000	5,000	-	-
Operation and maintenance expenses	-	15,477	15,477	-	-
Passenger facility charges	-	65,912	65,912	-	-
Unrestricted (deficit)	(4,854,204)	(39,242)	(4,893,446)	(54,319)	157,400
Total net position (deficit)	$ 23,857	$ 5,070,739	$ 5,094,596	$ (46,101)	$ 106,415

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

CITY OF DALLAS, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025
(in thousands)

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 397,954	$ 65,337	$ 42,304	$ 37,155
Public safety	1,384,385	77,412	15,041	136
Code enforcement	62,077	13,237	75	-
Environmental and health services	19,380	266	41,632	-
Streets, public works, and transportation	230,598	17,074	3,766	40,321
Equipment and building services	54,422	5,756	774	-
Culture and recreation	240,439	22,163	1,949	9,316
Housing	3,763	255	2,922	-
Human services	60,791	162	45,482	-
Interest on long-term debt	122,184	-	-	-
Total governmental activities	2,575,993	201,662	153,945	86,928
Business-Type activities:				
Dallas water utilities	725,517	844,856	-	26,915
Convention center	128,042	34,643	-	-
Airport revenues	197,431	250,029	100	204,810
Sanitation	140,152	189,816	115	-
Storm water	64,610	85,342	1,242	-
Municipal radio	258	411	-	-
Building inspection	48,216	47,800	-	-
Total business-type activities	1,304,226	1,452,897	1,457	231,725
Total primary government	3,880,219	1,654,559	155,402	318,653
Component units:				
Governmental	41,661	-	-	-
Business-type	130,322	138,697	3,655	-
Total component units	171,983	138,697	3,655	-

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

Transfers

Total general revenues and transfers

Change in net position

Net position (deficit), beginning of year, as previously reported

Adjustment for change in accounting principle (see Note 22)

Net position (deficit), beginning of year, as restated

Net position (deficit), end of year

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-Type Activities	Total	Component Units Governmental	Component Units Business-Type
$ (253,158)	$ -	$ (253,158)	$ -	$ -
(1,291,796)	-	(1,291,796)	-	-
(48,765)	-	(48,765)	-	-
22,518	-	22,518	-	-
(169,437)	-	(169,437)	-	-
(47,892)	-	(47,892)	-	-
(207,011)	-	(207,011)	-	-
(586)	-	(586)	-	-
(15,147)	-	(15,147)	-	-
(122,184)	-	(122,184)	-	-
(2,133,458)	-	(2,133,458)	-	-
-	146,254	146,254	-	-
-	(93,399)	(93,399)	-	-
-	257,508	257,508	-	-
-	49,779	49,779	-	-
-	21,974	21,974	-	-
-	153	153	-	-
-	(416)	(416)	-	-
-	381,853	381,853	-	-
(2,133,458)	381,853	(1,751,605)	-	-
			(41,661)	-
			-	12,030
			(41,661)	12,030
1,490,106	-	1,490,106	-	-
10,958	-	10,958	45,579	-
46,745	-	46,745	-	-
453,319	-	453,319	-	-
146,254	-	146,254	-	-
-	107,634	107,634	-	-
-	17,794	17,794	-	-
132,485	89,568	222,053	1,223	9,933
48,026	1,198	49,224	-	14,908
47,991	(47,991)	-	-	-
2,375,884	168,203	2,544,087	46,802	24,841
242,426	550,056	792,482	5,141	36,871
(176,034)	4,526,177	4,350,143	(51,242)	69,544
(42,535)	(5,494)	(48,029)	-	-
(218,569)	4,520,683	4,302,114	(51,242)	69,544
$ 23,857	$ 5,070,739	$ 5,094,596	$ (46,101)	$ 106,415

CITY OF DALLAS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025
(in thousands)

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and cash equivalents	$ 417,154	$ 114,891	$ 404,790	$ 936,835
Other investments, at fair value	-	-	36,691	36,691
Receivables:				
Ad valorem tax	43,995	16,833	-	60,828
Sales tax	74,455	-	-	74,455
Notes	592	-	62,850	63,442
Special assessments-paving notes	-	-	6,201	6,201
Accounts	83,959	-	83,348	167,307
Accrued interest	2,113	798	9,777	12,688
Leases	76,874	-	25,554	102,428
Allowance for uncollectible accounts	(72,761)	(15,213)	(63,881)	(151,855)
Due from other governments	5,165	75	51,712	56,952
Due from other funds	13,168	-	-	13,168
Prepaid items	20	-	10,741	10,761
Inventories, at cost	27,981	-	-	27,981
Restricted cash and cash equivalents	-	-	1,594,982	1,594,982
Notes receivable from other funds	-	-	4,161	4,161
Total assets	672,715	117,384	2,226,926	3,017,025
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accrued payroll	15,592	-	30	15,622
Accounts payable	43,174	1,491	19,664	64,329
Due to other funds	268	-	104,744	105,012
Unearned revenue	2,750	-	45,417	48,167
Due to other governments	2,004	-	-	2,004
Construction accounts payable	-	-	24,761	24,761
Notes payable to other funds	-	-	8,931	8,931
Customer deposits	2,548	-	111	2,659
Contracts payable	-	-	60,514	60,514
Other liabilities	26,818	-	3,926	30,744
Total liabilities	93,154	1,491	268,098	362,743
Deferred inflows of resources				
Unavailable revenue related to taxes, accounts receivable, and grants	39,160	278	48,678	88,116
Unavailable revenue related to leases	72,767	-	23,659	96,426
Total deferred inflows of resources	111,927	278	72,337	184,542
Fund balances				
Nonspendable	28,001	-	23,508	51,509
Restricted	-	115,615	1,802,909	1,918,524
Committed	6,600	-	60,095	66,695
Assigned	33,467	-	-	33,467
Unassigned	399,566	-	(21)	399,545
Total fund balance	467,634	115,615	1,886,491	2,469,740
Total liabilities, deferred inflows, and fund balances	$ 672,715	$ 117,384	$ 2,226,926	$ 3,017,025

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

CITY OF DALLAS, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2025
(in thousands)

Total fund balances - governmental funds		$ 2,469,740
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	640,545	
Artwork	51,582	
Construction in progress	614,176	
Infrastructure assets	3,537,101	
Buildings	1,688,468	
Improvements other than buildings	1,026,042	
Equipment	1,076,150	
Leased and SBITA assets	101,946	
Accumulated depreciation and amortization	(3,216,252)	
Total capital assets		5,519,758
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.		(12,996)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		88,116
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.		(159,165)
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	2,798,370	
Financed purchases	46,450	
Leases and SBITAs	86,907	
Accrued interest payable	14,228	
Developer payable	21,896	
Arbitrage rebate payable	34,104	
Notes payable	8,741	
Compensated absences	165,780	
Pollution remediation	499	
Total long-term liabilities		(3,176,975)
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	4,621,958	
Deferred outflows of resources	(789,611)	
Deferred inflows of resources	671,992	
		(4,504,339)
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	171,888	
Deferred outflows of resources	(11,723)	
Deferred inflows of resources	40,117	
		(200,282)
Net position (deficit) of governmental activities		$ 23,857

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

CITY OF DALLAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025
(in thousands)

	General	Debt Service	Nonmajor Governmental Funds	Total
Revenues:				
Ad valorem tax	$ 985,378	$ 373,508	$ 127,195	$ 1,486,081
Tax increment financing, intergovernmental	-	-	10,958	10,958
Sales tax	453,319	-	-	453,319
Franchise fees	132,464	-	13,790	146,254
Licenses and permits	14,473	-	1,757	16,230
Intergovernmental	24,776	-	157,541	182,317
Service to others	121,886	-	37,097	158,983
Fines and forfeitures	19,660	-	1,266	20,926
Investment Income	26,089	9,566	91,086	126,741
Special assessments	-	-	46,745	46,745
Contributions and gifts	305	-	53,979	54,284
Confiscated money awards	-	-	3,188	3,188
Other revenues	2,416	761	2,883	6,060
Total revenues	1,780,766	383,835	547,485	2,712,086
Current expenditures:				
General government	192,074	-	181,577	373,651
Public safety	1,138,554	-	40,572	1,179,126
Code enforcement	63,662	-	-	63,662
Environmental and health services	-	-	17,691	17,691
Streets, public works, and transportation	121,095	-	40,725	161,820
Equipment and building services	29,296	-	1,938	31,234
Culture and recreation	179,018	-	29,425	208,443
Housing	3,344	-	-	3,344
Human services	-	-	60,407	60,407
Debt service:				
Principal	32,897	275,498	3,609	312,004
Interest and fiscal charges	4,025	135,494	5,397	144,916
Capital outlay	23,251	-	475,129	498,380
Total expenditures	1,787,216	410,992	856,470	3,054,678
Excess (deficiency) of revenues over (under) expenditures	(6,450)	(27,157)	(308,985)	(342,592)
Other financing sources (uses):				
Transfers in	33,757	13,109	69,612	116,478
Transfers out	(35,767)	-	(19,964)	(55,731)
Inception of SBITAs	2,624	-	-	2,624
Proceeds from sale of capital assets	629	-	744	1,373
Premium on debt issued	-	8,549	20,956	29,505
Issuance of equipment acquisition notes	-	-	21,020	21,020
Issuance of general obligation bonds	-	-	231,871	231,871
Issuance of refunding debt	-	89,309	-	89,309
Payment to refunded bond escrow agent	-	(97,619)	-	(97,619)
Total other financing sources (uses)	1,243	13,348	324,239	338,830
Net change in fund balances	(5,207)	(13,809)	15,254	(3,762)
Fund balances, beginning of year	472,841	129,424	1,871,237	2,473,502
Fund balances, end of year	$ 467,634	$ 115,615	$ 1,886,491	$ 2,469,740

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

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, 2025
(in thousands)

Net change in fund balances-total governmental funds			$ (3,762)
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	498,380		
Capital assets acquired through developer payable	4,577		
Capital assets transferred to business-type activities	(11,130)		
Depreciation and amortization expense	(193,591)		
Net adjustment			298,236
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	(1,373)		
Net loss on disposal of capital assets	(1,468)		
			(2,841)
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.			2,588
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		(29,505)	
Equipment acquisition notes		(21,020)	
General obligation and revenue bonds		(231,871)	
Refunding bonds		(89,309)	
SBITAs		(2,624)	
Repayments:			
Financed purchases payments		20,921	
Early termination of leases		1,487	
Lease payments		9,346	
SBITA payments		2,759	
Note principal payments		2,520	
Bond principal payments		276,458	
Payment to refunded bond escrow agent		97,619	
Net adjustment			36,781
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		(810)	
Amortization of premium, discount and refunding deferral		48,512	
Accretion on capital appreciation bonds		(11,475)	
Decrease in pollution remediation liability		254	
Increase in compensated absences		(4,980)	
Increase in arbitrage rebate liability		(13,494)	
Decrease in developer payable		8,414	
Total adjustment			26,421
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.			(4,358)
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.			(116,176)
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.			5,537
Change in net position of governmental activities			$ 242,426

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

CITY OF DALLAS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025
(in thousands)

	Business-Type Activities Enterprise Funds						
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Storm Water Operations	Nonmajor Enterprise Funds	Total
Assets							
Current assets:							
Pooled cash and cash equivalents	$ 303,244	$ 150,180	$ 210,348	$ 72,236	$ 86,447	$ 29,855	$ 852,310
Receivables:							
Accounts	124,276	15,677	21,698	30,623	16,622	262	209,158
Taxes	-	2,819	-	-	-	-	2,819
Accrued interest	5,061	2,651	1,652	506	335	139	10,344
Leases	203	23,784	10,962	-	-	-	34,949
Allowance for uncollectible accounts	(25,315)	-	(60)	(15,603)	(9,569)	-	(50,547)
Due from other governments	123	-	24,375	-	-	-	24,498
Due from other funds	268	-	-	-	92,519	-	92,787
Prepaid items	29,281	166	4	-	-	-	29,451
Inventories, at cost	25,120	438	1,651	248	-	-	27,457
Restricted assets:							
Customer assessments	635	-	-	-	-	-	635
Pooled cash and cash equivalents for current debt service	155,563	196,961	-	-	3,578	-	356,102
Cash and cash equivalents Held for construction and equipment purchases	7,707	201,473	-	-	1,951	-	211,131
Customer deposits:							
Pooled cash and cash equivalents	28,130	-	-	1,565	-	-	29,695
Total current assets	654,296	594,149	270,630	89,575	191,883	30,256	1,830,789
Noncurrent assets:							
Capital Assets:							
Nondepreciable	1,929,616	258,067	299,221	3,759	32,030	5,273	2,527,966
Depreciable, net of accumulated depreciation/amortization	4,777,726	249,436	1,062,844	85,357	75,592	23,698	6,274,653
Total capital assets	6,707,342	507,503	1,362,065	89,116	107,622	28,971	8,802,619
Other noncurrent assets:							
Restricted assets:							
Future pipeline reserve capacity rights	554,096	-	-	-	-	-	554,096
Held for construction purposes:							
Cash and cash equivalents	-	-	5,283	-	39,104	-	44,387
Cash and cash equivalents held by escrow agent	290,935	-	-	-	124,535	-	415,470
Pooled cash and cash equivalents for future debt service	16,396	19,339	39,174	-	890	-	75,799
Pooled cash and cash equivalents for emergency repairs and replacements	-	-	5,000	-	-	-	5,000
Pooled cash and cash equivalents for operation and maintenance expenses	-	-	15,477	-	-	-	15,477
Pooled cash and cash equivalents for passenger facility charges	-	-	65,912	-	-	-	65,912
Other investments for future debt service at fair value	124,000	-	19,229	-	-	-	143,229
Notes receivable from other funds	4,770	-	-	-	-	-	4,770
Total other noncurrent assets	990,197	19,339	150,075	-	164,529	-	1,324,140
Total noncurrent assets	7,697,539	526,842	1,512,140	89,116	272,151	28,971	10,126,759
Total assets	8,351,835	1,120,991	1,782,770	178,691	464,034	59,227	11,957,548
Deferred outflows of resources							
Deferred loss on refunding	32,306	811	3,833	-	-	-	36,950
Deferred outflows of resources related to pensions	97,336	2,375	22,321	37,483	14,835	21,312	195,662
Deferred outflows of resources related to other postemployment benefits	1,359	28	235	332	150	222	2,326
Total deferred outflows of resources	$ 131,001	$ 3,214	$ 26,389	$ 37,815	$ 14,985	$ 21,534	$ 234,938

Governmental Activities- Internal Service Funds
$ 166,174
-
-
574
-
-
-
-
-
5,478
-
-
-
-
172,226
1,781
131,650
133,431
-
-
-
-
-
-
-
-
-
-
133,431
305,657
-
53,010
456
$ 53,466

CITY OF DALLAS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (continued)
September 30, 2025
(in thousands)

	Business-Type Activities Enterprise Funds						
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Storm Water Operations	Nonmajor Enterprise Funds	Total
Liabilities							
Current liabilities:							
Accrued payroll	$ -	$ 195	$ -	$ -	$ -	$ -	$ 195
Accounts payable	16,800	3,454	21,658	3,608	1,167	519	47,206
Compensated absences	8,899	195	1,899	2,706	1,465	2,245	17,409
Other postemployment benefits	1,110	23	192	270	122	182	1,899
Due to other governments	-	-	362	916	-	-	1,278
Unearned revenue	-	-	4,153	169	27,401	15,975	47,698
Estimated unpaid health claims	-	-	-	-	-	-	-
Estimated unpaid claims - general	-	-	-	-	-	-	-
Workers' compensation	-	-	-	-	-	-	-
Accrued interest payable on bonds, notes, and leases	284	4	377	155	9	47	876
Certificates of obligation	-	-	-	-	13,935	-	13,935
Pension obligation bonds	1,510	107	141	494	227	275	2,754
Pollution remediation	202	150	-	4	1,206	-	1,562
Equipment acquisition notes payable	-	-	-	1,905	475	-	2,380
Senior lien special tax revenue notes	-	252,500	-	-	-	-	252,500
Obligation for revenue credit agreement	-		11,280	-	-	-	11,280
Landfill closure/postclosure	-	-	-	371	-	-	371
Financed purchases	-	-	-	366	-	-	366
Leases payable	621	-	1,988	-	-	376	2,985
SBITAs payable	432	-	248	197	-	967	1,844
Due to other funds	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	3,671	3,671
Total current liabilities	29,858	256,628	42,298	11,161	46,007	24,257	410,209
Current liabilities (payable from restricted assets):							
Construction accounts payable	76,752	29,738	22,927	-	5,226	-	134,643
Accrued interest payable on bonds, notes, and leases	49,688	2,160	8,726	-	734	-	61,308
Water transmission facilities financing agreement	31,776	-	-	-	-	-	31,776
Revenue bonds	105,755	11,505	20,660	-	3,480	-	141,400
Total current liabilities (payable from restricted assets)	263,971	43,403	52,313	-	9,440	-	369,127
Total current liabilities	293,829	300,031	94,611	11,161	55,447	24,257	779,336
Noncurrent liabilities:							
Equipment acquisition notes payable	-	-	-	6,118	1,525	-	7,643
Commercial paper notes payable	89,100	-	-	-	-	-	89,100
Revenue bonds	2,730,532	196,747	414,145	-	97,305	-	3,438,729
Obligation for revenue credit agreement	-	-	37,910	-	-	-	37,910
Accreted interest on pension obligation bonds	48,249	3,443	4,522	15,775	7,271	8,786	88,046
Certificates of obligation	-	-	-	-	111,267	-	111,267
Pension obligation bonds	27,889	1,978	2,613	9,116	4,203	5,083	50,882
Water transmission facilities financing agreement	1,208,035	-	-	-	-	-	1,208,035
Financed purchases	-	-	-	56	-	-	56
Leases payable	1,012	-	63,207	-	-	1,543	65,762
SBITAs payable	221	-	2,025	-	-	1,027	3,273
Total long-term debt	4,105,038	202,168	524,422	31,065	221,571	16,439	5,100,703
Other long-term liabilities:							
Estimated unpaid claims - general	-	-	-	-	-	-	-
Arbitrage rebate	21,385	1,891	605	157	849	-	24,887
Other postemployment benefits	18,819	393	3,248	4,593	2,073	3,080	32,206
Net pension liability	318,048	7,683	72,382	123,183	48,423	69,807	639,526
Workers' compensation	-	-	-	-	-	-	-
Customer deposits	28,130	1,746	-	1,565	-	-	31,441
Customer construction advances	2,145	-	-	-	-	-	2,145
Pollution remediation	-	-	26	-	36	-	62
Landfill closure/postclosure	-	-	-	50,126	-	-	50,126
Compensated absences	5,280	273	1,168	874	790	840	9,225
Total other long-term liabilities	393,807	11,986	77,429	180,498	52,171	73,727	789,618
Total noncurrent liabilities	4,498,845	214,154	601,851	211,563	273,742	90,166	5,890,321
Total liabilities	4,792,674	514,185	696,462	222,724	329,189	114,423	6,669,657
Deferred inflows of resources							
Deferred inflows of resources related to pensions	186,667	4,509	42,482	72,298	28,420	40,970	375,346
Deferred inflows of resources related to other postemployment benefits	4,651	97	803	1,135	512	761	7,959
Deferred inflows of resources related to leases	197	29,337	10,717	-	-	-	40,251
Deferred inflows of resources related to conduit debt	-	-	28,534	-	-	-	28,534
Total deferred inflows of resources	191,515	33,943	82,536	73,433	28,932	41,731	452,090
Net Position							
Net investment in capital assets	3,348,150	214,687	816,135	80,474	39,999	25,058	4,524,503
Restricted:							
Debt service	246,271	218,750	30,333	-	3,735	-	499,089
Emergency repairs and replacements	-	-	5,000	-	-	-	5,000
Operation and maintenance expenses	-	-	15,477	-	-	-	15,477
Passenger facility charges	-	-	65,912	-	-	-	65,912
Unrestricted (deficit)	(95,774)	142,640	97,304	(160,125)	77,164	(100,451)	(39,242)
Total net position (deficit)	$ 3,498,647	$ 576,077	$ 1,030,161	$ (79,651)	$ 120,898	$ (75,393)	$ 5,070,739

Governmental Activities- Internal Service Funds
$ -
11,370
4,730
374
-
-
16,396
12,859
9,784
-
-
-
-
-
-
-
-
-
4,032
30,486
943
5,581
96,555
-
2,401
-
-
2,401
98,956
-
-
-
-
-
-
-
-
-
26,021
47,809
73,830
9,882
-
6,328
173,704
49,238
-
-
-
-
2,836
241,988
315,818
414,774
101,949
1,565
-
-
103,514
25,083
-
-
-
-
(184,248)
$ (159,165)

CITY OF DALLAS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2025
(in thousands)

	Business-Type Activities Enterprise Funds						
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Storm Water Operations	Nonmajor Enterprise Funds	Total
Operating revenues:							
Customer charges	$ 844,856	$ 34,643	$ 220,264	$ 189,816	$ 85,342	$ 48,211	$ 1,423,132
Charges to other City departments	-	-	-	-	-	-	-
Charges to employees/retirees	-	-	-	-	-	-	-
Other revenues	-	102	790	95	-	211	1,198
Total operating revenues	844,856	34,745	221,054	189,911	85,342	48,422	1,424,330
Operating expenses:							
Personnel services	116,657	6,217	36,124	43,141	19,582	22,194	243,915
Supplies and materials	125,366	4,035	11,243	10,792	4,318	201	155,955
Contractual and other services	182,659	81,026	86,399	69,382	35,261	22,261	476,988
Depreciation and amortization	160,934	17,851	43,406	13,550	3,195	2,207	241,143
Total operating expenses	585,616	109,129	177,172	136,865	62,356	46,863	1,118,001
Operating income (loss)	259,240	(74,384)	43,882	53,046	22,986	1,559	306,329
Nonoperating revenues (expenses):							
Investment income	41,508	18,432	16,068	4,023	8,250	1,287	89,568
Alcohol beverage tax	-	17,794	-	-	-	-	17,794
Hotel occupancy tax	-	107,634	-	-	-	-	107,634
Intergovernmental	-	-	100	115	1,242	-	1,457
Project financing zone revenue	-	163,821	-	-	-	-	163,821
Passenger facility charges	-	-	29,765	-	-	-	29,765
Interest on bonds, notes, and leases	(139,039)	(18,913)	(20,279)	(3,287)	(2,254)	(1,611)	(185,383)
Net gain (loss) on property disposals	(862)	-	20	-	-	-	(842)
Total nonoperating revenues (expenses)	(98,393)	288,768	25,674	851	7,238	(324)	223,814
Income (loss) before contributions and transfers	160,847	214,384	69,556	53,897	30,224	1,235	530,143
Contributions and transfers							
Capital contributions	38,221	-	40,989	-	-	-	79,210
Transfers in	-	-	-	3,854	16	-	3,870
Transfers out	(26,035)	(18,423)	(523)	(16,404)	(1,782)	-	(63,167)
Total contributions and transfers	12,186	(18,423)	40,466	(12,550)	(1,766)	-	19,913
Change in net position	173,033	195,961	110,022	41,347	28,458	1,235	550,056
Net position (deficit), beginning of year, as previously reported	3,328,791	380,206	920,601	(120,302)	92,811	(75,930)	4,526,177
Adjustment for change in accounting principle (see Note 22)	(3,177)	(90)	(462)	(696)	(371)	(698)	(5,494)
Net position (deficit), beginning of year, restated	3,325,614	380,116	920,139	(120,998)	92,440	(76,628)	4,520,683
Net position (deficit), end of year	$ 3,498,647	$ 576,077	$ 1,030,161	$ (79,651)	$ 120,898	$ (75,393)	$ 5,070,739

Governmental Activities- Internal Service Funds
$ -
441,195
45,025
37,077
523,297
82,562
33,521
370,620
42,054
528,757
(5,460)
5,744
-
-
-
-
-
(3,192)
-
2,552
(2,908)
-
15,394
(16,844)
(1,450)
(4,358)
(153,861)
(946)
(154,807)
$ (159,165)

CITY OF DALLAS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2025
(in thousands)

	Business-Type Activities Enterprise Funds				
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Storm Water Operations
Cash flows from operating activities:					
Cash received from customers	$ 860,751	$ 28,974	$ 218,725	$ 191,346	$ 87,662
Cash payments to suppliers for goods and services	(128,736)	(3,796)	(19,866)	(13,064)	(4,072)
Cash payments to employees for services	(132,103)	(3,883)	(33,781)	(52,323)	(21,506)
Cash payments for contractual services	(184,037)	(56,511)	(84,352)	(74,183)	(26,129)
Other operating cash receipts	-	102	790	95	-
Net cash provided by (used in) operating activities	415,875	(35,114)	81,516	51,871	35,955
Cash flows from non-capital financing activities:					
Tax receipts	-	125,556	-	-	-
Principal paid on pension obligation bonds	(1,509)	(108)	(142)	(493)	(228)
Interest paid on pension obligation bonds	(6,909)	(492)	(647)	(2,259)	(1,041)
Intergovernmental operating grant receipts	-	-	100	115	1,242
Transfers from other funds	-	-	-	3,854	16
Transfers to other funds	(26,035)	(18,423)	-	(16,404)	(1,782)
Net cash provided by (used in) non-capital financing activities	(34,453)	106,533	(689)	(15,187)	(1,793)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(349,771)	(174,874)	(83,256)	(28,651)	(39,123)
Proceeds from sale of capital assets	-	-	-	-	-
Proceeds from obligation for revenue bonds	295,199	252,500	-	-	-
Proceeds from notes payable and other obligations	-	-	-	10,055	41,854
Payment to refunded bond escrow agent	-	(170,600)	-	-	-
Principal paid on bonds	(114,850)	(10,955)	(19,680)	-	(3,480)
Principal paid on notes payable and other obligations	(1,650)	-	(23,023)	(3,896)	(10,395)
Interest paid on bonds, notes, and other obligations	(129,226)	(19,875)	(27,131)	(342)	(5,272)
Bond issuance costs	(296)	(415)	-	(104)	(157)
Proceeds from sale of commercial paper notes	139,100	-	-	-	-
Retirement of commercial paper notes	(260,900)	-	-	-	-
Passenger facility charges	-	-	27,341	-	-
Project financing zone receipts	-	163,821	-	-	-
Capital contribution receipts	-	-	31,380	-	-
Net cash provided by (used in) capital and related financing activities	(422,394)	39,602	(94,369)	(22,938)	(16,573)
Cash flows from investing activities:					
Purchase of investments	213,000	-	19,229	-	-
Maturity of investments	(213,000)	-	(19,229)	-	-
Investment income	41,431	18,551	16,277	3,933	8,109
Net cash provided by (used in) investing activities	41,431	18,551	16,277	3,933	8,109
Net increase (decrease) in cash and cash equivalents	459	129,572	2,735	17,679	25,698
Cash and cash equivalents, beginning of year	801,516	438,381	338,459	56,122	230,808
Cash and cash equivalents, end of year	$ 801,975	$ 567,953	$ 341,194	$ 73,801	$ 256,506

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
$ 47,420	$ 1,434,878	$ 494,410
(215)	(169,749)	(34,146)
(30,166)	(273,762)	(87,427)
(18,403)	(443,615)	(362,508)
211	1,198	37,077
(1,153)	548,950	47,406
-	125,556	-
(275)	(2,755)	-
(1,258)	(12,606)	-
-	1,457	-
-	3,870	15,394
-	(62,644)	(16,844)
(1,533)	52,878	(1,450)
(3,820)	(679,495)	(4,753)
-	-	-
-	547,699	-
-	51,909	-
-	(170,600)	-
-	(148,965)	-
(1,375)	(40,339)	(37,965)
(64)	(181,910)	(1,857)
-	(972)	-
-	139,100	-
-	(260,900)	-
-	27,341	-
-	163,821	-
-	31,380	-
(5,259)	(521,931)	(44,575)
-	232,229	-
-	(232,229)	-
1,336	89,637	5,783
1,336	89,637	5,783
(6,609)	169,534	7,164
36,464	1,901,750	159,010
$ 29,855	$ 2,071,284	$ 166,174

continued

CITY OF DALLAS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended September 30, 2025
(in thousands)

	Business-Type Activities Enterprise Funds				
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Storm Water Operations
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 259,240	$ (74,384)	$ 43,882	$ 53,046	$ 22,986
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	160,934	17,851	43,406	13,550	3,195
Change in assets and liabilities					
(Increase) Decrease in accounts and other receivables	13,127	(5,295)	(1,186)	(713)	(455)
(Increase) Decrease in leases receivable	16	3,124	11,308	-	-
(Increase) Decrease in customer assessments receivable	286	-	-	-	-
(Increase) Decrease in inventories	(3,217)	329	(166)	70	-
(Increase) Decrease in other asset	-	-	-	-	-
(Increase) Decrease in due from other governments	-	(5)	(295)	44	-
(Increase) Decrease in due from other funds	-	-	-	-	5,820
(Increase) Decrease in deferred outflows for other postemployment benefits	131	6	(15)	37	29
(Increase) Decrease in deferred outflows for pension contributions	80,418	851	16,191	32,820	12,039
Increase (Decrease) in accounts payable	(153)	24,671	(6,006)	(2,342)	3,450
Increase (Decrease) in accrued payroll	(3,971)	(95)	(966)	(1,434)	(622)
Increase (Decrease) in due to other funds	-	-	-	(599)	-
Increase (Decrease) in compensated absences	384	8	366	57	141
Increase (Decrease) in allowance for uncollectibles	863	-	(11)	1,928	975
Increase (Decrease) in unearned revenue	-	-	(384)	116	1,800
Increase (Decrease) in customer deposits	1,620	(1,702)	-	155	-
Increase (Decrease) in other postemployment benefits	(1,152)	(59)	330	(356)	(335)
Increase (Decrease) in customer construction advances	(1,317)	-	-	-	-
Increase (Decrease) in estimated unpaid health claims	-	-	-	-	-
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-	-
Increase (Decrease) in workers' compensation	-	-	-	-	-
Increase (Decrease) in landfill liability	-	-	-	(3,869)	-
Increase (Decrease) in net pension liability	(193,001)	(1,370)	(37,902)	(79,115)	(28,755)
Increase (Decrease) in other liabilities	(61)	(241)	(109)	(333)	108
Increase (Decrease) in deferred inflows for other postemployment benefits	(965)	(29)	(26)	(255)	(162)
Increase (Decrease) in deferred inflows for pension contributions	102,710	3,022	24,365	39,064	15,741
Increase (Decrease) in deferred inflows for leases	(17)	(1,796)	(11,266)	-	-
Total adjustments	156,635	39,270	37,634	(1,175)	12,969
Net cash provided by (used in) operating activities	415,875	(35,114)	81,516	51,871	35,955
Current Assets:					
Pooled cash and cash equivalents	$ 303,244	$ 150,180	$ 210,348	$ 72,236	$ 86,447
Pooled cash and cash equivalents for current debt service	155,563	196,961	-	-	3,578
Pooled cash and cash equivalents for Equipment acquisition note	-	-	-	-	1,951
Held for construction purposes	7,707	201,473	-	-	-
Customer deposits pooled cash and cash equivalents	28,130	-	-	1,565	-
Non-current Assets:					
Cash and cash equivalents					
Held for construction purposes	290,935	-	5,283	-	163,639
For future debt service	16,396	19,339	39,174	-	890
For emergency repairs and replacements	-	-	5,000	-	-
For operation and maintenance expenses	-	-	15,477	-	-
For passenger facility charges	-	-	65,912	-	-
Total cash and cash equivalents end of year	$ 801,975	$ 567,953	$ 341,194	$ 73,801	$ 256,505
Noncash investing, capital, and financing activities:					
Capital contributions	$ 38,221	$ -	$ -	$ -	$ -
Premium/discount amortization	(20,453)	(2,904)	(7,903)	(692)	(2,485)
Accretion on capital appreciation bonds	5,447	389	511	1,781	821
Amortization of deferred gain/loss on refunding	(9,402)	320	(504)	-	-
Right-to-use assets acquired through lease and SBITA liabilities	-	-	2,975	-	-
Lease and SBITA liabilities incurred as a result of acquiring right-to-use assets	-	-	(2,975)	-	-

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
$ 1,559	$ 306,329	$ (5,460)
2,207	241,143	42,054
(23)	5,455	8,190
-	14,448	-
-	286	-
-	(2,984)	(296)
3,827	3,827	-
-	(256)	-
-	5,820	-
2	190	106
19,692	162,011	44,026
(512)	19,108	(840)
(891)	(7,979)	(2,192)
-	(599)	1
245	1,201	56
-	3,755	-
(768)	764	-
-	73	-
99	(1,473)	(1,256)
-	(1,317)	-
-	-	3,730
-	-	7,169
-	-	296
-	(3,869)	-
(48,497)	(388,640)	(105,205)
452	(184)	1,454
(81)	(1,518)	(556)
21,534	206,436	56,129
-	(13,079)	-
(2,714)	242,619	52,866
(1,155)	548,948	47,406
$ 29,855	$ 852,310	$ 166,174
-	356,102	-
-	1,951	-
-	209,180	-
-	29,695	-
-	459,857	-
-	75,799	-
-	5,000	-
-	15,477	-
-	65,912	-
$ 29,855	$ 2,071,283	$ 166,174
$ -	$ 38,221	$ -
(316)	(34,753)	-
992	9,941	-
-	(9,586)	-
6,818	9,793	97,263
(6,818)	(9,793)	(97,263)

CITY OF DALLAS, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2025
(in thousands)

	Pension Trust Funds (1)	Custodial Funds
Assets		
Pooled cash and cash equivalents	$ -	$ 10,710
Cash and cash equivalents	178,253	-
Invested securities lending collateral	199,812	-
Receivables:		
Accounts	1,122,200	-
Accrued interest	20,873	11
Notes receivable-DC members	32,439	-
Investments/participants	1,025,244	-
Short-term investments	27,946	-
Equity securities	1,067,814	-
Domestic equities	1,179,530	-
U.S. and foreign government fixed income securities	656,711	-
Domestic corporate fixed income	878,448	-
International equities and fixed income	430,941	-
Commingled index funds	200,399	-
Real assets	589,434	-
Private equities and venture capital funds	557,041	-
Prepaid expenses	602	-
Capital assets, net	16,227	-
Total assets	8,183,914	10,721
Liabilities		
Accounts payable	13,547	18
Payable for securities purchased	17,508	-
Securities lending obligation	199,812	-
Other liabilities	1,099,157	-
Total liabilities	1,330,024	18
Deferred Inlfows of resources		
Deferred inflows of resources related to pensions	2,439	-
Total deferred inflows of resources	2,439	-
Net Position		
Restricted for pension benefits	6,851,451	-
Restricted for other purposes	-	10,703
Total net position	$ 6,851,451	$ 10,703

(1) Information presented for the pension trust funds is as of December 31, 2024.

CITY OF DALLAS, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2025
(in thousands)

	Pension Trust Funds (1)	Custodial Funds
Additions:		
Contributions:		
Employer	$ 273,671	$ -
Employee	206,800	-
Total contributions	480,471	-
Net investment income:		
Interest and dividends	199,973	-
Net change in fair value of investments	475,472	-
Securities lending income	1,346	-
Less investment expenses:		
Investment management fees	(26,409)	-
Custody fees	(110)	-
Consultant fees	(736)	-
Securities lending management fees	(269)	-
Total investment expenses	(27,524)	-
Net investment income (loss)	649,267	-
Other receipts:		
Confiscated money receipts	-	2,433
Unclaimed property receipts	-	867
Municipal court receipts for other jurisdictions	-	158
Other income	(75)	-
Total other receipts	(75)	3,458
Total	1,129,663	3,458
Deductions:		
Benefit payments	693,913	-
Refund of contributions	17,630	-
Administrative expenses	17,433	-
Withdrawals - deferred compensation participants	72,376	-
Confiscated money payments	-	1,264
Unclaimed property payments	-	685
Municipal court payments to other jurisdictions	-	158
Total deductions	801,352	2,107
Increases (Decreases) in Net Position	328,311	1,351
Net position beginning of year	6,523,140	9,352
Net position end of year	$ 6,851,451	$ 10,703

(1) Information presented for the pension trust funds is for the year ended December 31, 2024.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2025

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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, storm water operations, 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, 2024 and the Trinity River Corridor Local Government Corporation and Love Field Airport Modernization Corporation (LFAMC) is as of September 30, 2025.

- 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, 10th 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 167 and 168 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.

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 Storm Water Operations enterprise 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, 2024, and all others are as of September 30, 2025.

- 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.
- The Dallas Public Facility Corporation (DPFC) was created to assist the City in financing, refinancing, or providing public facilities that are located within the city limits of the City of Dallas. In general, the DPFC seeks to develop and preserve mixed-income workforce housing communities to serve residents earning at or below 80 percent of the area median income as well as provide non-income restricted units.
- Dallas Economic Development Corporation (DEDC) – organized as a public, nonprofit corporation to accomplish any governmental purpose of the City. The DEDC may engage in targeted and outbound marketing, inbound marketing, branding, media campaigns, marketing missions, attendance at trade shows and industry conferences to promote the City of Dallas, expand business recruitment, support the existing business community, and may perform any services to support the work of the City's Office of Economic Development.
- 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 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 appointments.

Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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 (OPEB), and pollution remediation are recorded only when matured and payment is due.

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 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.

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

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.

Note 1. Summary of Significant Accounting Policies (continued)

The Storm Water Operations Fund accounts for the following services and programs to all citizens and business districts of Dallas: floodplain and drainage management, flood control and city-wide interior drainage, and explore the Trinity River Corridor Project. 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.

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. The Custodial Funds are accounted for using the economic resources measurement focus and accrual basis of accounting.

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 of 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.

Note 1. Summary of Significant Accounting Policies (continued)

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, 2025, were 98.65 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 2025 was $0.7047 per $100 dollars of assessed valuation, $0.5109 for general governmental services and $0.1938 for the payment of principal and interest on general obligation long-term debt.

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, 2025. 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.

Note 1. Summary of Significant Accounting Policies (continued)

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 $10 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. The City's capitalization threshold is $200 thousand for groups of similar assets purchased together if their individual costs are less than the threshold for an individual asset. 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 and Subscription-Based Information Technology Arrangements (SBITA) is presented in Note 1M.

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 Governmental Accounting Standards Board defines a lease as a contract that conveys control of the right to use another entity's non-financial 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 $1 million 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.

Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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. Subscription-Based Information Technology Arrangements (SBITA)

The City is a subscriber of certain subscription-based information technology arrangements (SBITA). A SBITA is a contract that conveys control of the right to use a vendor's software, alone or in combination with hardware. The accounting treatment is very similar to leases (where the City is lessee) and SBITAs. In each case, the City recognizes both a liability and an intangible right-to-use asset in the Government-wide, Proprietary, and Fiduciary Fund financial statements. The right-to-use asset of a SBITA is reported with depreciable capital assets and the liabilities for SBITAs are reported with the long-term liabilities when the SBITA contract term is greater than 12 months. In general, SBITAs with a contract term of 12 months or less are recognized as outflows of resources or expenses.

At the commencement of a SBITA contract, the City initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. The SBITA liability is reduced by the principal portion of the subscription payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. The SBITA asset is amortized on a straight-line basis over the shorter of the subscription term or useful life.

The key estimates and judgements related to SBITAs are as follows:

- The City has established a materiality threshold of $1 million for purposes of recording SBITAs.
- The City uses the interest charged by the vendor as the discount rate, when available. If the interest rate charged by the vendor is not available, the City generally uses its estimated incremental borrowing rate.
- The subscription term includes the noncancellable period of the SBITA. In determining the subscription 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 subscription term if it is reasonably certain that the SBITA will be extended or not terminated.

Liabilities arising from a SBITA are initially measured on a present value basis. SBITA liabilities include the net present value of the following contract payments, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the subscription term:

- Fixed payments;
- Variable payments that depend on an index or a rate (such as the Consumer Price Index or a marked interest rate), measured using the index or rate as of the commencement of the subscription term;
- Variable payments that are fixed in-substance;
- Payments for penalties for terminating the SBITA, if the subscription term reflects the government exercising and option to terminate the SBITA or a fiscal funding or cancellation clause; and
- Any other payments to the SBITA vendor associated with the SBITA contract that are reasonably certain of being required based on an assessment of all relevant factors.

Assets arising from a SBITA are initially measured using the sum of the following, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the subscription term:

- The amount of the initial measurement of the subscription liability;
- Payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, if applicable; and
- Capitalizable initial implementation costs.

The City monitors changes in circumstances that may require a remeasurement of its SBITAs and will remeasure the SBITA asset and liability balances if certain changes occur that are expected to significantly affect those balances.

Note 1. Summary of Significant Accounting Policies (continued)

N. Compensated Absences

The City's employees earn vacation, sick, attendance incentive, and compensatory leave, which may be used or accumulated up to certain limits established by the City's personnel policies. Unused vacation, attendance incentive, and certain compensatory leave is paid upon death, retirement, or termination of employment. Unused sick leave is paid only under limited circumstances and is subject to specified maximum payout limits upon retirement, certain terminations, or death.

In accordance with GASB Statement No. 101, the City recognizes a compensated absences liability for employee leave balances that have yet to be used if all of the following are true: a) the leave is attributable to services already rendered; b) the leave accumulates; and c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences has been calculated using the current pay rate as of the date of the financial statements and includes wage-related benefits such as employer-paid Medicare taxes, when applicable.

In the government-wide and proprietary fund statements of net position, compensated absences are reported as liabilities. In the governmental funds balance sheet, a liability is reported only to the extent that compensated absences have matured and are due and payable as a result of employee resignations, retirements, or terminations.

O. 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.

P. 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 - 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.
- 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.

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 apply 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 revenues are 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.
- 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.
- 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.
- Conduit debt obligations – When a conduit debt issuer retains title to and third-party obligor has exclusive use of portions of the capital asset, the issuer will recognize a deferred inflows of resources for the entire capital asset at acquisition value. The deferred inflow of resources should be reduced, and inflow of resources should be recognized in a systematic and rational manner over the term of the arrangement.

Q. 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.

R. 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 in 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.

Note 1. Summary of Significant Accounting Policies (continued)

S. 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.

T. 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.

U. 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.

V. 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 $59.3 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 2B. The Public Improvement Districts, Sanitation, Municipal Radio, Building Inspection, Equipment Services, Information Systems, and Bond Program Administration funds had deficit net positions of $0.02 million $79.7 million, $1.5 million, $73.8 million, $49.3 million, $3.2 million, $56.2 million, respectively, due to the recognition of the net pension liability and the OPEB liability. The City’s approach for addressing this deficit is to enhance revenues and to employ cost reduction measures.

Note 1. Summary of Significant Accounting Policies (continued)

W. 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.

X. 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.

Y. New Accounting Pronouncements

During fiscal year 2025, the City adopted the following Governmental Accounting Standards Board (GASB) statements:

GASB Statement No. 101, "Compensated Absences," was 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. Additional information regarding the financial effects of the implementation of GASB Statement No. 101 may be found in Note 1.N. and Note 22.

GASB Statement No. 102, "Certain Risk Disclosures," was implemented as required by GASB during fiscal year ending September 30, 2025. The objective of the Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The implementation of this statement did not result in any changes to the financial statements.

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

GASB Statement No. 103, "Financial Reporting Model Improvements," will be implemented as required by GASB during fiscal year ending September 30, 2026. The objective of this Statement is to improve key components of the financial reporting model to enhance the effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain applications issues. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 104, "Disclosure of Certain Capital Assets," will be implemented as required by GASB during fiscal year ending September 30, 2026. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 105, "Subsequent Events," will be implemented as required by GASB during fiscal year ending September 30, 2027. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

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	$	7,782
Change in fair value of investments		267
Change in encumbrances		(4,362)
Funds not included in general fund budget		(763)
Revenue recognized for GAAP basis but not budgetary basis		4,367
Other items budgeted on a non-GAAP basis		(12,498)
Excess of revenues and other financing sources over expenditures and other financing uses--GAAP basis	$	(5,207)

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.

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.

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

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 to 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 Emergency and Contingency Reserves, at a level not less than 50 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, 2025.

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

	General	Debt Service	Non-major Governmental Funds	Total
Fund Balances				
Nonspendable				
Inventory	$ 27,981	$ -	$ -	$ 27,981
Prepaid Items	20	-	10,741	10,761
Permanent Fund Principal	-	-	12,767	12,767
Total Nonspendable	28,001	-	23,508	51,509
Restricted for				
9 -1 -1	-	-	30,923	30,923
Debt Service	-	115,615	-	115,615
Fair Park Debt Service	-	-	8,055	8,055
Culture and Recreation:				
Culture and Recreation Services	-	-	117,591	117,591
Library Facilities	-	-	9,199	9,199
Parks and Recreation Facilities	-	-	53,944	53,944
Culture and Arts Facilities	-	-	9,686	9,686
Public Safety:				
Police Services	-	-	9,033	9,033
Homeland Security	-	-	2,528	2,528
Fire Station Facilities	-	-	132	132
Police Headquarters and Safety Facilities	-	-	59,531	59,531
Community Development	-	-	15,329	15,329
Health and Human Services	-	-	751	751
Public-Private Partnerships	-	-	67,626	67,626
Municipal Court Technology	-	-	3,598	3,598
Public Television Cable System	-	-	17,128	17,128
Grants and Other Purposes	-	-	143,193	143,193
Streets and Transportation:				
Repairs	-	-	31,129	31,129
Improvements	-	-	211,451	211,451
Flood Protection	-	-	141,310	141,310
Trinity River Project	-	-	9,737	9,737
Capital Reserve and Assessments	-	-	19,680	19,680
Long-term Notes Receivable	-	-	4,161	4,161
Neighborhood Projects:				
Tax Increment Financing	-	-	423,546	423,546
Economic Development Incentives	-	-	85,275	85,275
Citywide Capital Improvements	-	-	324,760	324,760
Farmers' Market Improvements	-	-	425	425
Municipal Court Facilities	-	-	312	312
Homeless Facilities	-	-	2,876	2,876
Total Restricted	-	115,615	1,802,909	1,918,524
Committed to				
Risk Reserve	6,600	-	-	6,600
Culture and Recreation Services	-	-	60,095	60,095
Streets and Transportation Maintenance	-	-	-	-
Total Committed	6,600	-	60,095	66,695
Assigned to				
Code Enforcement Services	630	-	-	630
Community Development Services	207	-	-	207
Cultural Affairs Services	1,281	-	-	1,281
Fire Safety Services	1,935	-	-	1,935
Library Services	516	-	-	516
Municipal Court Services	150	-	-	150
Parks and Recreation Services	1,153	-	-	1,153
Police Safety Services	10,467	-	-	10,467
Streets, Public Works and Transportation Maintenance	9,264	-	-	9,264
General Government Services	7,864	-	-	7,864
Total Assigned	33,467	-	-	33,467
Unassigned	399,566	-	(21)	399,545
Total Fund Balance	$ 467,634	$ 115,615	$ 1,886,491	$ 2,469,740

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, 2025, was approximately $17.1 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.

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Note 4. Tax Abatements

As of September 30, 2025, 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			
Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board	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."

Note 4. Tax Abatements (continued)

Tax Abatement Programs Administered by the City of Dallas			
Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board	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.

Note 4. Tax Abatements (continued)

Tax Abatement Programs Administered by the City of Dallas			
Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board	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, 249	Property tax: $6,370 Sales tax: N/A (1) Hotel occupancy tax: $4,453 Total: $10,823 (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: $21, 952

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.

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, commercial paper rated not less than A-1 or P-1 and direct obligations of states and local governments with a credit rating no less than A 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, 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 $10.7 million held in custodial funds is presented below. Balances are presented as of September 30, 2025, or December 31, 2024, 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	$ 1,986,719	$ -	$ 178,253	$ 2,164,972
Other investments	3,235	12,767	5,788,076	5,804,078
Restricted cash and investments	2,957,184	-	-	2,957,184
Total	$ 4,947,138	$ 12,767	$ 5,966,329	$ 10,926,234

A summary of the carrying amount of cash on hand, deposits, and investments as of September 30, 2025, 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	$ 211,780	$ -	$ 178,253	$ 390,033
Investments	4,735,358	12,767	5,788,076	10,536,201
Total	$ 4,947,138	$ 12,767	$ 5,966,329	$ 10,926,234

Primary Government	Carrying Value	Bank Balance
Pooled Demand Deposits	$ 211,779	$ 231,721
Cash and cash equivalents - Pension Trust Funds	178,253	178,253
Total	$ 390,032	$ 409,974

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's recurring fair value measurements as of September 30, 2025 are shown below:

		Fair Value Measurements Using	
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Federal Agricultural Mortgage Corporation Notes	$ 121,970	$ -	$ 121,970
Federal Farm Credit Bank Notes	928,778	-	928,778
Federal Home Loan Bank Notes	379,452	-	379,452
Federal Home Loan Mortgage Corporation Notes	24,282	-	24,282
Private Export Funding Corporation	161,753	-	161,753
Commercial Paper	476,954	-	476,954
Municipal Bond	9,986	-	9,986
Treasury Bonds and Notes	1,351,365	1,351,365	-
Tennessee Valley Authority Bond	64,683	-	64,683
Exchange-Traded Funds - Equities	10,073	10,073	-
Exchange-Traded Funds - Fixed Income	2,247	2,247	-
Total Investments by Fair Value Level	3,531,543	$ 1,363,685	$ 2,167,858
Investments Measured at Fair Value			
Local Government Investment Pools	80,462		
Investments Measured at Net Asset Value (NAV)			
Money Market Mutual Funds	792,474		
Investments Measured at Amortized Cost			
Local Government Investment Pools	324,417		
Other Investments Measured at Purchase Cost			
Repurchase Agreements	19,229		
Total Investments	$ 4,748,125		

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.

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, 2025, the City was fully collateralized by a letter of credit issued to the City by Federal Home Loan Bank up to $75 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, 2025, all deposits were either insured or collateralized.

Fully collateralized and insured deposits held by custodian banks:

Demand Deposits	$ 59.88 million

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, 2025, 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 and Municipal Bonds	$ 3,519,223

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.

Agency Securities by Issuer	Fair Value	Percent of Total Portfolio
Federal Agricultural Mortgage Corporation Notes	$ 121,970	3.47%
Federal Farm Credit Bank Notes	928,778	26.39%
Federal Home Loan Bank Notes	379,452	10.78%
Federal Home Loan Mortgage Corporation Notes	24,282	0.69%
Private Export Funding Corporation	161,753	4.60%
Commerical Paper	476,954	13.55%
Municipal Bond	9,986	0.28%
Treasury Bond	104,004	2.96%
Treasury Note	1,247,361	35.44%
Tennessee Valley Authority Bond	64,683	1.84%
Total Agency Securities	$ 3,519,223	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:

Security Type	Fair Value	Percent of Total Portfolio	S&P/Moody's Ratings
Money Market Mutual Funds and Local Government Investment Pools	$ 1,197,353	25.39%	AAAm/Aaa
Federal Agricultural Mortgage Corporation Notes	121,970	2.59%	Not Rated
Other U.S. Agency Securities and Treasury Bond	3,397,253	72.02%	AA+/Aaa
Total Portfolio	$ 4,716,576	100.00%	
Repurchase Agreements and Investment Portfolios Held by Various Trusts	31,549		
Total Investments	$ 4,748,125		

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 3 years. The weighted average maturities of the City's investments on September 30, 2025, are shown on the following page.

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

Security Type	Fair Value	Weighted Average Maturity (days)
Money Market Mutual Funds	$ 792,474	1
Local Government Investment Pools	404,879	29
U.S. Agency Securities and Treasury Bond	3,519,223	771
Total Portfolio	4,716,576	578
Repurchase Agreeements and Investment Portfolios Held by Various Trusts	31,549	
Total Investments	$ 4,748,125	

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, 2024, the Plan had the following recurring fair value measurements:

		Fair Value Measurements Using		
Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
Cash and Short Term Investment:				
Short-Term Investment Fund	$ 105,936	$ 105,936	$ -	$ -
Fixed Income:				
Domestic Asset and Martgage Backed Securities	63,857	-	63,857	-
Government and US Agency Obligations	254,931	-	254,931	-
Corporate and Taxable Municipal Bonds	458,265	-	458,265	-
Total Fixed Income	777,053	-	777,053	-
Equity:				
Domestic Common and Preferred Stock	872,688	872,532	-	156
International Common and Preferred Stock	423,366	423,615	(249)	-
Total Equity	1,296,054	1,296,147	(249)	156
Total Investments by Fair Value Level	2,179,043	$ 1,402,083	$ 776,804	$ 156
Investments Measured at Net Asset Value				
Commingled Funds	866,557			
Alternative Investments - Private Equity	708,772			
Total Investments Measured at Net Asset Value	$ 1,575,329			

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

Custodial Credit Risk

As of December 31, 2024, the Employees' Retirement Fund had $6.5 million, or 0.2 percent of the total Plan investments of $3.6 billion exposed to custodial credit risk as follows:

Uninsured and uncollateralized held by custodian bank outside the United States	$6.5 million

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 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 on December 31, 2024. 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, 2024, are shown on the following page.

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

Quality Rating	Fair Value	Percent of Bond Portfolio
AAA	$ 92,175	8.13%
AA+	12,178	1.07%
AA	22	0.00%
AA-	-	0.00%
A+	4,613	0.41%
A	1,228	0.11%
A-	13,387	1.18%
BBB+	4,153	0.37%
BBB	4,739	0.42%
BBB-	7,101	0.63%
BB+	13,839	1.22%
BB	34,959	3.08%
BB-	45,099	3.98%
B+	48,845	4.31%
B	58,957	5.20%
B-	36,600	3.23%
C	718	0.06%
CC	921	0.08%
CCC+	14,781	1.30%
CCC	8,209	0.72%
CCC-	804	0.07%
D	396	0.03%
Not Rated	574,819	50.72%
U.S. Government fixed income securities - NR	154,836	13.66%
Total	$ 1,133,379	100.00%

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 8 percent of the total fixed income portfolio with a fair value of $93,953 million on December 31, 2024. 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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Note 5. Cash, Deposits, and Investments (continued)

As of December 31, 2024, 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	$ 32,517	15.32
Bank Loans	29,857	5.16
Commercial Mortgage-Backed	18,385	19.44
Corporate Bonds	520,074	40.96
Government Agencies	6,746	15.27
Government Bonds	168,589	11.93
Government Mortgage-Backed Securities	93,953	24.12
Index Lined Government Bonds	2,048	14.73
Municipal/Provincial Bonds	815	7.16
Non-Government Backed CMOs	12,229	29.84
Unassigned	248,166	19.65
Total	$ 1,133,379	
Portfolio weighted average maturity in years:		14.00

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 11.5 percent of assets to international equity, 5.0 percent of the assets to global equity, and 10 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 17.30 percent of invested assets on December 31, 2024. The Fund's positions in Global Fixed income assets invested were 31.06 percent of invested assets on December 31, 2024. Employees' Retirement Fund non-US Dollar denominated investments on December 31, 2024, were as shown on the following page.

Currency	Investment Type	Balances (U.S. Dollars)
Various Foreign Currencies	Equity	$ 523,968
Various Foreign Currencies	Fixed Income	4,871
Various Foreign Currencies	Currency Forward	542,313
Various Foreign Currencies	Future	(22,069)
Total non-US denominated instruments		$ 1,049,083

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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, 2024, 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, 2024 was $199.8 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, 2024. 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 percent at December 31, 2024. The Supplemental Plan's interest in the Group Trust was approximately 1 percent at December 31, 2024. 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.

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

GASB No. 72 requires all investments to 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 below presents a summary of the Group Trust's investments by type as of December 31, 2024, at fair value.

		Fair Value Measurements Using		
	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Short-term investment funds	$ 27,946	$ 27,946	$ -	$ -
Fixed income securities				
US Treasury bonds	53,095	-	53,095	-
US Government Agencies	23,674	-	23,674	-
Corporate bonds	179,911	-	179,911	-
Municipal bonds	4,902	-	4,902	-
Equity securities				
Domestic	363,666	363,666	-	-
Foreign	161,832	161,832	-	-
Real assets				
Real estate	51,558	-	-	51,558
Timberland	-	-	-	-
Farmland	74,167	-	-	74,167
Private equity	49,240	-	-	49,240
Forward currency contracts	-	-	-	-
Total Investments by Fair Value Level	989,991	$ 553,444	$ 261,582	$ 174,965
Investments Measured at Net Asset Value				
Equity - commingled funds	542,316			
Fixed income - commingled funds	144,783			
Real assets	124,420			
Private Equity	138,319			
Total Investments Measured at Net Asset Value	949,838			
Total Investments Measured at Fair Value	$ 1,939,829			

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, 2024, is shown below.

Quality Rating	Corporate Bonds	Municipal Bonds	U.S. Government Securities	Grand Total Book Value	Percentage of Holdings
AAA	$ 22,195	$ 145	$ 749	$ 23,089	8.83%
AA+	729	295	53,583	54,607	20.88%
AA	1,054	823	91	1,968	0.75%
AA-	4,199	1,070	-	5,269	2.01%
A+	6,145	1,754	-	7,899	3.02%
A	8,323	-	-	8,323	3.18%
A-	13,685	735	-	14,420	5.51%
BBB+	13,759	-	-	13,759	5.26%
BBB	15,121	-	-	15,121	5.78%
BBB-	10,600	-	-	10,600	4.05%
BB+	5,507	-	-	5,507	2.11%
BB	13,505	-	-	13,505	5.16%
BB-	9,136	-	-	9,136	3.49%
B+	8,847	-	-	8,847	3.38%
B	6,338	-	-	6,338	2.42%
B-	6,176	-	-	6,176	2.36%
Below B-	8,579	-	-	8,579	3.28%
Not Rated	26,013	80	22,346	48,439	18.52%
Subtotal	$ 179,911	$ 4,902	$ 76,769	$ 261,582	100.00%
Total credit risk debt securities				$ 261,582	13.48%
Other investments				1,678,247	86.52%
Total investments				$ 1,939,829	100.00%

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

Interest Rate Risk

As of December 31, 2024, the Dallas Police and Fire Pension Plans had the following investments and maturities:

		Investment Maturity in Years			
Investment Type	Total	Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Fixed maturity domestic:					
U.S. Treasury Bonds	$ 53,095	$ -	$ 40,118	$ 6,208	$ 6,769
U.S. Government Agencies	23,674	-	1,622	3,107	18,945
Corporate Bonds	179,911	1,093	115,242	24,689	38,887
Municipal Bonds	4,902	497	1,644	346	2,415
Total	$ 261,582	$ 1,590	$ 158,626	$ 34,350	$ 67,016

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 on December 31, 2024, are shown below.

Currency	Investment Type	Balance of Investment (U.S. Dollars)
Various Foreign Currencies	Equity	$ 161,832
Various Foreign Currencies	Real Assets	14,102
Total non-US denominated instruments		$ 175,934

E. Defined Contribution Retirement Plans

The City sponsors several defined contribution retirement plans, including the 401(k) Retirement Savings Plan, the 457 Deferred Compensation Plan for City Employees, and the 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees and City Councilmembers (PST).

Plan assets are held in trust for the exclusive benefit of plan participants and their beneficiaries and are administered by third-party trustees in accordance with the provisions of the respective plan documents. Accordingly, these assets are not available to support the City's general operations.

Investments in these plans are reported at fair value in accordance with GASB Statement No. 72, "Fair Value Measurement and Application."

Fair Value Hierarchy

Investments measured at fair value are categorized based on the inputs used in valuation:

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

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

Mutual funds and brokerage accounts are valued using quoted prices in active markets (Level 1 inputs). On December 31, 2024, the Plans held no Level 2 or Level 3 investments. Certain investments are measured using the net asset value (NAV) per share practical expedient and are not classified within the fair value hierarchy.

Defined Contribution Plans – Investment Summary

		Fair Value Measurements Using		
Investments by Fair Value Level	Total	Mutual Funds Level 1	Brokerage Accounts (Level 1)	Stable Value Fund (NAV)
401 (k) Retirement Savings Plan	$ 486,387	$ 406,955	$ 42,156	$ 37,276
457 Deferred Compensation Plan	533,351	434,127	65,832	33,392
457 Deferred Compenstation Plan - PST	5,406	-	-	5,406
Total Investments by Fair Value Level	$ 1,025,144	$ 841,082	$ 107,988	$ 76,074

Investment Measured Using NAV	Fair Value	Redemption Frequency	Redemption Notice Period
Stable Value Fund	$ 76,074	Daily	None

Stable value funds invest primarily in high-quality fixed-income securities and investment contracts issued by banks and insurance companies. Participant transactions occur at contract value, which approximates fair value. Contract value represents contributions plus earnings, less participant withdrawals.

Value Techniques

Mutual funds and brokerage accounts are valued using quoted market prices in active markets (Level 1). Stable value funds are valued using the NAV per share practical expedient, based on the fair value of the underlying investments held by the funds.

Investment Risks

Custodial Credit Risk: Risk that, in the event of counterparty failure, the Plans would not recover the value of their investments. The Plans have no formal custodial credit risk policies. On December 31, 2024, no investments were subject to custodial credit risk.

Concentration of Credit Risk: Risk of loss from significant investments in a single issuer. The Plans have no formal concentration policies. On December 31, 2024, no individual investment represented more than 5% of total Plan investments, other than mutual funds or stable value funds.

Credit Risk: Risk that an issuer or counterparty fails to fulfill its obligations. The Plans have no formal credit risk policies. Stable value funds invest primarily in high-quality fixed-income securities and investment contracts, generally rated AAA to investment grade.

Interest Rate Risk: Risk that changes in interest rates adversely affect fair value. The underlying fixed-income investments in the stable value funds had a weighted-average maturity of approximately 6.01 years on December 31, 2024.

Foreign Currency Risk: Risk that changes in currency exchange rates adversely affect value. On December 31, 2024, the Plans held no investments denominated in foreign currencies.

Note 6. Receivables

Receivables on September 30, 2025, for the government's individual major and nonmajor governmental and internal service funds, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Nonmajor	Internal Service Funds	Total Governmental Activities
Receivables:					
Ad valorem tax	$ 43,995	$ 16,833	$ -	$ -	$ 60,828
Sales tax	74,455	-	-	-	74,455
Notes	592	-	62,850	-	63,442
Special assessments - paving notes	-	-	6,201	-	6,201
Accounts	83,959	-	83,348	-	167,307
Accrued interest	2,113	798	9,777	574	13,262
Leases	76,874	-	25,554	-	102,428
Due from other governments	5,165	75	51,712	-	56,952
Gross receivables	287,153	17,706	239,442	574	544,875
Less allowance for uncollectible accounts	(72,761)	(15,213)	(63,881)	-	(151,855)
Net total receivables	$ 214,392	$ 2,493	$ 175,561	$ 574	$ 393,020

Receivables on September 30, 2025 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	Storm Water Operations	Nonmajor Enterprise	Total Business-type Activities
Receivables:							
Accounts	$ 124,276	$ 15,677	$ 21,698	$ 30,623	$ 16,622	$ 262	$ 209,158
Taxes	-	2,819	-	-	-	-	2,819
Accrued interest	5,061	2,651	1,652	506	335	139	10,344
Leases	203	23,784	10,962	-	-	-	34,949
Due from other governments	123	-	24,375	-	-	-	24,498
Gross receivables	129,663	44,931	58,687	31,129	16,957	401	281,768
Less allowance for uncollectible accounts	(25,315)	-	(60)	(15,603)	(9,569)	-	(50,547)
Net total receivables	$ 104,348	$ 44,931	$ 58,627	$ 15,526	$ 7,388	$ 401	$ 231,221

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. On September 30, 2025, 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	$ -	$ 988
Accounts	2,750	38,450
Intergovernmental	45,417	48,678
Leases	-	96,426
Total	$ 48,167	$ 184,542

Note 7. Restricted Assets

The primary government's governmental and business-type restricted assets of $1.6 billion and $1.9 billion, respectively, are composed of the following on September 30, 2025:

	Governmental Activities	Business-Type Activities
Cash and investments:		
Pooled cash and cash equivalents	$ 1,594,982	$ 1,218,973
Other investments	-	143,229
Future pipeline capacity rights	-	554,096
Customer assessments	-	635
Total	$ 1,594,982	$ 1,916,933

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 Note 11W for additional information).

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Note 8. Capital Assets

Capital asset activity for the year ended September 30, 2025, is as follows:

	Balance, September 30, 2024	Additions	Deletions	Balance, September 30, 2025
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 602,660	$ 39,940	$ (359)	$ 642,241
Artwork	51,265	317	-	51,582
Construction in progress	540,947	355,591	(282,277)	614,261
Total capital assets, not being depreciated/amortized	1,194,872	395,848	(282,636)	1,308,084
Capital assets, being depreciated/amortized:				
Buildings*	1,675,365	17,538	-	1,692,903
Improvements other than buildings	875,148	151,963	-	1,027,111
Equipment	1,119,385	108,022	(40,712)	1,186,695
Infrastructure assets	3,440,227	98,696	-	3,538,923
Intangible Assets:				
Land (leased)	4,246	-	-	4,246
Buildings (leased)	31,501	-	(250)	31,251
Equipment (leased)	125,224	-	-	125,224
SBITAs	57,058	99,887	(3,146)	153,799
Total capital assets, being depreciated/amortized	7,328,154	476,106	(44,108)	7,760,152
Less accumulated depreciation/amortization for:				
Buildings*	(757,915)	(34,012)	-	(791,927)
Improvements other than buildings	(347,178)	(21,042)	-	(368,220)
Equipment	(709,628)	(64,945)	40,707	(733,866)
Infrastructure assets	(1,347,807)	(63,998)	-	(1,411,805)
Intangible Assets				
Land (leased)	(2,428)	(218)	-	(2,646)
Buildings (leased)	(8,264)	(2,285)	245	(10,304)
Equipment (leased)	(25,635)	(13,195)	-	(38,830)
SBITAs	(23,327)	(35,950)	1,828	(57,449)
Total accumulated depreciation/amortization	(3,222,182)	(235,645)	42,780	(3,415,047)
Total capital assets being depreciated/amortized, net	4,105,972	240,461	(1,328)	4,345,105
Governmental activities capital assets, net	$ 5,300,844	$ 636,309	$ (283,964)	$ 5,653,189

*Includes buildings held for sale with a historical cost of $2.2 million and accumulated depreciation of $35 thousand.

Note 8. Capital Assets (continued)

Depreciation and amortization expense charged to functions:

	Depreciation	Amortization	Total
General government	$ 23,675	$ 49,920	$ 73,595
Public safety	21,789	-	21,789
Code enforcement	1,294	-	1,294
Environment and health services	142	-	142
Streets, public works, and transportation	79,229	570	79,799
Equipment and building services	26,514	-	26,514
Culture and recreation	30,657	-	30,657
Housing	697	1,158	1,855
Total depreciation and amortization expense governmental activities*	$ 183,997	$ 51,648	$ 235,645

*Includes $18,040 of depreciation and amortization expense for Internal Service Funds.

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Note 8. Capital Assets (continued)

	Balance, September 30, 2024	Additions	Deletions	Balance, September 30, 2025
Business-Type Activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 279,657	$ 47,436	$ -	$ 327,093
Artwork	6,171	-	-	6,171
Construction in progress	1,880,172	645,276	(330,746)	2,194,702
Total capital assets, not being depreciated/amortized	2,166,000	692,712	(330,746)	2,527,966
Capital assets, being depreciated/amortized:				
Water rights	353,910	-	-	353,910
Buildings*	2,088,261	14,592	(306)	2,102,547
Improvements other than buildings	673,591	49,502	(153)	722,940
Equipment	1,012,753	39,657	(10,875)	1,041,535
Infrastructure assets	772,384	11,373		783,757
Utility property	5,385,283	273,066	(1,868)	5,656,481
Intangible assets:				
Land (leased)	62,464	-	-	62,464
Buildings (leased)	18,119	-	(413)	17,706
SBITAs	5,385	9,793	(547)	14,631
Total capital assets, being depreciated/amortized	10,372,150	397,983	(14,162)	10,755,971
Less accumulated depreciation/amortization for:				
Water rights	(145,229)	(3,537)	-	(148,766)
Buildings*	(958,653)	(45,307)	232	(1,003,728)
Improvements other than buildings	(304,447)	(23,175)	152	(327,470)
Equipment	(717,844)	(39,883)	10,536	(747,191)
Infrastructure assets	(336,768)	(13,791)	-	(350,559)
Utility property	(1,781,617)	(110,787)	1,413	(1,890,991)
Intangible assets:				
Land (leased)	(549)	(183)	-	(732)
Buildings (leased)	(5,002)	(1,484)	281	(6,205)
SBITAs	(2,822)	(2,996)	142	(5,676)
Total accumulated depreciation/amortization	(4,252,931)	(241,143)	12,756	(4,481,318)
Total capital assets being depreciated/amortized net	6,119,219	156,840	(1,406)	6,274,653
Business-type activities capital assets, net	$ 8,285,219	$ 849,552	$ (332,152)	$ 8,802,619

*Includes buildings held for sale with a historical cost of $20.2 million and accumulated depreciation of $681thousand.

Note 8. Capital Assets (continued)

Depreciation and amortization expense charged to business-type activities:

	Depreciation	Amortization	Total
Dallas Water Utilities	$ 159,358	$ 1,576	$ 160,934
Convention Center	17,851	-	17,851
Airport Revenues	42,423	983	43,406
Sanitation	13,170	380	13,550
Storm Water	3,195	-	3,195
Nonmajor Enterprise Funds	483	1,724	2,207
Total depreciation expense - business-type activities	$ 236,480	$ 4,663	$ 241,143

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 funds' share of pooled cash.

In fiscal year 2024, the City issued Certificates of Obligation, Series 2024A and 2024B. At issuance, the related proceeds were deposited into the Building Capital Projects Fund, a nonmajor governmental fund. These deposits occurred prior to the determination that the Storm Water Operations Fund met the criteria for reporting as an enterprise fund rather than a governmental fund. As a result, the portion of the proceeds intended to finance capital improvements of the Storm Water Operations Fund remains in the Building Capital Projects Fund. To appropriately reflect the placement of these proceeds, a due to other funds balance is reported in the Building Capital Projects Fund, with a corresponding due from other funds balance reported in the Storm Water Operations Fund. As of September 30, 2025, these interfund balances totaled $92.5 million dollars. Because the Storm Water Operations Fund is responsible for repaying the portion of the certificates of obligation allocated to its capital projects, the related long-term liabilities are recorded in the Storm Water Operations Fund.

Amounts due from and due to other funds on September 30, 2025, were as follows:

		Due to Other Funds		
Due From Other Funds	Amount	General	Nonmajor Governmental	Bond Program Administration
General	$ 13,168	$ -	$ 12,225	$ 943
Dallas Water Utilities	268	268	-	-
Storm Water Operations	92,519	-	92,519	-
Total	$ 105,955	$ 268	$ 104,744	$ 943

Interfund Notes Receivable and Payable

Interfund notes receivable and payable balances on September 30, 2025, were as follows:

	Note Payable
Note receivable	Nonmajor Governmental
Nonmajor governmental	$ 4,161
Dallas Water Utilities	4,770
Total	$ 8,931

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

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

Transfers In/Out

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

		Transfers In					
Transfers Out	Amount Transferred	General	Debt Service	Nonmajor Governmental	Sanitation	Storm Water	Internal Service
General	$ 35,767	$ -	$ -	$ 25,677	$ -	$ -	$ 10,090
Nonmajor Governmental	19,964	900	513	13,139	3,854	-	1,558
Dallas Water Utilities	26,035	18,519	-	7,500	-	16	-
Convention Center	18,423	-	-	18,423	-	-	-
Airport Revenues	523	-	-	523	-	-	-
Sanitation	16,404	4,444	7,792	4,168	-	-	-
Stormwater Drainage	1,782	-	1,631	151	-	-	-
Internal Service	16,844	9,894	3,173	31	-	-	3,746
Total	$ 135,742	$ 33,757	$ 13,109	$ 69,612	$ 3,854	$ 16	$ 15,394

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. Capital assets in the amount of $11,130 reassigned from the governmental activities to the business-type activities of have been reclassified to transfers on the Statement of Activities.

Note 10. Accounts Payable and Accrued Expenses

The primary government's accounts payable and accrued expenses on September 30, 2025 are as follows:

	General	Debt Service	Nonmajor Governmental	Internal Service	Total Governmental Activities
Accrued payroll	$ 15,592	$ -	$ 30	$ -	$ 15,622
Accounts payable	43,174	1,491	19,664	11,370	75,699
Due to other governments	2,004	-	-	-	2,004
Contracts payable	-	-	60,514	-	60,514
Other liabilities	26,818	-	3,926	5,581	36,325
Construction accounts payable	-	-	24,761	-	24,761
Total	$ 87,588	$ 1,491	$ 108,895	$ 16,951	$ 214,925

	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Storm Water Operations	Nonmajor	Total Business-type Activities
Accrued payroll	$ -	$ 195	$ -	$ -	$ -	$ -	$ 195
Accounts payable	16,800	3,454	21,658	3,608	1,167	519	47,206
Due to other governments	-	-	362	916	-	-	1,278
Other liabilities	-	-	-	-	-	3,671	3,671
Construction accounts payable	76,752	29,738	22,927	-	5,226	-	134,643
Total	$ 93,552	$ 33,387	$ 44,947	$ 4,524	$ 6,393	$ 4,190	$ 186,993

Note 11. Long-Term Debt

A. Governmental Activities

The changes in the governmental activities long-term liabilities for the year ended September 30, 2025, are as follows:

General Obligation Bonds	Restated Balance, September 30, 2024*	Additions	Deletions	Balance, September 30, 2025	Due Within One Year
Refunding and Improvement Bonds					
Build America Bonds Series 2010B	$ 46,810	$ -	$ 7,160	$ 39,650	$ 7,395
Series 2013A	10,230	-	-	10,230	-
Series 2015	108,355	-	108,355	-	-
Series 2017	195,500	-	17,100	178,400	17,100
Series 2018	47,670	-	2,560	45,110	2,690
Series 2019A	176,695	-	11,780	164,915	11,780
Series 2019B	115,450	-	7,700	107,750	7,700
Series 2020A	138,079	-	8,125	129,954	8,125
Series 2021A	166,045	-	26,955	139,090	17,465
Series 2021B	2,505	-	315	2,190	315
Series 2023A	364,895	-	16,240	348,655	25,745
Series 2024B	371,934	-	60,835	311,099	50,585
Series 2024A	48,970	-	2,580	46,390	2,580
Series 2024C	-	321,180	-	321,180	22,310
Tax and Revenue Certificates					
Series 2020	9,600		1,600	8,000	1,600
Series 2021	35,710	-	5,105	30,605	5,105
Series 2023	49,665	-	5,520	44,145	5,520
Series 2024A	151,986	-	16,890	135,096	16,890
Series 2023B	170,280	-	18,920	151,360	18,920
Revenue Bonds					
Fair Park Bonds	43,360	-	960	42,400	1,020
Contractual Obligations					
Equipment Acquisition Series 2020	5,930	-	5,930	-	-
Equipment Acquisition Series 2020B	9,820	-	4,910	4,910	4,910
Equipment Acquisition Series 2021	16,125	-	5,375	10,750	5,375
Equipment Acquisition Series 2023	42,960	-	14,320	28,640	14,320
Equipment Acquisition Series 2023A	61,015	-	15,255	45,760	15,255
Equipment Acquisition Series 2024A	-	21,020	4,200	16,820	4,205
Pension Obligation Bonds					
Taxable Series 2005A	32,865	-	1,555	31,310	1,808
Series 2005B	29,787	-	3,728	26,059	3,477
Total Bonds, Obligations, and Certificates	2,452,241	342,200	373,973	2,420,468	272,195
Add: Unamortized Premium/Discount	228,995	29,505	49,470	209,030	-
Add: Accretion	157,397	19,067	7,592	168,872	-
Total Bonds, Obligations, and Certificates	2,838,633	390,772	431,035	2,798,370	272,195
Direct borrowings and placements					
Notes payable	11,261	-	2,520	8,741	2,412
Financed purchases-equipment master lease	67,371	-	20,921	46,450	13,828
Leases payable	125,909	-	13,809	112,100	13,556
SBITAs payable	29,244	91,551	37,640	83,155	33,147
Total direct borrowings and placements	233,785	91,551	74,890	250,446	62,943
Other liabilities:					
Compensated absences*	168,312	5,034	-	173,346	98,336
Other postemployment benefits	180,087	13,694	15,191	178,590	9,950
Pollution remediation	753	41	295	499	460
Developer payable	30,310	18,317	26,731	21,896	4,448
Estimated unpaid claims	86,964	217,861	206,666	98,159	39,039
Net pension liability	5,367,886	953,090	1,525,314	4,795,662	-
Arbitrage rebate	20,610	13,494	-	34,104	-
Total other liabilities	5,854,922	1,221,531	1,774,197	5,302,256	152,233
Total governmental long-term liabilities	$ 8,927,340	$ 1,703,854	$ 2,280,122	$ 8,351,072	$ 487,371

* The compensated absences payable balance on September 30, 2024 was restated due to the implementation of GASB No. 101, Compensated Absences. Additional details are provided in Note 22. The change in the compensated absences payable is presented as a net change.

Note 11. Long-Term Debt (continued)

The liabilities for the net pension liability and OPEB will be liquidated by General Fund, Community Development Fund, Health and Human Services Fund, Library Fund, Police Fund, Recreation Fund, Management Improvement 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 $98 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, Health and Human Services Fund, Communications Services Fund, Office Services Fund, and Information System Fund. The liability for SBITAs will be liquidated from the General Fund, Transportation Fund, and Information Systems Fund.

B. Governmental General Obligation Bonds (GO Bonds), Certificates of Obligation General Obligation Pension Obligation Bonds, and Senior Lien Special Tax Revenue Bonds

In fiscal year 2025 and in prior years, the City issued GO Bonds, Certificates of Obligation, and Equipment Acquisition Contractual Obligations. These bonds are direct obligations of the City for which its full faith and credit are pledged and 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 a prior year, the City issued Senior Lien Special Tax Revenue Bonds. These bonds are secured by 20 percent of the revenues received by the City from the levy of Chapter 334 of the Texas Local Government Code, Hotel Tax. Events of default include nonpayment events and covenant noncompliance. In the event of default, a credit provider or the registered owners of at least 25 percent of the obligations acting jointly, may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

On December 19, 2024, the City issued General Obligation Refunding and Improvement Bonds, Series 2024C in the amount of $321.2 million, with a premium of $28.3 million for a total of $349.5 million. The interest rates on the bonds range from 4 percent to 5 percent. The proceeds were used to refund $97.5 million of General Obligation Refunding and Improvement Bonds, Series 2015; $250 million was deposited into projects funds for various infrastructure and facilities improvements, information technology improvements, and economic development projects; and the remaining amount was used for the cost of issuance. The bonds will mature on February 15, 2044. Total debt service payments decreased $10.1 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 $8.7 million.

On December 19, 2024, the City issued Equipment Acquisition Contractual Obligations, Series 2024A in the amount of $21 million, with a premium of $1.2 million for a total of $22.2 million. The interest rate on the obligations is 5 percent. The proceeds of the obligations will be used to purchase various personal property for the governmental activities and pay for the cost of issuance. The obligations will mature on August 15, 2029.

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Note 11. Long-Term Debt (continued)

The General Obligation Bonds outstanding as of September 30, 2025, are as follows:

	Final	Interest Rates	Amount
Series 628	2030	4.39% to 5.61%	$ 39,650
Series 638	2032	0.76% to 5.0%	10,230
Series 1843	2037	3.0% to 5.0%	178,400
Series W257	2038	3.0% to 5.0%	45,110
Series 1886	2039	3.0% to 5.0%	164,915
Series 1887	2039	3.0% to 5.0%	107,750
Series 640	2041	2.0% to 5.0%	129,954
Series 3483TE	2042	2.25% to 5.0%	139,090
Series 3483TX	2032	1.35% to 2.0%	2,190
Series W974	2043	5.00%	348,655
Series X048	2043	4.0% to 5.0%	311,099
Series X067	2043	4.0% to 5.0%	46,390
Series X144	2044	4.0% to 5.0%	321,180
Total			$ 1,844,613

The Certificates of Obligation outstanding as of September 30, 2025, are as follows:

	Final	Interest Rates	Amount
Series 644	2030	2.00% to 5.00%	$ 8,000
Series 3481	2031	5.00%	30,605
Series W975	2033	5.00%	44,145
Series X053	2033	5.00%	135,096
Series X069	2033	5.00%	151,360
Total			$ 369,206

The Senior Lien Special Tax Revenue Bonds outstanding as of September 30, 2025, are as follows:

	Final	Interest Rates	Amount
X006	2053	6.25%	$ 42,400

The Equipment Acquisition Contractual Obligations outstanding as of September 30, 2025, are as follows:

	Final	Interest Rates	Amount
Series 649	2026	5.00%	$ 4,910
Series 3482	2027	5.00%	10,750
Series 2395	2027	3.60%	28,640
Series X047	2028	4.425%	45,760
Series X145	2029	5.000%	16,820
Total			$ 106,880

Note 11. Long-Term Debt (continued)

The Pension Obligation Bonds outstanding as of September 30, 2025, are as follows:

	Final	Interest Rates	Amount
Series 600	2035	3.24% to 5.19%	$ 31,310
Series 601	2035	4.10% to 5.48%	26,059
Total			$ 57,369

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 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, 2025 are as follows:

	Final Maturity	Payments Due	Interest Rates	Amount
State Energy Conservation Office CL247	2026	Quarterly	2.50%	$ 121
State Energy Conservation Office CL272	2026	Quarterly	2.00%	976
State Energy Conservation Office CL273	2027	Quarterly	2.00%	1,192
Section 108 B-12-MC-48-0009	2027	Semi-Annually	2.75%	6,452
Total				$ 8,741

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Note 11. Long-Term Debt (continued)

D. 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 from 2017 through 2022, the City 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 on September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 13,828	$ 1,230	$ 15,058
2027	13,233	826	14,059
2028	8,946	473	9,419
2029	6,183	253	6,436
2030	2,174	121	2,295
2031-2032	2,086	95	2,181
Total	$ 46,450	$ 2,998	$ 49,448

E. 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 Contractual Obligations, and Pension Obligation Bonds on September 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 272,195	$ 128,497	$ 400,692
2027	257,767	116,792	374,559
2028	216,810	106,128	322,938
2029	190,164	96,926	287,090
2030	186,250	88,738	274,988
2031-2035	731,712	340,358	1,072,070
2036-2040	389,345	74,445	463,790
2041-2045	155,155	17,752	172,907
2046-2050	11,620	5,243	16,863
2051 and after	9,450	1,212	10,662
Total	$ 2,420,468	$ 976,091	$ 3,396,559

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, on September 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 2,412	$ 258	$ 2,670
2027	6,329	210	6,539
Total	$ 8,741	$ 468	$ 9,209

F. Bonds Authorized and Unissued

The following is a schedule of authorized but unissued bonds on September 30, 2025:

	Date of Authorization	Amount Authorized	Amount Unissued
2024 Capital Improvement Program	5/4/2024	$ 1,250,000	$ 1,000,000

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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, 2025, are as follows:

	Restated Balance, September 30, 2024*	Additions	Deletions	Balance, September 30, 2025	Due Within One Year
Dallas Water Utilities					
City of Dallas Waterworks and Sewer System Revenue Refunding and Improvement Bonds					
Series 2012	$ 86,545	$ -	$ 17,215	$ 69,330	$ 13,245
Series 2013	17,465	-	4,045	13,420	4,250
Series 2015	399,160	-	41,640	357,520	33,890
Series 2016	404,400	-	6,980	397,420	7,260
Series 2017	152,515	-	3,765	148,750	3,955
Series 2018C	138,680	-	3,315	135,365	3,480
Series 2020C	259,645	-	6,095	253,550	6,405
Series 2020D	324,545	-	11,580	312,965	11,690
Series 2021C	121,495	-	2,500	118,995	2,625
Series 2023A	166,330	-	2,690	163,640	2,830
Series 2024	-	248,535	-	248,535	-
City of Dallas Waterworks and Sewer System Revenue Refunding and Improvement Bonds (Direct Placements)					
Series 2018A	18,605	-	685	17,920	690
Series 2018B	37,465	-	1,335	36,130	1,345
Series 2019A	19,120	-	720	18,400	720
Series 2019B	38,440	-	1,400	37,040	1,405
Series 2020A	19,735	-	755	18,980	755
Series 2020B	39,530	-	1,490	38,040	1,490
Series 2021A	20,480	-	760	19,720	760
Series 2021B	40,970	-	1,515	39,455	1,515
Series 2022A	21,305	-	695	20,610	700
Series 2022B	42,665	-	1,340	41,325	1,345
Series 2022C	111,460	-	3,400	108,060	3,470
Series 2023C	34,000	-	930	33,070	955
Series 2024C	-	34,000	-	34,000	975
Total Revenue Bonds Payable	2,514,555	282,535	114,850	2,682,240	105,755
Add: Unamortized Premium	160,101	12,664	18,718	154,047	-
Total Revenue Bonds of Water Utilities	2,674,656	295,199	133,568	2,836,287	105,755
Pension Obligation Bonds	17,906	-	1,509	16,397	1,510
Add: Net premium/discount	14,737	-	1,735	13,002	-
Add: Accretion	44,971	5,446	2,168	48,249	-
Total Water Utilities Bonds	2,752,270	300,645	138,980	2,913,935	107,265
Direct borrowings					
Commercial paper notes payable	210,900	139,100	260,900	89,100	-
Leases payable	2,240	-	607	1,633	621
SBITAs payable	1,696	-	1,043	653	432
Water transmission facilities financing agreement	861,590	408,570	30,349	1,239,811	31,776
Total direct borrowings	1,076,426	547,670	292,899	1,331,197	32,829
Other liabilities:					
Compensated absences*	13,796	383	-	14,179	8,899
Pollution remediation	263	-	61	202	202
Other postemployment benefits	21,081	1,586	2,738	19,929	1,110
Net pension liability	511,049	93,370	286,371	318,048	-
Arbitrage rebate	14,740	6,645	-	21,385	-
Total other liabilities	560,929	101,984	289,170	373,743	10,211
Total long-term liabilities for Dallas Water Utilities	$ 4,389,625	$ 950,299	$ 721,049	$ 4,618,875	$ 150,305

* The compensated absences payable balance on September 30, 2024 was restated due to the implementation of GASB 101, Compensated Absences. Additional details are provided in Note 22. The change in the compensated absences payable is presented as a net change.

Note 11. Long-Term Debt (continued)

	Restated Balance, September 30, 2024*	Additions	Deletions	Balance, September 30, 2025	Due Within One Year
Convention Center					
Civic Center Refunding and Improvement					
Revenue Bonds, Series 2021	$ 203,935	$ -	$ 10,955	$ 192,980	$ 11,505
Special Tax Revenue Bonds, Series 2023	170,600	-	170,600	-	-
Senior Lien Special Tax Notes, Series 2025	-	252,500	-	252,500	252,500
Add: Net premium/discount	18,965	-	3,693	15,272	-
Total Convention Center Revenue Bonds	393,500	252,500	185,248	460,752	264,005
Pension Obligation Bonds	1,266	-	108	1,158	107
Add: Net premium/discount	1,051	-	124	927	-
Add: Accretion	3,209	389	155	3,443	-
Total Convention Center Bonds	399,026	252,889	185,635	466,280	264,112
Other liabilities:					
Compensated absences*	460	8	-	468	195
Pollution remediation	391	84	325	150	150
Other postemployment benefits	474	32	90	416	23
Net pension liability	9,053	5,547	6,917	7,683	-
Arbitrage rebate	1,244	647	-	1,891	-
Total Other Liabilities	11,622	6,318	7,332	10,608	368
Total long-term labilities for Convention Center	410,648	259,207	192,967	476,888	264,480
Airport Revenues					
General Airport Revenue Bonds 2015	82,825	-	5,205	77,620	5,465
General Airport Revenue Bonds 2017	93,895	-	5,300	88,595	5,565
General Airport Revenue Bonds 2021	239,120	-	9,175	229,945	9,630
Add: Net Premium/Discount	46,091	-	7,446	38,645	-
Total Revenue Bonds Payable	461,931	-	27,126	434,805	20,660
Pension Obligation Bonds	1,676	-	141	1,535	141
Add: Net Premium/Discount	1,382	-	163	1,219	-
Add: Accretion	4,214	511	203	4,522	-
Total Airport Bonds	469,203	511	27,633	442,081	20,801
Direct borrowings					
Leases payable	67,064	-	1,869	65,195	1,988
SBITAs payable	424	2,599	750	2,273	248
Obligation for revenue credit agreement	59,365	-	10,745	48,620	11,280
Revenue credit agreement					
Net premium/discount	865	-	295	570	-
Total direct borrowing	127,718	2,599	13,659	116,658	13,516
Other Liabilities:					
Compensated absences*	2,702	365	-	3,067	1,899
Pollution remediation	166	-	140	26	-
Other postemployment benefits	3,110	652	322	3,440	192
Net pension liability	110,284	27,272	65,174	72,382	-
Arbitrage rebate	429	176	-	605	-
Total other liabilities	116,691	28,465	65,636	79,520	2,091
Total long-term liabilities for Airport Revenues	$ 713,612	$ 31,575	$ 106,928	$ 638,259	$ 36,408

* The compensated absences payable balance on September 30, 2024 was restated due to the implementation of GASB 101, Compensated Absences. Additional details are provided in Note 22. The change in the compensated absences payable is presented as a net change.

Note 11. Long-Term Debt (continued)

	Restated Balance, September 30, 2024*	Additions	Deletions	Balance, September 30, 2025	Due Within One Year
Sanitation					
Equipment Acquisition Series 2024A	$ -	$ 9,525	$ 1,905	$ 7,620	$ 1,905
Add: Net premium/discount	-	530	127	403	-
Total Contractual Obilgations	-	10,055	2,032	8,023	1,905
Pension Obligation Bonds	5,852	-	493	5,359	494
Add: Net premium/discount	4,818	-	567	4,251	-
Add: Accretion	14,703	1,781	709	15,775	-
Total Sanitation Bonds	25,373	11,836	3,801	33,408	2,399
Direct borrowing:					
Financed purchases	2,026	-	1,604	422	366
SBITAs payable	584	-	387	197	197
Other liabilities:					
Compensated absences*	3,523	57	-	3,580	2,706
Landfill closure/postclosure	54,366	661	4,530	50,497	371
Pollution remediation	337	2	335	4	4
Other postemployment benefits	5,219	386	742	4,863	270
Net pension liability	202,298	35,216	114,331	123,183	-
Arbitrage rebate	-	157	-	157	-
Total other liabilities	265,743	36,479	119,938	182,284	3,351
Total long-term liabilities for Sanitation	293,726	48,315	125,730	216,311	6,313
Storm Water Operations					
Tax and Revenue Certificates					
Series 2024A	61,695	-	6,855	54,840	6,855
Series 2024B	27,570	-	3,065	24,505	3,065
Series 2025A	-	36,120	-	36,120	4,015
Add: Net premium/discount	8,702	3,227	2,192	9,737	-
Total Tax and Revenue Certificates	97,967	39,347	12,112	125,202	13,935
City of Dallas Drainage Utlility System Revenue Bonds (Direct Placements)					
Series 2024A	14,175	-	475	13,700	475
Series 2024B	90,090	-	3,005	87,085	3,005
Total Revenue Bonds Payable	104,265	-	3,480	100,785	3,480
Equipment Acquisition Series 2024A	-	2,375	475	1,900	475
Add: Net premium/discount	-	132	32	100	-
Total Contractual Obilgations	-	2,507	507	2,000	475
Pension Obligation Bonds	2,697	-	227	2,470	227
Add: Net premium/discount	2,221	-	261	1,960	-
Add: Accretion	6,777	821	327	7,271	-
Total Storm Water Operations Bonds	213,927	42,675	16,914	239,688	18,117
Other liabilities:					
Compensated absences*	2,114	141	-	2,255	1,465
Pollution remediation	1,134	750	642	1,242	1,206
Other postemployment benefits	2,530	175	510	2,195	122
Net pension liability	77,178	14,845	43,600	48,423	-
Arbitrage rebate	3,239	-	2,390	849	-
Total other liabilities	86,195	15,911	47,142	54,964	2,793
Total long-term liabilities for Storm Water Operations	$ 300,122	$ 58,586	$ 64,056	$ 294,652	$ 20,910

* The compensated absences payable balance on September 30, 2024 was restated due to the implementation of GASB 101, Compensated Absences. Additional details are provided in Note 22. The change in the compensated absences payable is presented as a net change.

Note 11. Long-Term Debt (continued)

	Restated Balance, September 30, 2024*	Additions	Deletions	Balance, September 30, 2025	Due Within One Year
Non-Major Business-Type					
Pension Obligation Bonds	$ 3,266	$ -	$ 275	$ 2,991	$ 275
Add: Net premium/discount	2,683	-	316	2,367	-
Add: Accretion	8,190	992	396	8,786	-
Total Non-Major Business-Type Bonds	14,139	992	987	14,144	275
Direct borrowing					
Leases payable	2,432	-	513	1,919	376
SBITA payable	-	2,990	996	1,994	967
Other liabilities:					
Compensated absences*	2,839	246	-	3,085	2,245
Other postemployment benefits	3,162	405	305	3,262	182
Net pension liability	118,304	19,957	68,454	69,807	-
Total other liabilities	124,305	20,608	68,759	76,154	2,427
Total long-term liabilities for Non-Major Business-type Activities	140,876	24,590	71,255	94,211	4,045
Total Business-Type Activities - Long-Term Liabilities	$ 6,248,609	$ 1,372,572	$ 1,281,985	$ 6,339,196	$ 482,461

* The compensated absences payable balance on September 30, 2024 was restated due to the implementation of GASB 101, Compensated Absences. Additional details are provided in Note 22. The change in the compensated absences payable is presented as a net change.

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Note 11. Long-Term Debt (continued)

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

In fiscal year 2025 and in prior 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.

On December 19, 2024, the City issued Waterworks and Sewer System Revenue Refunding Bonds, Series 2024 in the amount of $248.5 million with a premium of $12.7 million for a total of $261.2 million. The interest rates on the bonds range from 4 percent to 5 percent. The proceeds from the bonds were used to refund outstanding commercial paper notes for the City. The bonds will mature on October 1, 2054.

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

In fiscal year 2025 and in 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.

On December 4, 2024, the City issued Waterworks and Sewer System Revenue Bonds, Series 2024C in the amount of $34 million with interest rates ranging from 1.97 percent to 3.58 percent. The City will use the proceeds of the bonds to fund the construction costs for improvements to the system. The bonds will mature on October 1, 2049.

On March 1, 2025, Tarrant Regional Water District issued new bonds for the integrated pipeline/water transmission financing agreement in the amount of $408.6 million with interest rates ranging from 4.25 percent to 5.00 percent. 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 30, 2055.

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, 2025 are as shown on the following page.

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Note 11. Long-Term Debt (continued)

Series Description	Final Maturity	Interest Rates	Amount
636 Rev Bonds	2033	0.595% - 5.000%	$ 69,330
639 Rev Bonds	2028	2.00% - 5.00%	13,420
9712 Rev Bonds	2045	1.00%-5.00%	357,520
1727 Rev Bonds	2046	3.00%-5.00%	397,420
W208 Rev Bonds	2047	4.00%-5.00%	148,750
W339 Rev Bonds	2048	4.00%-5.00%	135,365
637 Rev Bonds	2050	1.730%-5.000%	566,515
W309 Rev Bonds	2048	0.02%-1.70%	54,050
FS40 Rev Bonds	2051	0.02%-1.70%	137,220
FW40 Rev Bonds	2051	0.03%-1.34%	96,350
W931 Rev Bonds	2051	3.00%-5.00%	118,995
8360/8361/8362 Rev Bonds	2048	4.00%-5.00%	108,060
X007 Rev Bonds	2053	4.00%-5.00%	163,640
8363 Rev Bonds	2049	2.89%-4.04%	33,070
X194 Rev Bonds	2055	4.125%-5.000%	248,535
X195 Rev Bonds	2050	1.97%-3.58%	34,000
Total Revenue Bonds			2,682,240
Pension Obligation Bonds	2035	0.8% - 5.48%	16,397
Total Outstanding			$ 2,698,637

Utility Revenues Pledged

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay $2.7 billion in water and wastewater system revenue bonds, of which $282.5 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 2054. 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 on September 30, 2025 is $3.3 billion. Principal and interest paid during fiscal year 2025 were $114.9 million and $92.7 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.

L. Convention Center Notes (Direct Placements)

In fiscal year 2025, the City issued Senior Lien Special Tax Revenue Notes, Series A. These notes are secured by 80 percent of the revenues received by the City from the levy of Chapter 334 of the Texas Local Government Code, Hotel Tax. Events of default include nonpayment events and covenant noncompliance. In the event of default, a credit provider or the registered owners of at least 25 percent of the obligations acting jointly, may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

On August 29, 2025, the City issued $252.5 million of Senior Lien Special Tax Revenue Notes, Series 2025. The interest rates on the Notes range from 5.122 percent to 6.39 percent. The proceeds of the Notes were used to refund $170.6 million of Special Tax Revenue Bonds, Series 2023A for the Kay Bailey Hutchison Convention Center Dallas Venue Project, $81.9 million will be used to fund the tax-exempt project costs and the Owner Controlled Insurance Program associated with the Kay Bailey Hutchison Convention Center Venue Project and the cost of issuance of the Notes. The Notes will mature on June 30, 2026. Total debt service payments decreased $1.9 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 $0.58 million. The City expects to refinance these notes with long-term debt on or prior to the maturity date.

Note 11. Long-Term Debt (continued)

The Convention Center bonds outstanding as of September 30, 2025 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Hotel Occupancy Tax Revenue Refunding Bonds	2038	3.00% - 5.25%	$ 192,980
Pension Obligation Bonds	2035	0.295% - 5.48%	1,158
Total Outstanding			$ 194,138

The Convention Center note payable outstanding as of September 30, 2025, was as follows:

Series Description	Final Maturity	Interest Rates	Amount
Senior Lien Special Tax Revenue Notes, Series A	2026	5.122 to 6.39%	$ 252,500

M. 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.

Note 11. Long-Term Debt (continued)

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.

Airport revenue and pension obligation bonds outstanding as of September 30, 2025 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
General Airport Revenue Bonds 2015	2036	5.00%	$ 77,620
General Airport Revenue Bonds 2017	2036	5.00%	88,595
General Airport Revenue Bonds 2021	2040	5.00%	229,945
Pension Obligation Bonds	2035	0.295% - 5.48%	1,535
Total			$ 397,695

N. 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 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 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 11K. As of September 30, 2025, the Special Facilities Revenue Bonds or conduit debt obligation outstanding was $48.6 million, and the conduit debt obligation will mature on November 1, 2028.

Note 11. Long-Term Debt (continued)

O. 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 $48.6 million with the premium of $570 thousand for a total balance of $49.2 million, on September 30, 2025. The schedule of principal and interest payments required for the obligation is provided on the following page (in thousands):

	Airport Revenue - LFAMC Obligation for Revenue Credit Agreement		
Fiscal Year	Principal	Interest	Total
2026	$ 11,280	$ 2,149	$ 13,429
2027	11,845	1,571	13,416
2028	12,435	964	13,399
2029	13,060	327	13,387
Total	$ 48,620	$ 5,011	$ 53,631

The balance of the deferred inflows of resources related to the Airport Revenues Fund – LFAMC conduit debt obligation was $28,534 as of September 30, 2025.

Deferred Inflows of Resources	Balance, September 30, 2025
Airport Revenues Fund - LFAMC	$ 28,534

P. 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 from fiscal year 2017 through fiscal year 2023, 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 on September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 366	$ 6	$ 372
2027	56	1	57
Total	$ 422	$ 7	$ 429

Note 11. Long-Term Debt (continued)

Q. Sanitation Enterprise Fund (Equipment Acquisition Notes and Pension Obligation Bonds)

In fiscal year 2025, the City issued Equipment Acquisition Contractual Obligations. These are direct obligations of the City for which its full faith and credit are pledged and 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.

On December 19, 2024, the City issued Equipment Acquisition Contractual Obligations, Series 2024A in the amount of $9.5 million, with a premium of $.5 million for a total of $10 million. The interest rate on the obligations is 5 percent. The proceeds of the obligations will be used to purchase various personal property for the sanitation enterprise fund and pay for the cost of issuance. The obligations will mature on August 15, 2029.

The Sanitation Fund provides for the payment of principal and interest on a portion of the Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2025 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Pension Obligation Bonds	2035	0.295% to 5.48%	$ 5,359

R. Storm Water Operations Revenue Bonds (Direct Borrowing) and Pension Obligation Bonds

In previous fiscal year, Storm Water Operations issued Drainage Utility 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 fiscal year 2025 and in a prior year, the City issued Certificates of Obligation. The certificates 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 and a limited pledge of the surplus revenues of the City's Storm Water Operations fund in an amount not to exceed $1 thousand. 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 fiscal year 2025, the City issued Equipment Acquisition Contractual Obligations. These are direct obligations of the City for which its full faith and credit are pledged and 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.

On December 19, 2024, the City issued Equipment Acquisition Contractual Obligations, Series 2024A in the amount of $2.4 million, with a premium of $.1 million for a total of $2.5 million. The interest rate on the obligations is 5 percent. The proceeds of the obligations will be used to purchase various personal property for the storm water operations fund and pay for the cost of issuance. The obligations will mature on August 15, 2029.

On January 7, 2025, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2025A in the amount of $36.1 million with a premium of $3.2 million for a total of $39.3 million. The interest rate on the obligation is 5 percent. The proceeds of the obligation will be used to pay for contractual obligations for construction and improvements of the storm water drainage system, erosion control, and paying for the cost of issuance. The obligation will mature on February 15, 2034.

Note 11. Long-Term Debt (continued)

The Storm Water Operations Certificates of Obligation outstanding as of September 30, 2025 are as follows:

	Final Maturity	Interest Rates	Amount
Series 2024A	2033	5.00%	$ 54,840
Series 2024B	2033	5.00%	24,505
Series 2025A	2034	5.00%	36,120
Total			$ 115,465

The Drainage Utility System Revenue Bonds and pension obligation bonds outstanding as of September 30, 2025 are as follows:

	Final Maturity	Interest Rates	Amount
Series 2024A	2053	Zero Interest	$ 13,700
Series 2024B	2053	Zero Interest	87,085
Pension Obligation Bonds	2035	0.295% - 5.48%	2,470
Total			$ 103,255

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

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, 2025, are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Pension Obligation Bonds	2035	0.295% - 5.48%	$ 2,991

T. Business-Type Activities Debt Service Requirements

The debt service principal and interest payment requirement to maturity on September 30, 2025 for the business-type activities Revenue Bonds and Pension Obligation Bonds are as follows:

	Dallas Water Utilities					
	Revenue Bonds			Revenue Bonds-Direct Placements		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 89,630	$ 89,440	$ 179,070	$ 16,125	$ 7,838	$ 23,963
2027	97,700	85,528	183,228	16,280	7,658	23,938
2028	101,755	81,457	183,212	16,450	7,471	23,921
2029	105,670	77,530	183,200	16,615	7,277	23,892
2030	102,250	73,350	175,600	16,785	7,074	23,859
2031-2035	503,580	302,860	806,440	87,015	31,915	118,930
2036-2040	497,275	196,598	693,873	93,665	24,630	118,295
2041-2045	376,620	110,127	486,747	102,635	14,998	117,633
2046-2050	241,105	42,449	283,554	89,670	3,899	93,569
2051-2055	103,905	9,181	113,086	7,510	64	7,574
Total	$ 2,219,490	$ 1,068,520	$ 3,288,010	$ 462,750	$ 112,824	$ 575,574

Note 11. Long-Term Debt (continued)

	Dallas Water Utilities		
	Pension Obligation Bonds		
Fiscal Year	Principal	Interest	Total
2026	$ 1,510	$ 7,168	$ 8,678
2027	1,509	7,436	8,945
2028	1,509	7,714	9,223
2029	1,510	7,998	9,508
2030	1,510	8,290	9,800
2031-2034	8,849	44,777	53,626
Total	$ 16,397	$ 83,383	$ 99,780

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Note 11. Long-Term Debt (continued)

	Convention Center					
	Revenue Bonds			Pension Obligation Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 11,505	$ 7,834	$ 19,339	$ 107	$ 511	$ 618
2027	12,080	7,259	19,339	108	531	639
2028	12,560	6,776	19,336	107	550	657
2029	13,065	6,273	19,338	107	571	678
2030	13,585	5,751	19,336	107	592	699
2031-2035	76,525	20,155	96,680	622	3,195	3,817
2036-2040	53,660	4,348	58,008	-	-	-
Total	$ 192,980	$ 58,396	$ 251,376	$ 1,158	$ 5,950	$ 7,108

	Airport Revenues					
	General Airport Revenue Bonds			Pension Obligation Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 20,660	$ 18,165	$ 38,825	$ 141	$ 672	$ 813
2027	21,695	17,106	38,801	141	697	838
2028	22,780	15,994	38,774	141	723	864
2029	23,920	14,826	38,746	141	749	890
2030	27,110	13,550	40,660	142	777	919
2031-2035	157,310	45,554	202,864	829	4,196	5,025
2036-2040	107,300	11,762	119,062	-	-	-
2041-Thereafter	15,385	308	15,693	-	-	-
Total	$ 396,160	$ 137,265	$ 533,425	$ 1,535	$ 7,814	$ 9,349

	Sanitation					
	Pension Obligation Bonds			Equipment Acquisition Notes		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 494	$ 2,343	$ 2,837	$ 1,905	$ 381	$ 2,286
2027	493	2,431	2,924	1,905	286	2,191
2028	493	2,522	3,015	1,905	191	2,096
2029	494	2,615	3,109	1,905	95	2,000
2030	494	2,710	3,204	-	-	-
2031-2035	2,891	14,640	17,531	-	-	-
Total	$ 5,359	$ 27,261	$ 32,620	$ 7,620	$ 953	$ 8,573

	Storm Water Operations					
	Revenue Bonds-Direct Placement			Certificates Obligations		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 3,480	$ -	$ 3,480	$ 13,935	$ 5,425	$ 19,360
2027	3,480	-	3,480	13,935	4,728	18,663
2028	3,480	-	3,480	13,935	4,031	17,966
2029	3,480	-	3,480	13,935	3,335	17,270
2030	3,480	-	3,480	13,935	2,638	16,573
2031-2035	17,400	-	17,400	45,790	3,836	49,626
2036-2040	17,395	-	17,395	-	-	-
2041-2045	17,360	-	17,360	-	-	-
2046-2050	17,350	-	17,350	-	-	-
2051-2054	13,880	-	13,880	-	-	-
Total	$ 100,785	$ -	$ 100,785	$ 115,465	$ 23,993	$ 139,458

Note 11. Long-Term Debt (continued)

	Storm Water Operations					
	Pension Obligation Bonds			Equipment Acquisition Notes		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 227	$ 1,080	$ 1,307	$ 475	$ 95	$ 570
2027	227	1,121	1,348	475	71	546
2028	227	1,162	1,389	475	48	523
2029	227	1,205	1,432	475	24	499
2030	228	1,205	1,433	-	-	-
2031-2035	1,334	6,748	8,082	-	-	-
Total	$ 2,470	$ 12,521	$ 14,991	$ 1,900	$ 238	$ 2,138

	Non-Major Enteprise Funds		
	Pension Obligation Bonds		
Fiscal Year	Principal	Interest	Total
2026	$ 275	$ 1,258	$ 1,533
2027	275	1,305	1,580
2028	275	1,354	1,629
2029	275	1,405	1,680
2030	275	1,510	1,785
2031-2035	1,616	8,155	9,771
Total	$ 2,991	$ 14,987	$ 17,978

U. 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, 2025, are as follows:

	Balance, September 30, 2024	Additions	Deletions	Balance, September 30, 2025	Due Within One Year
Tax Increment Revenue Bonds					
Series 2006	$ 20,607	$ -	$ 2,308	$ 18,299	$ 2,179
Series 2007	20,135	-	435	19,700	60
Total Bonds	40,742	-	2,743	37,999	2,239
Accretion	37,054	3,251	4,422	35,883	-
Total Bonds	$ 77,796	$ 3,251	$ 7,165	$ 73,882	$ 2,239

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.

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, 2024, are as shown below:

	Balance, December 31, 2023	Additions	Deletions	Balance, December 31, 2024	Due Within One Year
2009A Current Interest Bonds	$ 12,470	$ -	$ 12,470	$ -	$ -
2009A Capital Appreciation Bonds	7,139	-	-	7,139	5,133
2009B Taxable Build America Bonds	388,175	-	-	388,175	-
Total Revenue Bonds	407,784	-	12,470	395,314	5,133
Add: Accretion on Capital Appreciation Bonds	10,442	1,141	-	11,583	-
Total Long-Term Debt	$ 418,226	$ 1,141	$ 12,470	$ 406,897	$ 5,133

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, 2025 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Series DDDA - Series 2006	2036	5.25% - 5.66%	$ 18,299
Series DDDA - Series 2007	2036	5.49% - 6.28%	19,700
Total Outstanding			$ 37,999

The Dallas Convention Center Hotel Development Corporation discretely presented component unit bonds outstanding as of December 31, 2024, are as follows:

Series Description	Final Maturity	Interest Rates	Amount
2009A Capital Appreciation Bonds	2026	5.43% - 6.46%	$ 7,139
2009B Taxable Build America Bonds	2042	7.09%	388,175
Total Outstanding			$ 395,314

The debt service principal and interest payment requirement to maturity on September 30, 2025, for the DDDA discretely presented component unit activities tax increment financing bonds and on December 31, 2024, for the Dallas Convention Center Hotel Development Corporation bonds are as shown on the following page.

Note 11. Long-Term Debt (continued)

	DDDA			Calendar	Dallas Convention Center Hotel Development Corporation		
Fiscal Year	Principal	Interest	Total	Year	Principal	Interest	Total
2026	$ 2,239	$ 5,774	$ 8,013	2025	$ 5,133	$ 35,786	$ 40,919
2027	2,378	5,892	8,270	2026	10,051	30,892	40,943
2028	2,812	5,987	8,799	2027	14,400	26,433	40,833
2029	3,043	6,042	9,085	2028	15,385	25,378	40,763
2030	3,475	6,071	9,546	2029	16,420	24,251	40,671
2031-2035	19,832	29,679	49,511	2030-2034	99,410	101,593	201,003
2036	4,220	5,681	9,901	2035-2039	133,895	60,483	194,378
Total	$ 37,999	$ 65,126	$ 103,125	2040-2042	100,620	10,962	111,582
				Total	$ 395,314	$ 315,778	$ 711,092

V. Compliance with Debt Covenants

For the year fiscal ended September 30, 2025, management of the City believes that it was in compliance with all financial bond covenants on outstanding revenue and general obligation bonded debt.

W. 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, 2024, are supported by a liquidity agreement with JPMorgan Chase Bank, N.A. and extend to July 8, 2027. The Series F 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.

The commercial paper notes Series G, effective May 15, 2025, are supported by a liquidity agreement with Bank of America, N.A. and extend to May 15, 2028. 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 about 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 A1/A+/A+ on unenhanced prior lien bonds or below Baa3/BBB-/BBB- for any prior lien bonds, material adverse effects as a result of State law repeal or any event of default as defined in Series F 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 2025, $139.1 million was issued and $260.9 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 $510.9 million at September 30, 2025. The balance of the commercial paper notes payable was $89.1 million at September 30, 2025.

Note 11. Long-Term Debt (continued)

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), in March 2021 in the amount of $297.3 million for refunding Bond (2021 Series B), in December 2022 in the amount of $255 million (2022 Series) and in March 2025 in the amount of $408.6 million (2025 Series) . 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 2035. The City's share of the total cost of the Project is estimated to be $1.5 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. Additionally in March 2025, TRWD issued Water Facilities Contract Revenue Bonds, 2025 Series, with a principal amount of $408 million.

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.

On September 30, 2025, the TRWD Water Facilities Contract Revenue Bonds outstanding were $1.2 billion.

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 $1.2 billion on September 30, 2025.

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Note 11. Long-Term Debt (continued)

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
2026	$ 31,776	$ 41,012	$ 72,788
2027	35,585	40,115	75,700
2028	36,615	39,138	75,753
2029	37,725	38,103	75,828
2030	38,850	36,983	75,833
2031-2035	212,190	166,965	379,155
2036-2040	246,565	132,832	379,397
2041-2045	254,570	90,459	345,029
2046-2050	198,805	52,154	250,959
2051-2055	147,130	16,263	163,393
Total	$ 1,239,811	$ 654,024	$ 1,893,835

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 65 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, 2025, the City's governmental activities leases receivable balance of $102,428 was comprised of the amounts below:

Various land leases with revenue totaling $2,556 during fiscal year 2025, at interest rates ranging from 0.67 to 3 percent, with remaining lease terms ranging from 12.25 to 63.5 years.	$ 101,349
Various building leases with revenue totaling $264 during fiscal year 2025, at interest rates ranging from 0.98 to 2.34 percent, with remaining lease terms ranging from 4 to 25.6 years.	1,079
Total lease receivable for governmental activities	$ 102,428

Note 12. Leases (continued)

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
2026	$ 1,798	$ 1,059
2027	1,851	1,025
2028	2,053	989
2029	2,046	951
2030	2,160	911
2031-2035	12,494	3,893
2036-2040	10,093	2,679
2041-2045	2,858	2,319
2046-2050	3,767	2,212
2051-2055	5,491	2,048
2056-2060	6,516	1,859
2061-2065	8,393	1,607
2066-2070	8,678	1,322
2071-2075	8,973	1,027
2076-2080	9,277	723
2081-2085	9,592	408
2086-2090	6,388	112
Total	$ 102,428	$ 25,144

The balance of deferred inflows of resources related to the governmental activities lease payments receivable was $96,426 as of September 30, 2025. The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

Inflows of Resources	Governmental Activities
Lease Revenue	$ 2,819
Interest Revenue	1,187

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

As of September 30, 2025, the City's business-type activities leases receivable balance of $34,949 was comprised of the following:

Various land leases with revenue totaling $23 during fiscal year 2025, at interest rates of 2.06 percent, with remaining lease terms ranging to 48.4 years.	$ 689
Various building leases with revenue totaling $15,062 during fiscal year 2025, at interest rates ranging from 0.57 to 2.06 percent, with remaining lease terms ranging from .08 to 32.11 years.	34,260
Total lease receivable for business-type activities	$ 34,949

Note 12. Leases (continued)

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

	Dallas Water Utilities			Convention Center		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 17	$ 3	$ 20	$ 3,177	$ 343	$ 3,520
2027	17	3	20	3,228	290	3,518
2028	18	3	21	3,281	237	3,518
2029	18	2	20	3,335	182	3,517
2030	18	2	20	3,389	127	3,516
2031-2035	95	5	100	4,681	283	4,964
2036-2040	20	-	20	1,663	148	1,811
2041-2045	-	-	-	814	39	853
2046-Thereafter	-	-	-	216	14	230
Total	$ 203	$ 18	$ 221	$ 23,784	$ 1,663	$ 25,447

	Airport Revenues			Total Business-Type Activities		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 3,697	$ 133	$ 3,830	$ 6,891	$ 479	$ 7,370
2027	2,475	104	2,579	5,720	397	6,117
2028	415	89	504	3,714	329	4,043
2029	333	83	416	3,686	267	3,953
2030	283	78	361	3,690	207	3,897
2031-2035	1,098	317	1,415	5,874	605	6,479
2036-2040	445	250	695	2,128	398	2,526
2041-2045	492	202	694	1,306	241	1,547
2046-Thereafter	1,724	311	2,035	1,940	325	2,265
Total	$ 10,962	$ 1,567	$ 12,529	$ 34,949	$ 3,248	$ 38,197

The balance of the deferred inflows resources related to the business-type activities lease payments receivable was $40,251 as of September 30, 2025.

Deferred Inflows of Resources	Balance, September 30. 2025
Dallas Water Utilities	$ 197
Convention Center	29,337
Airport Revenues	10,717
Total	$ 40,251

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	Business-Type Activities
Lease Revenue	$ 18	$ 1,797	$ 11,266	$ 13,081
Interest Revenue	3	391	185	579

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 guaranteed rent are not included in the measurement of the lease receivable. During fiscal year 2025, inflows of resources for percentage of variable rents totaled $10,038 and were comprised of the following:

Concession Categories	Inflows of Resources
Retail	$ 973
Food & Beverage	7,750
Misc. Concessions	1,315
	$ 10,038

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 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-base Operators (“FBOs”), General Aviation (GA), and fuel farms. These agreements are non-cancellable with remaining lease terms ranging from less than 1 years to 35 years and generally expire between 2026 and 2057, with options to extend or month-to-month, which shall be deemed to amend, restate and supersede airlines/existing leases 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 areas, baggage areas, gate hold rooms, and aprons. The table below defines the use of space.

	Love Field Airport									
	American Airlines		United		Southwest		Delta		Total Love Field Airport	
Ticket Areas	sq. ft.	2,294	sq. ft.	2,100	sq. ft.	13,025	sq. ft.	346	sq. ft.	17,765	sq. ft.
Concourse Area	sq. ft.	2,755	sq. ft.	1,455	sq. ft.	68,968	sq. ft.	-	sq. ft.	73,178	sq. ft.
Baggage Areas	sq. ft.	7,888	sq. ft.	7,210	sq. ft.	46,235	sq. ft.	1,782	sq. ft.	63,115	sq. ft.
Gate Holdrooms	sq. ft.	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 and Love Field Airport	
Regulated Areas	8,644,995	sq. ft.

Note 12. Leases (continued)

The future minimum rentals expected to be received from Love Field Airport and Dallas Executive Airport for the existing regulated leases as of September 30, 2025, are as follows:

Fiscal Year Ending September 30, 2025	Minimum Rentals
2026	$ 73,953
2027	73,953
2028	71,825
2029	9,410
2030	9,327
2030-2034	45,168
2035-2039	43,496
2040-2044	36,096
2045-Thereafter	70,883
Total minimum lease rentals	$ 434,111

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. These 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.

Governmental Activities Leases - City as Lessee

As of September 30, 2025, the City's governmental activities leases payable balance of $112,100 was comprised of the following:

Various land leases with principal and interest payments totaling $221 during fiscal year 2025, at interest rates ranging from 1.12 to 2.34 percent, with remaining lease terms ranging from 4 to 28.27 years.	$ 1,715
Various building leases with principal and interest payments totaling $2,622 during fiscal year 2025, at interest rates ranging from 0.25 to 2.89 percent, with remaining lease terms ranging from .25 to 101 years.	21,341
Various equipment leases with principal and interest payments totaling $12,814 during fiscal year 2025, at interest rates ranging from 0.32 to 2.65 percent, with remaining lease terms ranging from .58 to 28.27 years.	89,044
Total leases payable for governmental activities	$ 112,100

Note 12. Leases (continued)

Fiscal Year	Governmental Activities Principal	Governmental Activities Interest	Total
2026	$ 13,556	$ 2,592	$ 16,148
2027	12,872	2,274	15,146
2028	13,443	1,933	15,376
2029	13,719	1,581	15,300
2030	32,785	3,108	35,893
2031-2035	10,040	2,058	12,098
2036-2040	370	1,818	2,188
2044-2048	416	1,772	2,188
2049-2053	458	1,721	2,179
2054-2058	459	1,669	2,128
2059-2063	516	1,612	2,128
2064-2068	579	1,549	2,128
2069-2073	650	1,478	2,128
2074-2078	730	1,398	2,128
2079-2083	819	1,309	2,128
2084-2088	920	1,208	2,128
2089-2093	1,032	1,096	2,128
2094-2098	1,159	969	2,128
2099-2103	1,301	827	2,128
2104-2108	1,461	668	2,129
2109-2113	1,639	488	2,127
2114-2118	1,841	287	2,128
2119-2123	1,335	156	1,491
Total	$ 112,100	$ 33,571	$ 145,671

Business-Type Activities Leases - City as Lessee

As of September 30, 2025, the City's business-type activities leases payable balance of $68,747 was comprised of the following:

Various land leases with expenditure totaling $4,754 during fiscal year 2025, at interest rates ranging from 1.12 to 5.65 percent, with remaining lease terms ranging from 4.75 to 21.1 years.	$ 56,410
Various building leases with expenditure totaling $1,822 during fiscal year 2025, at interest rates ranging from 1.22 to 5.65 percent, with remaining lease terms ranging from 2.58 to 21.10 years.	12,337
	$ 68,747

The annual payment requirements to amortize the long-term leases payable for the business-type activities as of September 30, 2025, including principal and interest payments to maturity are shown on the following page.

Note 12. Leases (continued)

	Dallas Water Utilities			Airport Revenues		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 621	$ 31	$ 652	$ 1,988	$ 3,550	$ 5,538
2027	635	16	651	2,097	3,448	5,545
2028	377	3	380	2,205	3,340	5,545
2029	-	-	-	2,318	3,227	5,545
2030	-	-	-	2,438	3,107	5,545
2031-2035	-	-	-	12,872	13,528	26,400
2036-2040	-	-	-	16,431	9,487	25,918
2041-2045	-	-	-	21,605	4,138	25,743
2046-Thereafter	-	-	-	3,241	108	3,349
Total	$ 1,633	$ 50	$ 1,683	$ 65,195	$ 43,933	$ 109,128

	Nonmajor Enterprise Funds					
	Municipal Radio			Building Inspection		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2026	$ 181	$ 10	$ 191	$ 195	$ 14	$ 209
2027	189	8	197	202	11	213
2028	199	6	205	210	8	218
2029	208	3	211	217	4	221
2030	164	1	165	154	1	155
Total	$ 941	$ 28	$ 969	$ 978	$ 38	$ 1,016

	Total Business-Type Activities		
Fiscal Year	Principal	Interest	Total
2026	$ 2,985	$ 3,605	$ 6,590
2027	3,123	3,483	6,606
2028	2,991	3,357	6,348
2029	2,743	3,234	5,977
2030	2,756	3,109	5,865
2031-2035	12,872	13,528	26,400
2036-2040	16,431	9,487	25,918
2041-2045	21,605	4,138	25,743
2046-Thereafter	3,241	108	3,349
Total	$ 68,747	$ 44,049	$ 112,796

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Note 13. Public-Private Partnerships (PPP)

The City's Convention Center enterprise fund has entered into two public-private partnership agreements in which the operators will operate and maintain the City's assets while providing a public use. The agreements that are currently active extend through September 30, 2026. At the end of the agreements, operations will be transferred back to the City. The payments made by the operators to the City are variable and based on a percentage of revenue collected during the period. The amount of inflows of resources recognized by the City for the fiscal year ended September 30, 2025, was $18.2 million.

Note 14. Subscription-Based Information Technology Arrangements (SBITA)

The City is obligated under contracts covering certain subscription-based information technology arrangements (SBITA) that expire at various dates during the next 5 years. Most SBITA contracts have initial terms of up to eight years and contain one or more renewal options. The City generally includes these renewal periods in the subscription term when it is reasonably certain that the City will exercise the renewal option and the contract is not deemed cancellable. The City's SBITA contracts do not contain any material variable payments not previously included in the measurement of the subscription liability. As the interest rate implicit in the City's agreements are not readily determinable, the City utilizes its incremental borrowing rate to discount the SBITA payments to the present value.

As of September 30, 2025, the SBITA payable for governmental activities and business-type activities totaled $83,155 and $5,117, respectively.

SBITA Payable	Interest Rates	Remaining Term	Principal and Interest Payments 9/30/2025
Governmental Activities	2.62 to 3.25	.5 to 7.75 years	$ 87,133
Business-Type Activities	2.29 to 3.41	.25 to 8.1 years	5,566
Total			$ 92,699

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Note 14. Subscription -Based Information Technology Arrangements (SBITA) (continued)

The City expects to pay the following amounts in future years for SBITAs included in the Governmental Activities:

Fiscal Year	Internal Service Funds Principal	Internal Service Funds Interest
2026	$ 30,486	$ 1,673
2027	17,063	1,007
2028	11,043	596
2029	12,110	250
2030	1,797	170
2031-2035	5,796	184
Total	$ 78,295	$ 3,880

Fiscal Year	Other Governmental Activities Principal	Other Governmental Activities Interest
2026	$ 2,661	$ 82
2027	2,199	16
Total	$ 4,860	$ 98

Fiscal Year	Total Governmental Activities Principal	Total Governmental Activities Interest
2026	$ 33,147	$ 1,755
2027	19,262	1,023
2028	11,043	596
2029	12,110	250
2030	1,797	170
2031-2035	5,796	184
Total	$ 83,155	$ 3,978

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Note 14. Subscription -Based Information Technology Arrangements (SBITA) (continued)

The City expects to pay the following amounts in future years for SBITAs included in the Business-Type Activities:

Dallas Water Utilities

Fiscal Year	Principal	Interest	Total
2026	$ 432	$ 6	$ 438
2027	221	1	222
2028	-	-	-
Total	$ 653	$ 7	$ 660

Sanitation

Fiscal Year	Principal	Interest	Total
2026	$ 197	$ 2	$ 199
2027	-	-	-
Total	$ 197	$ 2	$ 199

Building Inspections

Fiscal Year	Principal	Interest	Total
2026	$ 967	$ 44	$ 1,011
2027	1,027	15	1,042
Total	$ 1,994	$ 59	$ 2,053

Airport Revenues

Fiscal Year	Principal	Interest	Total
2026	$ 248	$ 70	$ 318
2027	284	60	344
2028	294	50	344
2029	305	40	345
2030	368	27	395
2031-2035	774	16	790
Total	$ 2,273	$ 263	$ 2,536

Total Business-Type Activities

Fiscal Year	Principal	Interest	Total
2026	$ 1,844	$ 122	$ 1,966
2027	1,532	76	1,608
2028	294	50	344
2029	305	84	389
2030	368	42	410
2031-2035	774	75	849
Total	$ 5,117	$ 449	$ 5,566

Note 15. 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, 2025, the City had a total of $461.9 million in defeased outstanding general obligation bonds, $823.6 million in defeased outstanding water and sewer revenue bonds, and $388.2 million in defeased convention center refunding and improvement bonds. The bonds defeased during the fiscal year are as follows:

	Balance, September 30, 2024	Additions	Deletions	Balance, September 30, 2025
General Obligation Bonds	$ 474,370	$ 97,515	$ 109,985	$ 461,900
Water and Sewer Revenue Bonds	873,488	-	49,905	823,583
Convention Center Refunding and Improvement Bonds	229,215	170,600	11,610	388,205
Total	$ 1,577,073	$ 268,115	$ 171,500	$ 1,673,688

Note 16. 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, 2025; however, the City did receive an advance payment greater than the deductible amount for a claim that has yet to settle.

The City is self-insured for workers' compensation claims. Effective February 1, 2020, the City is insured for workers' compensation losses in excess of $2.5 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 $59 million at September 30, 2025, is recorded in the risk funds. Of this amount, $9.8 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, 2025, in the amount of $16.4 million in the risk funds.

At September 30, 2025, the City estimates its general liability at $22.7 million, of which $12.9 million is estimated to be payable in the next fiscal year. The general liability includes $12.1 million for automobile and general liability and $10.6 million for probable claims and lawsuits.

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	Workers' Compensation		Health		General Liability	
	2025	2024	2025	2024	2025	2024
Unpaid claims, beginning of year	$ 58,726	$ 59,746	$ 12,666	$ 11,530	$ 15,572	$ 69,503
Incurred claims, including incurred but not reported claims (IBNRs) and changes in estimates	15,314	13,957	170,200	134,176	10,588	6,635
Claim payments	(15,143)	(13,036)	(187,544)	(144,358)	(3,979)	(60,606)
Changes to prior year estimates (IBNR)	125	(1,941)	21,074	11,318	560	40
Unpaid claims, end of year	$ 59,022	$ 58,726	$ 16,396	$ 12,666	$ 22,741	$ 15,572

Note 17. 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 21 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 $46.1 million liability for closure/post-closure care is based on 90.5 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 $300 thousand for the transfer stations at September 30, 2025.

The estimated total liability of $60 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 $46.4 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 $4.1 million during the next 11 years, of which $371 thousand is due within one year.

The total closure and post-closure liability for both landfills and the three transfer stations on September 30, 2025 is $50.5 million.

Note 18. 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, 2025, the total environmental remediation liability is $2.1 million, and the current portion of this liability is $2.0 million. At this time, the City is unable to estimate any recoveries to reduce the liability.

Sixteen sites are regulated by the Texas Risk Reduction Program, Texas Administrative Code (TAC) Ch. 350. During the reporting period, the City completed remediation activities at two sites. The total estimated cost is $1.6 million, and the current portion of this liability is $1.5 million.

Four sites are also regulated by the Texas Risk Reduction Program, TAC Ch. 350 and Texas Asbestos Health Protection Rules. During the reporting period, the City completed remediation activities at one site. The total estimated cost is $348 thousand, and the current portion of this liability is $336 thousand.

Note 18. Pollution Remediation (continued)

Two 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. The total estimated cost is $51 thousand, and the current portion of this liability is $23 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 Health Administration (OSHA) Lead Exposure Rules 29 Code of Federal Regulations (CFR) 1926.62, Mold Rules. The total estimated cost is $146 thousand, and the current portion of this liability is $145 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). The City completed testing of shingle material to confirm no ACM and suitability to transfer to 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) completed. The City acquired the property in July 2021, completed supplemental assessment, and entered the TCEQ Voluntary Cleanup Program (VCP) in September 2022. The APAR was completed and submitted to TCEQ, completion of the Response Action Plan (RAP), and a majority of remediation was completed including removal of impacted soil and fill material, confirmation sampling, and disposal at MBLF, site management, and preparation of reports documenting activities. Remediation was started and completed faster than originally anticipated. During the reporting period, site management continued with completion of removal of fill soil and disposal at MBLF landfill, importing of fill material and final grading of the site were completed, and the response action completion report (RACR) was prepared and submitted to TCEQ. Site inspections, and correspondence with TCEQ including responding to TCEQ comments were also completed. Activities expected to be completed in the current period include continued correspondence with TCEQ and obtaining a certificate of completion from TCEQ. The cost to complete closeout of environmental will be below the $2 million in the Risk Fund set aside for remediation to closeout environmental with TCEQ. The estimated cost for this project is $4 thousand and $4 thousand liability expected to be paid in fiscal year 2026.

The City's pollution remediation for the year ended September 30, 2025, are as follows:

Sites regulated by	Restated Balance, September 30, 2024	Additions	Deletions	Balance, September 30, 2025	Due Within One Year
Governmental Activities:					
Texas Risk Reduction Program	$ 472	$ 42	$ 212	$ 302	$ 302
Texas Risk Reduction Program and Texas Asbestos Health Protection Rules	175	-	29	146	135
Texas Asbestos Health Protection Rules and OSHA Lead Exposure Rules	106	-	55	51	23
Total Governmental Activities	753	42	296	499	460
Business-type Activities					
Dallas Water Utilities					
Texas Risk Reduction Program and Texas Asbestos Health Protection Rules	263	-	61	202	202
Convention Center					
Texas Risk Reduction Program	28	-	24	4	4
OSHA Lead Exposure Rules and Mold Rules	363	85	302	146	146
Airport Revenues					
Texas Risk Reduction Program	166	-	140	26	-
Sanitation					
Texas Municipal Waste Rules	337	2	335	4	4
Stormwater Operation					
Texas Risk Reduction Program	1,134	750	642	1,242	1,206
Total Business-type Activities	2,291	837	1,504	1,624	1,562
Total Pollution Remediation	$ 3,044	$ 879	$ 1,800	$ 2,123	$ 2,022

Note 19. 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, 2024, 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 people 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.

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.

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.

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 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.

Note 19. 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 1st 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 $869.3 million on December 31, 2024.

The Combined Plan documents may be amended only by the Texas State legislature.

Note 19. 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 $5.2 million on December 31, 2024.

The Supplemental Plan document can be amended only by the City Council in accordance with City ordinance.

C. Employees covered by benefit terms

On December 31, 2024, the following numbers of employees were covered by the benefit terms:

	ERF	Combined Plan	Supplemental Plan
Retirees and beneficiaries currently receiving benefits	8,042	5,445	159
Inactive members entitled to benefits but not yet receiving them	2,049	240	-
Current members	8,070	5,346	57
Total	18,161	11,031	216

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 41.87 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, 2025. The City's contribution of 22.68 percent is divided into 14.44 percent cash to the Plan and 8.24 percent for debt service payments on the pension obligation bonds. For fiscal year 2025, the City contribution was $83 million.

Combined Plan: Article 6243a-1 of the Revised Civil Statutes of the State of Texas establishes contribution requirements. The contribution percentage may be determined only by the State Legislature or by a majority vote of the voters of the City of Dallas.

Note 19. Pension Plans (continued)

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. On September 11, 2024, Dallas City Council approved a funding soundness restoration plan (the "City FSRP") that will allow the Pension System to be fully funded in 30 years beginning on October 1, 2024. The City FSRP allows for voluntary contributions that implements an actuarially determined contribution rate with a five-year step up, which meets the State law's 30-year funding requirement. For fiscal year 2025, the City's voluntary contribution was $205.6 million.

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 2025, the City contribution was $3.4 million.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2024. 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 reported in the December 31, 2024 actuarial valuations were determined using the actuarial assumptions for each of the plans, applied to all periods included in the measurement, as shown on the following page.

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Note 19. Pension Plans (continued)

	ERF	Combined Plan	Supplemental Plan
Inflation	2.50%	2.50%	2.50%
Salary Increases	3.0% to 8.25%, including inflation	3.5% to 8%, including inflation	3.5% to 8%, including inflation
Investment Rate of Return	7.25%	6.50%	6.50%
Mortality	**For actives:** Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019). **For healthy retirees:** 2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019). **For all disabled lives:** 2019 Texas Municipal Retirees Mortality Table, set forward four years for males and three years for females, using Scale UMP (Ultimate MP-2019).	For actives: Pub-2016 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males and set back two years for females, projected generationally using Scale MP-2021. **For healthy retirees and dependent spouses:** Pub-2016 Public Safety Retiree Amount-Weighted Mortality Table, multiplied times 1.25 for males and multiplied times 0.8 for females, projected generationally using Scale MP-2021. **For healthy contingent beneficiaries:** Pub-2016 Public Safety Contingent Survivor Amount-Weighted Mortality Table, multiplied by 1.1 for males and multiplied by 1.25 for females, projected generationally using Scale MP-2021. **For all disabled lives:** Pub-2016 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2021.	For actives: Pub-2016 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males and set back two years for females, projected generationally using Scale MP-2021. **For healthy retirees and dependent spouses:** Pub-2016 Public Safety Retiree Amount-Weighted Mortality Table, multiplied times 1.25 for males and multiplied times 0.8 for females, projected generationally using Scale MP-2021. **For healthy contingent beneficiaries:** Pub-2016 Public Safety Contingent Survivor Amount-Weighted Mortality Table, multiplied by 1.1 for males and multiplied by 1.25 for females, projected generationally using Scale MP-2021. **For all disabled lives:** Pub-2016 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2021.
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 maximimum COLA for Tier A retirees is 5%, and the maximum for Tier B retirees is 3%.	1.5% on original benefit starting October 1, 2046. The assumption for the year the COLA begins is updated periodically and set equal to the year the System is projected to be 70% funding on a market value basis after the COLA is reflected.	1.5% on original benefit starting October 1, 2046. The assumption for the year the COLA begins is updated periodically and set equal to the year the System is projected to be 70% funding on a market value basis after the COLA is reflected.
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.

Note 19. 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:

	ERF	
Asset Class	Target Allocation	Long-term RROR
Domestic equity	12.00%	4.35%
International equity	11.50%	5.35%
Global equity	5.00%	4.90%
Global low volatility equity	10.00%	5.65%
Fixed income	17.50%	0.00%
High yield fixed income	10.00%	6.35%
Opportunities credit	4.00%	6.40%
REITs	2.50%	5.70%
Private real estate-value add	2.50%	7.35%
Private real estate-core	5.00%	5.80%
Private equity	10.00%	6.25%
Private credit	2.50%	7.75%
Global public infrastructure	1.25%	5.45%
Marketable alternatives	2.50%	6.35%
MLP	3.75%	6.45%
Total	100.00%	

	Combined Plan		Supplemental Plan	
Asset Class	Target Allocation	Long-term RROR	Target Allocation	Long-term RROR
Global equity	54%	6.13%	54%	6.13%
Emerging markets equity	4%	7.40%	4%	7.40%
Private equity	6%	9.65%	6%	9.65%
Short-term investment grade bonds	6%	1.35%	6%	1.35%
Investment grade bonds	4%	1.90%	4%	1.90%
High yield bonds	4%	3.50%	4%	3.50%
Bank Loans	4%	3.10%	4%	3.10%
Emerging markets debt	3%	3.60%	3%	3.60%
Private Credit	4%	6.10%	4%	6.10%
Real estate	5%	3.50%	5%	3.50%
Natural Resources	3%	9.85%	3%	9.85%
Cash	3%	1.10%	3%	1.10%
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 4.08 percent. The projection of cash flows used to determine the discount rate assumed 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 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.

Note 19. 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. As stated in Note 19 G, Dallas City Council approved a funding soundness restoration plan (the "City FSRP") that will allow the Pension System to be fully funded in 30 years beginning on October 1, 2024. The City FSRP allows for voluntary contributions that implements an actuarially determined contribution rate with a five-year step up, which meets the State law's 30-year funding requirement. 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. As stated in Note 19 G, Dallas City Council approved a funding soundness restoration plan (the "City FSRP") that will allow the Pension System to be fully funded in 30 years beginning on October 1, 2024. The City FSRP allows for voluntary contributions that implements an actuarially determined contribution rate with a five-year step up, which meets the State law's 30-year funding requirement.

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Note 19. Pension Plans (continued)

H. Changes in the Net Pension Liability

The following table shows the net pension liabilities as of December 31, 2024.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Employees' Retirement Fund			
Balances at 12/31/23	$ 6,647,257	$ 3,649,100	$ 2,998,157
Changes for the year:			
Service cost	157,423	-	157,423
Interest	362,610	-	362,610
Changes of assumptions	(1,188,687)	-	(1,188,687)
Differences between expected and actual experience	(2,815)	-	(2,815)
Contributions - City	-	80,782	(80,782)
Contributions - Employee	-	74,830	(74,830)
Net investment income	-	324,930	(324,930)
Benefit payments, including refunds of employee contributions	(348,938)	(348,938)	-
Administrative expense	-	(10,005)	10,005
Other changes	-	(850)	850
Net Changes	(1,020,407)	120,749	(1,141,156)
Balances at 12/31/24	$ 5,626,850	$ 3,769,849	$ 1,857,001
Combined Plan			
Balances at 12/31/23	$ 5,307,252	$ 1,934,814	$ 3,372,438
Changes for the year:			
Service cost	80,814	-	80,814
Interest	338,950	-	338,950
Benefit changes	2,703	-	2,703
Changes of assumptions	74,303	-	74,303
Differences between expected and actual experience	109,670	-	109,670
Contributions - City	-	188,633	(188,633)
Contributions - Employee	-	67,920	(67,920)
Net investment income	-	174,395	(174,395)
Benefit payments, including refunds of employee contributions	(346,933)	(346,933)	-
Administrative expense	-	(7,409)	7,409
Net Changes	259,507	76,606	182,901
Balances at 12/31/24	$ 5,566,759	$ 2,011,420	$ 3,555,339
Supplemental Plan			
Balances at 12/31/23	$ 45,265	$ 19,808	$ 25,457
Changes for the year:			
Service cost	1,260	-	1,260
Interest	2,917	-	2,917
Benefit changs	7	-	7
Changes of assumptions	(735)	-	(735)
Differences between expected and actual experience	291	-	291
Contributions - City	-	4,257	(4,257)
Contributions - Employee	-	295	(295)
Net investment income	-	1,882	(1,882)
Benefit payments, including refunds of employee contributions	(3,302)	(3,302)	-
Administrative expense	-	(85)	85
Net Changes	438	3,047	(2,609)
Balances at 12/31/24	$ 45,703	$ 22,855	$ 22,848

Note 19. 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 $1,217,472 and for business-type activities, $639.527. The amount of the ERF net pension liability allocated by business-type activity is $318.048 to Dallas Water Utilities, $7,683 to Convention Center, $72,383 to Airport Revenues, $123,183 to Sanitation, $48,423 to Storm Water and $69,807 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	$ 2,505,941	$ 1,857,001	$ 1,314,471
Combined Plan	$ 4,242,187	$ 3,555,339	$ 2,985,477
Supplemental Plan	$ 277,394	$ 22,848	$ 18,998

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, 2025, the City recognized total pension expense of $380,418, $14,659 of which was for the ERF, $362,745 for the Combined Plan, and $3,014 for the Supplemental Plan. At September 30, 2025, 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	$ 66,003	$ 2,188	$ 116,548	$ 49,774	$ -	$ -
Changes of assumptions	348,111	1,087,709	197,172	1,816	-	-
Net difference between projected and actual earnings on pension plan investments	90,235	-	-	7,704	-	96
Contributions subsequent to the measurement date	62,793	-	154,068	-	3,353	-
Total deferred outflows/inflows	$ 567,142	$ 1,089,897	$ 467,788	$ 59,294	$ 3,353	$ 96

Deferred outflows of resources reported in the amounts of $62,793, $154,068 and $3,353 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, 2025. Deferred inflows of resources reported in the amount of ($331,218) related to pensions will be recognized in pension expense as shown on the following page.

Note 19. Pension Plans (continued)

	ERF	Combined Plan	Supplemental Plan
Year ending 09/30:			
2026	$ (32,611)	$ 93,515	$ 3
2027	(111,140)	108,541	346
2028	(298,292)	(13,839)	(334)
2029	(143,505)	16,460	(111)
2030	-	23,467	-
Thereafter	-	26,282	-
Total	$ (585,548)	$ 254,426	$ (96)

Note 20. 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 16). 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.

On September 30, 2025, approximately $10.6 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 $11.5 million as of September 30, 2025.

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, 2025. These projects are evidenced by contractual commitments and include the following: $324 million for General Purpose Capital Improvements and $696 million for Water Utilities Capital Improvements.

As discussed in note 2B., 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, 2025, the amount of encumbrances expected to be honored upon performance by the vendor in a subsequent year were as follows:

	Encumbrance Amount
General fund	$ 33,467
Nonmajor governmental funds	476,138
Total	$ 509,605

Note 21. 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 $750 (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 750 pre-65 retired participants in the health plan on September 30, 2025, 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.

C. Employees Covered by Benefit Terms

At September 30, 2025, membership was as follows:

Pre-65 Retirees	750
Part A Retirees	317
Active employees	3,507
Total participants	4,574

D. Total OPEB Liability

The City's total OPEB liability of $212,695 was measured as of September 30, 2025 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 $178,590 and for business-type activities, $34,105, with allocations of $19,929 to Dallas Water Utilities, $416 to Convention Center, $3,440 to Airport Revenues, $4,863 to Sanitation, $2,195 to Storm Water, and $3,262 to nonmajor enterprise funds.

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Note 21. Other Postemployment Benefits (continued)

E. Actuarial Assumptions

The total OPEB liability in the September 30, 2025 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	**Police and Fire:** 2.5% to 3.25%, including inflation **Non-Uniformed:** 3.0% to 8.25%, including inflation
Discount Rate	4.42%, based on the 20-year yield for tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Mortality	**Uniform (pre-retirement):** Pub-2010 Public Safety Employee Amount-Weighted Table, set forward five years for males, projected using Scale MP-2019. **Uniform (post-retirement):** Pub-2010 Public Safety Retiree Amount-Weighted Table set back one year for females, projected using Scale MP-2019. **Non-Uniformed (pre-retirement):** Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019). **Non-Uniformed (post-retirement):** 2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019)
Healthcare Cost Trend Rates	**Pre-65 Trend:** 8.95% for fiscal year 2025 and trending down to an ultimate 3.94% using the Getzen model. **Post-65 Trend:** 4.90% for fiscal year 2025 and trending down to an ultimate 3.94% using the Getzen model.

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Note 21. Other Postemployment Benefits (continued)

The actuarial assumptions used in the September 30, 2025, valuation were based on the results of an experience study on the healthcare-specific participation assumptions, plus assumption changes included in the September 30, 2025 valuation.

F. Changes to the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2024	$ 215,663
Changes for the year:	
Service cost	5,306
Interest	8,357
Differences between expected and actual experience	(7,948)
Change of assumptions	3,267
Benefit payments	(11,950)
Net Changes	(2,968)
Balance at September 30, 2025	$ 212,695

Changes of assumptions reflect a decrease in the discount rate from 3.88% to 4.42% and an updated medical trend.

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 4.42 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 (3.42 percent) or 1-percentage-point higher (5.42 percent) than the current rates:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$ 228,036	$ 212,695	$ 198,542

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	$ 194,791	$ 212,695	$ 232,925

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Note 21. 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, 2025, the City recognized total OPEB expense of $1,904. On September 30, 2025, the City also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ -	$ 30,276
Changes of assumptions	14,505	19,365
Total deferred outflows/inflows	$ 14,505	$ 49,641

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending 9/30:	OPEB Expense
2026	$ (11,759)
2027	(11,760)
2028	(9,217)
2029	(2,451)
2030	51
Total	$ (35,136)

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Note 22. Restatement of Net Position: Change in Accounting Principle – Implementation of GASB Statement No. 101 (GASB 101)

During fiscal year 2025, the City implemented GASB Statement No. 101, Compensated Absences. The Statement establishes a unified recognition and measurement model for compensated absences and requires retroactive application.

GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Prior to the implementation of GASB 101, the liability for compensated absences was comprised of vacation, sick, and attendance incentive leave which was used or accumulated up to certain limitations. The unused portion of these leave balances was paid upon death, retirement, or termination with certain limitations. Under GASB 101, additional categories of leave that meet the revised recognition criteria, including compensatory leave and certain accumulated sick leave balances, are recognized as liabilities.

The compensated absences liability is measured using pay rates in effect at the financial statement date and includes salary-related benefits such as employer-paid Medicare taxes, as applicable.

As a result of implementing GASB 101, the City retroactively restated the beginning net positions as of September 30, 2024, to reflect the expanded recognition and revised measurement requirements. The beginning net positions for the governmental activities, business-type activities, internal service funds, and enterprise funds were reduced, as shown in the table below. The liability for the internal service funds was allocated to the governmental activities at the government-wide level. Because governmental funds are reported using the modified accrual basis of accounting, the implementation did not affect beginning governmental fund balances, as compensated absences are recognized in those funds only when due and payable.

	Net Position on 09/30/2024, as Previouly Reported	Change in Accounting Principle-GASB 101 Implementation	Net Position on 09/30/2024, as Restated
Government-wide			
Governmental Activities (1)	$ (176,034)	$ (42,535)	$ (218,569)
Business-Type Activities	4,526,177	(5,494)	4,520,683
Total Government-wide	$ 4,350,143	$ (48,029)	$ 4,302,114
Internal Service Funds			
Equipment Services	(52,806)	(331)	(53,137)
Communication Equipment Services	5,631	(56)	5,575
Office Services	4,968	(26)	4,942
Information Systems	(6,044)	(276)	(6,320)
Risk Funds	(49,646)	(80)	(49,726)
Bond Program Adminstration	(55,964)	(177)	(56,141)
Total Internal Service Funds (1)	$ (153,861)	$ (946)	$ (154,807)
Enterprise Funds			
Major Enterprise Funds			
Dallas Water Utilities	3,328,791	(3,177)	3,325,614
Convention Center	380,206	(90)	380,116
Airport Revenues	920,601	(462)	920,139
Sanitation	(120,302)	(696)	(120,998)
Storm Water Operations	92,811	(371)	92,440
Nonmajor Enterprise Funds			
Municipal Radio	(1,705)	-	(1,705)
Building Inspections	(74,225)	(698)	(74,923)
Total Enterprise Funds	$ 4,526,177	$ (5,494)	$ 4,520,683

(1) Changes in net position for the Internal Service Funds are included in the Governmental Activities.

Note 23. Subsequent Events

On August 14, 2024, the City Council amended Chapter 40A, Retirement, of the Dallas City Code. This amendment was also approved by a majority of the City's qualified voters at an election held on November 5, 2024. Subsequent to the applicable five-year phase-in period beginning on October 1, 2025, the City will generally make contributions to the Dallas Employees Retirement Fund (ERF), minus the member contributions, sufficient to amortize the unfunded actuarial accrued liability as of December 31, 2024, within 30 years. During the five-year phase-in period, the Dallas City Code defines a maximum total contribution rate.

On October 16, 2025, S&P Global Ratings (S&P) assigned a rating of 'AA-' and stable outlook on the on the General Obligation Bonds, Series 2025, and Equipment Acquisition Contractual Obligations, Series 2025. S&P also affirmed the 'AA-' rating and stable outlook on the outstanding General Obligation debt and affirmed the 'A' rating and stable outlook on the Dallas Convention Center Hotel Development Corporation (a discretely presented component unit), Series 2009A and Series 2009B hotel revenue bonds.

On October 17, 2025, Fitch Ratings (Fitch) assigned a rating of 'AA' and stable outlook on the General Obligation Bonds, Series 2025, and Equipment Acquisition Contractual Obligations, Series 2025. Fitch also affirmed the 'AA' rating and stable outlook on the outstanding General Obligation debt and hotel occupancy tax (HOT) bonds.

On November 12, 2025, the City issued General Obligation Bonds, Series 2025 in the amount of $232.6 million, with a premium of $19.3 million for a total of $251.9 million. The interest rates on the bonds range from 4 percent to 5 percent. The proceeds will be used to fund various improvements including street and transportation, park and recreation facilities, flood protection and drainage, library facilities, cultural and performing arts facilities, public safety facilities, economic development programs and infrastructure, housing and related infrastructure, homeless facilities, and pay costs of issuance of the bonds. The bonds will mature on February 15, 2045.

On November 12, 2025, the City issued Equipment Acquisition Contractual Obligations, Series 2025 in the amount of $32.8 million with a premium of $2 million for a total of $34.8 million. The interest rate on the obligations is 5 percent. The proceeds will be used for the acquisition of personal property for various City departments and to pay the costs of issuance of the obligations. The obligations will mature on August 15, 2030.

On December 4, 2025, the City issued Waterworks and Sewer System Revenue Bonds, Series 2025C in the amount of $34 million. The interest rates on the bonds range from 1.85 percent to 3.92 percent. The proceeds will be used for planning, acquisition, designing, and construction extensions and improvements to the system. The bonds will mature on October 1, 2050.

From October 1, 2025, through the date of the independent auditors' report, the City issued $11.7 million of Dallas Water Utilities commercial paper notes, Series F with an average interest rate of 2.45 percent, and $19.5 million of Dallas Water Utilities commercial paper notes, Series G with an average interest rate of 2.46 percent. In addition, the Series F commercial paper notes had $46 million that matured on March 18, 2026.

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CITY OF DALLAS, TEXAS
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-NON-GAAP BUDGETARY BASIS
Year Ended September 30, 2025
(in thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget-Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	$ 1,081,976	$ 1,081,976	$ 1,077,593	$ (4,383)
Sales tax	463,804	463,804	453,319	(10,485)
Other tax and franchise revenues	129,225	130,942	132,464	1,522
Licenses and permits	14,478	14,478	14,474	(4)
Intergovernmental	21,918	21,918	24,776	2,858
Services to others	110,305	110,305	119,285	8,980
Fines and forfeitures	19,435	19,435	19,660	225
Investment income	20,000	20,000	23,938	3,938
Misc revenue	8,087	6,370	4,123	(2,247)
Total revenues	1,869,228	1,869,228	1,869,632	404
General government				
City attorney's office	24,668	23,400	23,256	144
City auditor's office	3,214	3,063	3,063	-
Office of Budget and management services	4,579	4,480	4,106	374
Non-departmental	130,608	128,293	123,708	4,585
Independent audit	767	-	-	-
City controller's office	9,072	8,728	8,314	414
City manager's office	3,234	3,008	2,830	178
City marshal's office	22,899	22,396	22,362	34
Municipal court - Judiciary	5,468	5,132	4,643	489
Court and detention services	11,727	11,661	11,661	-
Jail contract-Lew Sterrett	7,878	7,878	7,878	-
Civil service	2,897	2,735	2,735	-
Office of Data Analysis and Business Intelligence	5,811	5,695	5,695	-
Office of economic development	3,784	3,737	3,719	18
Mayor and city council	7,770	7,562	7,342	220
Office of Management services	48,874	48,206	44,548	3,658
Office of the Inspector General	-	1,038	1,038	-
Human resources	8,909	9,268	9,137	131
Procurement services	4,248	3,973	3,575	398
Elections	1,957	2,365	2,126	239
City secretary's office	3,666	3,669	3,669	-
Total general government	312,030	306,287	295,405	10,882
Public safety				
Dallas police department	719,168	718,426	714,179	4,247
Dallas fire - rescue	429,752	438,925	438,903	22
Total public safety	1,148,920	1,157,351	1,153,082	4,269
Code enforcement				
Code compliance	44,596	44,244	43,215	1,029
Dallas animal services	19,697	21,916	21,916	-
Total code enforcement	64,293	66,160	65,131	1,029

continued

CITY OF DALLAS, TEXAS
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-NON-GAAP BUDGETARY BASIS
Year Ended September 30, 2025
(in thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget-Positive (Negative)
	Original	Final		
Public works and transportation	$ 146,109	$ 146,324	$ 141,161	$ 5,163
Facilities and real estate management	31,772	32,862	32,848	14
Culture and recreation				
Library	44,457	44,184	43,859	325
Office of arts and culture	20,568	20,568	20,481	87
Park and recreation	121,827	123,046	123,032	14
Total culture and recreation	186,852	187,798	187,372	426
Housing and community development	4,462	4,284	3,377	907
Planning and development	6,755	6,532	6,532	-
Total expenditures	1,901,193	1,907,598	1,884,908	22,690
Excess (deficiency) of revenues over (under) expenditures	(31,965)	(38,370)	(15,276)	23,094
Other financing sources (uses):				
Interfund transfers in	34,183	39,588	24,276	(15,312)
Interfund reserved and transfers out	(2,218)	(1,218)	(1,218)	-
Total other financing sources (uses)	31,965	38,370	23,058	(15,312)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	-	7,782	7,782
Fund balances, beginning of year	$ 311,934	$ 311,934	$ 311,934	-
Fund balances, end of year	$ 311,934	$ 311,934	$ 319,716	$ 7,782

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

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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 Ten Fiscal Years
(Dollar amounts in thousands)

	2025	2024	2023	2022
Employees' Retirement Fund				
Total Pension Liability				
Service cost	$ 157,423	$ 152,774	$ 94,476	$ 141,654
Interest	362,610	346,704	360,815	322,901
Changes of assumptions	(1,188,687)	(103,487)	1,226,214	(1,303,798)
Differences between expected and actual experience	(2,815)	89,578	56,503	30,791
Benefit payments, including refunds	(348,938)	(340,997)	(329,686)	(307,038)
Net change	(1,020,407)	144,572	1,408,322	(1,115,490)
Total Pension Liability, Beginning	6,647,257	6,502,685	5,094,363	6,209,853
Total Pension Liability, Ending [a]	5,626,850	6,647,257	6,502,685	5,094,363
Plan Fiduciary Net Position				
Contributions - City	80,782	73,939	67,288	63,583
Contributions - Employee	74,830	70,025	63,428	59,256
Net investment income	324,930	339,879	(368,929)	578,010
Benefit payments, including refunds	(348,938)	(340,997)	(329,686)	(307,038)
Administrative expense	(10,005)	(9,184)	(9,036)	(7,350)
Other changes	(850)	(841)	-	-
Net change	120,749	132,821	(576,935)	386,461
Plan Fiduciary Net Position, Beginning	3,649,100	3,516,279	4,093,214	3,706,753
Plan Fiduciary Net Position, Ending [b]	3,769,849	3,649,100	3,516,279	4,093,214
City's Net Pension Liability [a] - [b]	$ 1,857,001	$ 2,998,157	$ 2,986,406	$ 1,001,149
Plan Fiduciary Net Position as a percentage of Total Pension Liability	67%	55%	54%	80%
Covered payroll	556,566	530,702	$ 476,601	$ 442,863
City's Net Pension Liability as a percentage of covered payroll	334%	565%	627%	226%
Dallas Police and Fire Pension Combined Plan				
Total Pension Liability				
Service cost	$ 80,814	$ 80,051	$ 71,625	$ 69,963
Interest	338,950	335,597	329,455	326,949
Benefit changes	2,703	-	-	-
Changes of assumptions	74,303	-	65,942	(4,238)
Differences between expected and actual experience	109,670	(19,708)	(42,456)	(26,683)
Plan changes	-	-	-	-
Benefit payments, including refunds	(346,933)	(343,346)	(333,638)	(324,633)
Net change	259,507	52,594	90,928	41,358
Total Pension Liability, Beginning	5,307,252	5,254,658	5,163,730	5,122,372
Total Pension Liability, Ending [a]	5,566,759	5,307,252	5,254,658	5,163,730
Plan Fiduciary Net Position				
Contributions - City	188,633	171,961	169,911	165,541
Contributions - Employee	67,920	62,510	59,707	58,560
Net investment income	174,395	243,098	(240,891)	321,063
Benefit payments, including refunds	(346,933)	(343,346)	(333,638)	(324,633)
Administrative expense	(7,409)	(5,974)	(6,363)	(6,391)
Other changes	-	-	-	-
Net change	76,606	128,249	(351,274)	214,140
Plan Fiduciary Net Position, Beginning	1,934,814	1,806,565	2,157,839	1,943,699
Plan Fiduciary Net Position, Ending [b]	2,011,420	1,934,814	1,806,565	2,157,839
City's Net Pension Liability [a] - [b]	$ 3,555,339	$ 3,372,438	$ 3,448,093	$ 3,005,891
Plan Fiduciary Net Position as a percentage of Total Pension Liability	36%	36%	34%	42%
Covered payroll	$ 503,931	$ 469,275	$ 462,820	$ 436,971
City's Net Pension Liability as a percentage of covered payroll	706%	719%	745%	688%
Dallas Police and Fire Pension Supplemental Plan				
Total Pension Liability				
Service cost	$ 1,260	$ 1,261	$ 1,019	$ 394
Interest	2,917	2,786	2,630	2,373
Benefit changes	7	-	-	-
Changes of assumptions	(735)	-	891	(4)
Differences between expected and actual experience	291	1,092	501	3,371
Plan changes	-	-	-	-
Benefit payments, including refunds	(3,302)	(2,940)	(2,843)	(2,750)
Net change	438	2,199	2,198	3,384
Total Pension Liability, Beginning	45,265	43,066	40,868	37,484
Total Pension Liability, Ending [a]	45,703	45,265	43,066	40,868
Plan Fiduciary Net Position				
Contributions - City	4,257	3,665	2,807	2,099
Contributions - Employee	295	278	256	228
Net investment income	1,882	2,225	(2,181)	2,765
Benefit payments, including refunds	(3,302)	(2,940)	(2,843)	(2,750)
Administrative expense	(85)	(61)	(59)	(55)
Other changes	-	-	-	-
Net change	3,047	3,167	(2,020)	2,287
Plan Fiduciary Net Position, Beginning	19,808	16,641	18,661	16,374
Plan Fiduciary Net Position, Ending [b]	22,855	19,808	16,641	18,661
City's Net Pension Liability [a] - [b]	$ 22,848	$ 25,457	$ 26,425	$ 22,207
Plan Fiduciary Net Position as a percentage of Total Pension Liability	50%	44%	39%	46%
Covered payroll	1,838	1,922	$ 1,800	$ 1,631
City's Net Pension Liability as a percentage of covered payroll	1243%	1325%	1468%	1362%

2021	2020	2019	2018	2017	2016
$ 118,452	$ 124,288	$ 84,843	$ 81,178	$ 133,457	$ 78,020
330,348	325,766	332,011	325,620	305,826	313,850
479,292	(43,032)	1,020,969	-	(1,227,079)	1,238,431
(82,641)	(7,819)	4,793	(59,066)	(38,327)	(26,829)
(294,323)	(288,445)	(272,496)	(261,690)	(249,639)	(239,960)
551,128	110,758	1,170,120	86,042	(1,075,762)	1,363,512
5,658,725	5,547,967	4,377,847	4,291,805	5,367,567	4,004,055
6,209,853	5,658,725	5,547,967	4,377,847	4,291,805	5,367,567
61,615	62,177	60,924	58,966	56,130	50,721
58,359	58,314	56,772	55,175	53,436	50,742
229,105	550,942	(167,783)	413,511	294,918	(53,344)
(294,322)	(288,443)	(272,496)	(261,690)	(249,639)	(239,960)
(5,700)	(7,513)	(7,485)	(5,951)	(5,343)	(4,598)
(393)	298	121	207	333	162
48,664	375,775	(329,947)	260,218	149,835	(196,277)
3,658,089	3,282,314	3,612,261	3,352,043	3,202,208	3,398,485
3,706,753	3,658,089	3,282,314	3,612,261	3,352,043	3,202,208
$ 2,503,100	$ 2,000,636	$ 2,265,653	$ 765,586	$ 939,762	$ 2,165,359
60%	65%	59%	83%	78%	60%
$ 428,824	$ 433,890	$ 423,723	$ 421,269	$ 409,433	$ 393,186
584%	461%	535%	182%	230%	551%
$ 56,244	$ 49,156	$ 44,792	$ 148,552	$ 167,432	$ 125,441
324,046	318,703	318,536	348,171	360,567	359,023
-	-	-	-	-	-
257,525	155,569	(31,460)	(2,851,241)	(712,004)	908,988
70,548	16,723	(46,556)	(134,665)	(77,463)	379,461
-	-	16,091	(1,167,597)	-	-
(317,951)	(309,859)	(297,081)	(296,154)	(825,092)	(285,003)
390,412	230,292	4,322	(3,952,934)	(1,086,560)	1,487,910
4,731,960	4,501,668	4,497,346	8,450,280	9,536,840	8,048,930
5,122,372	4,731,960	4,501,668	4,497,346	8,450,280	9,536,840
161,950	155,721	149,357	126,318	119,345	114,886
57,305	52,268	49,332	32,977	25,518	25,676
(8,928)	124,260	42,822	98,911	164,791	(235,338)
(317,951)	(309,861)	(297,081)	(296,154)	(825,092)	(285,003)
(6,534)	(6,445)	(5,861)	(8,089)	(9,492)	(8,417)
-	-	-	(1,280)	(4,532)	(5,875)
(114,158)	15,943	(61,431)	(47,317)	(529,462)	(394,071)
2,057,857	2,041,914	2,103,345	2,150,662	2,680,124	3,074,195
1,943,699	2,057,857	2,041,914	2,103,345	2,150,662	2,680,124
$ 3,178,673	$ 2,674,103	$ 2,459,754	$ 2,394,001	$ 6,299,618	$ 6,856,716
38%	43%	45%	47%	25%	28%
$ 427,441	$ 396,955	$ 363,117	$ 346,037	$ 357,414	$ 365,210
744%	674%	677%	692%	1763%	1877%
$ 379	$ 212	$ 223	$ 111	$ 70	$ 36
2,438	2,223	2,359	2,799	2,911	2,953
-	-	-	-	-	-
1,559	1,332	28	(479)	(917)	(601)
47	3,007	(2,628)	(1,435)	1,106	929
-	-	889	(5,306)	-	-
(2,778)	(2,766)	(2,708)	(2,669)	(5,912)	(2,640)
1,645	4,008	(1,837)	(6,979)	(2,742)	677
35,839	31,831	33,668	40,647	43,389	42,712
37,484	35,839	31,831	33,668	40,647	43,389
1,778	1,530	1,980	2,077	3,064	2,443
245	111	75	66	35	43
(123)	169	1,220	740	1,141	(1,690)
(2,778)	(2,766)	(2,708)	(2,669)	(5,912)	(2,640)
(55)	(55)	(53)	(69)	(78)	(61)
-	-	-	(11)	(37)	(43)
(933)	(1,011)	514	134	(1,787)	(1,948)
17,307	18,318	17,804	17,670	19,457	21,405
16,374	17,307	18,318	17,804	17,670	19,457
$ 21,110	$ 18,532	$ 13,513	$ 15,864	$ 22,977	$ 23,932
44%	48%	58%	53%	43%	45%
$ 626	$ 584	$ 622	$ 916	$ 525	$ 725
3372%	3173%	2173%	1732%	4377%	3301%

CITY OF DALLAS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS
Last Ten Fiscal Years
(Dollar amounts in thousands)

	2025	2024	2023	2022
Employees Retirement Fund				
Actuarially determined contribution	$ 130,555	$ 122,066	$ 109,527	$ 107,167
Contributions in relation to the actuarially determined contribution	$ 83,380	$ 79,830	$ 72,640	$ 68,492
Contribution deficiency (excess)	$ 47,175	$ 42,236	$ 36,887	$ 38,675
Covered payroll	$ 577,421	$ 552,836	$ 514,451	$ 497,758
Contributions as a percentage of covered payroll	14%	14%	14%	14%
Dallas Police and Fire Pension - Combined Plan				
Actuarially determined contribution	$ 248,142	$ 266,810	$ 248,327	$ 228,658
Contributions in relation to the actuarially determined contribution	$ 205,616	$ 182,333	$ 171,671	$ 169,910
Contribution deficiency (excess)	$ 42,526	$ 84,477	$ 76,656	$ 58,748
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	$ 545,128	$ 490,821	$ 456,820	$ 437,204
Contributions as a percentage of covered payroll	38%	37%	38%	39%
Dallas Police and Fire Pension - Supplemental Plan				
Actuarially determined contribution	$ 3,354	$ 4,256	$ 3,666	$ 2,807
Contributions in relation to the actuarially determined contribution	$ 3,354	$ 4,256	$ 3,666	$ 2,807
Covered payroll	$ 1,838	$ 1,980	$ 1,854	$ 1,680
Contributions as a percentage of covered payroll	182%	215%	198%	167%

(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.

2021	2020	2019	2018	2017	2016
$ 96,558	$ 92,567	$ 85,945	$ 91,977	$ 88,547	$ 81,838
$ 61,892	$ 61,798	$ 62,462	$ 60,589	$ 58,045	$ 56,987
$ 34,666	$ 30,769	$ 23,483	$ 31,388	$ 30,502	$ 24,851
$ 437,707	$ 435,198	$ 434,064	$ 420,754	$ 405,062	$ 389,706
14%	14%	14%	14%	14%	15%
$ 223,152	$ 193,748	$ 157,368	$ 157,997	$ 202,167	N/A
$ 165,330	$ 161,928	$ 151,850	$ 151,850	$ 120,351	N/A
$ 57,822	$ 31,820	$ 5,518	$ 6,147	$ 81,816	N/A
N/A	N/A	N/A	N/A	N/A	$ 118,508
N/A	N/A	N/A	N/A	N/A	$ 118,508
N/A	N/A	N/A	N/A	N/A	$ -
$ 431,045	$ 414,790	$ 375,759	$ 348,011 (1)	$ 427,867	$ 432,082
38%	39%	40%	44%	28%	27%
$ 2,099	$ 1,777	$ 1,881	$ 2,274	$ 2,087	$ 3,064
$ 2,099	$ 1,777	$ 1,881	$ 2,274	$ 2,087	$ 3,064
$ 646	$ 584	$ 723	$ 916	$ 525	$ 725
325%	304%	260%	248%	398%	423%

CITY OF DALLAS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS
Last Ten Fiscal Years

Employees' Retirement Fund

Valuation date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
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.									
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%	5.54%	5.41%	7.25%	5.27%	5.93%	5.98%	7.75%		8.00%
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	**For actives:** Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019). **For healthy retirees:** 2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019). **For all disabled lives:** 2019 Texas Municipal Retirees Mortality Table, set forward four years for males and three years for females, projected using Scale UMP (Ultimate MP-2019).	**For actives:** 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. **For healthy retirees:** 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 **For all disabled lives:** RP-2000 Disabled Mortality Table for male annuitants, set forward one year.	**For actives:** 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. **For healthy retirees:** 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. **For all disabled lives:** 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 Ten Fiscal Years

Dallas Police and Fire Pension - Combined Plan

Valuation date	1/1/2025	1/1/2024	1/1/2023	01/01/22	01/01/21	01/01/20	01/01/19	01/01/18	01/01/17	01/01/16
Timing	The actuarially determined contribution is									
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	3.5% to 8%, including inflation	2.5% to 7.25%, including inflation.		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	1.5% on original benefit starting October 1, 2046. The assumption for the year the COLA begins is updated periodically and set equal to the year the System is projected to be 70% funding on a market value basis after the COLA is reflected.	Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 1.5% on original benefit starting October 1, 2073.		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	**For actives:** Pub-2016 Public Safety Employee Amount Weighted Mortality Table, set forward five years for males and set back two years for females, projected generationally using Scale MP-2021. **For healthy retirees and dependent spouses:** Pub-2016 Public Safety Retiree Amount-Weighted Mortality Table, multiplied times 1.25 for males and multiplied times 0.8 for females, projected generationally using Scale MP-2021. **For healthy contingent beneficiaries:** Pub-2016 Public Safety Contingent Survivor Amount-Weighted Mortality Table, multiplied by 1.1 for males and multiplied by 1.25 for females, projected generationally using Scale MP-2021. **For all disabled lives:** Pub-2016 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2021.	**For actives:** Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019. **For healthy retirees:** Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019. **For all disabled lives:** 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.					**For actives:** RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015 **For healthy retirees:** RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015 **For all disabled lives:** Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.	**For actives:** Sex distinct RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015. **For healthy retirees:** RP-2014 Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015. **For all disabled lives:** Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.		

CITY OF DALLAS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS (Continued)
Last Ten Fiscal Years

Dallas Police and Fire Pension - Supplemental Plan

Valuation date		1/1/2024	1/1/2023	01/01/22	01/01/21	01/01/20	01/01/19	01/01/18	01/01/17	01/01/16
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%				
Salary increases	3.5% to 8%, including inflation	2.5% to 7.25%, including inflation.		2.50% 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%			
Cost of Living Adjustment	1.5% on original benefit starting October 1, 2046. The assumption for the year the COLA begins is updated periodically and set equal to the year the System is projected to be 70% funding on a market value basis after the COLA is reflected.	1.5% on original benefit starting October 1, 2073		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	**For actives:** Pub-2016 Public Safety Employee Amount Weighted Mortality Table, set forward five years for males and set back two years for females, projected generationally using Scale MP-2021. **For healthy retirees and dependent spouses:** Pub-2016 Public Safety Retiree Amount-Weighted Mortality Table, multiplied times 1.25 for males and multiplied times 0.8 for females, projected generationally using Scale MP-2021. **For healthy contingent beneficiaries:** Pub-2016 Public Safety Contingent Survivor Amount-Weighted Mortality Table, multiplied by 1.1 for males and multiplied by 1.25 for females, projected generationally using Scale MP-2021. **For all disabled lives:** Pub-2016 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2021.	**For actives:** Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019. **For healthy retirees:** Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019. **For all disabled lives:** 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.					**For actives:** RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015 **For healthy retirees:** RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015 **For all disabled lives:** Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.	**For actives:** Sex distinct RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015. **For healthy retirees:** RP-2014 Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015. **For all disabled lives:** Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.	

CITY OF DALLAS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (1)
SCHEDULE OF CHANGES IN THE CITY'S TOTAL LIABILITY
AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS
Last Eight Fiscal Years
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018 [2]
Total OPEB Liability								
Service cost	$ 5,306	$ 4,454	$ 4,959	$ 7,912	$ 14,023	$ 16,491	$ 14,006	$ 14,817
Interest	8,357	9,570	9,666	5,867	12,940	15,775	19,813	18,420
Changes of assumptions	3,267	11,353	(4,846)	(38,723)	12,863	(47,877)	82,662	(26,244)
Differences between expected and actual experience	(7,948)	(5,530)	(12,666)	(8,639)	(30,661)	(198)	(42,693)	6,669
Changes in benefit terms	-	-	-	-	(255,621)	-	-	-
Benefit payments	(11,950)	(12,606)	(10,262)	(11,006)	(18,373)	(18,573)	(19,537)	(21,343)
Net change	(2,968)	7,241	(13,149)	(44,589)	(264,829)	(34,382)	54,251	(7,681)
Total OPEB Liability, Beginning	215,663	208,422	221,571	266,160	530,989	565,371	511,120	518,801
Total OPEB Liability, Ending	$ 212,695	$ 215,663	$ 208,422	$ 221,571	$ 266,160	$ 530,989	$ 565,371	$ 511,120
Covered employee payroll	$ 1,277,363	$ 1,205,282	$ 1,127,833	$ 1,045,494	$ 983,482	$ 959,102	$ 914,916	$ 877,768
Total OPEB Liability as a Percentage of Covered Employee Payroll	17%	18%	18%	21%	27%	55%	62%	58%

(1) There are no assets accumulated in a trust that meet 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.

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.

Management Improvement Fund – to account for private and grant funds received for management productivity improvements.

Public Improvement Districts Fund – to account for special assessments restricted for public improvement districts.

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

DEBT SERVICE FUND

Fair Park Debt Service - to account for the accumulation of resources for, and the payments of long-term debt principal, interest, and related costs exclusively for the Fair Park venue project.

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.

Grauwyler Memorial – to account for the private donation by Mrs. Emma H. Grauwyler. The income from the trust is to be used to improve and beautify Grauwyler 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, 2025
(in thousands)

	Special Revenue				
	Community Development	Health and Human Services	Library	Police	Recreation
Assets					
Pooled cash and cash equivalents	$ 3,827	$ -	$ 2,848	$ 38,886	$ 63,008
Other investments, at fair value	-	-	1,000	-	-
Receivables:					
Notes	38,385	-	-	-	812
Special assessments-paving notes	-	-	-	-	-
Accounts	29,076	-	-	614	67
Accrued interest	651	2	48	167	433
Leases	-	-	-	-	24,002
Allowance for uncollectible accounts	(43,051)	-	-	-	-
Due from other governments	16,985	7,027	-	5,228	50
Prepaid items	123	7	-	7	-
Restricted cash and cash equivalents	-	-	-	-	-
Notes receivable from other funds	-	-	-	-	-
Total assets	45,996	7,036	3,896	44,902	88,372
Liabilities, deferred inflows, and fund balances					
Liabilities					
Accrued payroll	-	-	-	30	-
Accounts payable	3,596	202	59	1,377	496
Due to other funds	-	6,076	-	-	-
Unearned revenue	-	-	-	859	228
Construction accounts payable	-	-	-	-	-
Notes payable to other funds	-	-	-	-	4,440
Customer deposits	-	-	-	-	-
Contracts payable	-	-	-	-	-
Other liabilities	1,903	-	-	13	9
Total liabilities	5,499	6,278	59	2,279	5,173
Deferred inflows of resources					
Unavailable revenue related to taxes, accounts receivable, and grants	25,045	-	-	-	866
Unavailable revenue related to leases	-	-	-	-	22,238
Total deferred inflows of resources	25,045	-	-	-	23,104
Fund balances					
Nonspendable	123	7	-	7	-
Restricted	15,329	751	3,837	42,616	-
Committed	-	-	-	-	60,095
Unassigned	-	-	-	-	-
Total fund balances	15,452	758	3,837	42,623	60,095
Total liabilities, deferred inflows, and fund balance	$ 45,996	$ 7,036	$ 3,896	$ 44,902	$ 88,372

Transportation	Management Improvement	Public Improvement Districts	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
$ 30,549	$ 177,407	$ 1,371	$ 70,086	$ 2,085	$ 6,698	$ 396,765
-	-	-	-	-	2,235	3,235
-	-	-	21,893	-	-	61,090
-	-	-	-	-	-	-
-	10,795	1,985	1,559	-	-	44,096
126	753	-	850	9	29	3,068
-	209	-	-	-	-	24,211
-	(10,546)	(312)	(3,118)	-	-	(57,027)
1,189	6,706	-	-	-	-	37,185
-	4	-	-	-	-	141
-	-	-	-	-	-	-
-	-	-	-	-	-	-
31,864	185,328	3,044	91,270	2,094	8,962	512,764
-	-	-	-	-	-	30
597	10,254	3,065	-	18	-	19,664
-	-	-	-	-	-	6,076
-	13,973	-	1,147	-	-	16,207
-	-	-	-	-	-	-
-	-	-	-	-	-	4,440
111	-	-	-	-	-	111
-	-	-	-	-	-	-
27	1,974	-	-	-	-	3,926
735	26,201	3,065	1,147	18	-	50,454
-	-	-	19,572	-	-	45,483
-	205	-	-	-	-	22,443
-	205	-	19,572	-	-	67,926
-	4	-	-	-	-	141
31,129	158,918	-	70,551	2,076	8,962	334,169
-	-	-	-	-	-	60,095
-	-	(21)	-	-	-	(21)
31,129	158,922	(21)	70,551	2,076	8,962	394,384
$ 31,864	$ 185,328	$ 3,044	$ 91,270	$ 2,094	$ 8,962	$ 512,764

continued

CITY OF DALLAS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2025
(in thousands)

	Capital Projects					Total Nonmajor Capital Project Funds	Debt Service
	Neighborhood Projects	Parks	Streets and Drainage	Building	Trans-portation		Fair Park
Assets							
Pooled cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,025
Other investments, at fair value	-	5	20,672	9	3	20,689	-
Receivables:							
Notes	1,547	-	-	213	-	1,760	-
Special assessments-paving notes	-	-	6,201	-	-	6,201	-
Accounts	39,252	-	-	-	-	39,252	-
Accrued interest	2,017	480	977	2,438	767	6,679	30
Leases	-	1,343	-	-	-	1,343	-
Allowance for uncollectible accounts	(2,097)	-	(4,544)	(213)	-	(6,854)	-
Due from other governments	-	1,953	-	1,270	11,304	14,527	-
Prepaid items	-	10,600	-	-	-	10,600	-
Restricted cash and cash equivalents	490,199	112,153	245,901	569,487	177,242	1,594,982	-
Notes receivable from other funds	-	-	4,161	-	-	4,161	-
Total assets	530,918	126,534	273,368	573,204	189,316	1,693,340	8,055
Liabilities, deferred inflows, and fund balances							
Liabilities							
Accrued payroll	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
Due to other funds	6,149	-	-	92,519	-	98,668	-
Unearned revenue	-	-	-	98	29,112	29,210	-
Construction accounts payable	587	2,831	6,909	6,012	8,422	24,761	-
Notes payable to other funds	4,491	-	-	-	-	4,491	-
Customer deposits	-	-	-	-	-	-	-
Contracts payable	9,323	7,095	20,596	13,842	9,658	60,514	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	20,550	9,926	27,505	112,471	47,192	217,644	-
Deferred inflows of resources							
Unavailable revenue related to taxes, receivable, and grants	1,547	-	1,648	-	-	3,195	-
Unavailable revenue related to leases	-	1,216	-	-	-	1,216	-
Total deferred inflows of resources	1,547	1,216	1,648	-	-	4,411	-
Fund balances							
Nonspendable	-	10,600	-	-	-	10,600	-
Restricted	508,821	104,792	244,215	460,733	142,124	1,460,685	8,055
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	508,821	115,392	244,215	460,733	142,124	1,471,285	8,055
Total liabilities, deferred inflows, and fund balance	$ 530,918	$ 126,534	$ 273,368	$ 573,204	$ 189,316	$ 1,693,340	$ 8,055

CITY OF DALLAS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2025
(in thousands)

	Permanent Funds						
	Samuell Park	Grauwyler Memorial	Craddock Park	Martin Weiss Park	Hale Davis	Total Permanent Funds	Total Nonmajor Governmental Funds
Assets							
Pooled cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ 404,790
Other investments, at fair value	10,200	188	1,736	167	476	12,767	36,691
Receivables:							
Notes	-	-	-	-	-	-	62,850
Special assessments-paving notes	-	-	-	-	-	-	6,201
Accounts	-	-	-	-	-	-	83,348
Accrued interest	-	-	-	-	-	-	9,777
Leases	-	-	-	-	-	-	25,554
Allowance for uncollectible accounts	-	-	-	-	-	-	(63,881)
Due from other governments	-	-	-	-	-	-	51,712
Prepaid items	-	-	-	-	-	-	10,741
Restricted cash and cash equivalents	-	-	-	-	-	-	1,594,982
Notes receivable from other funds	-	-	-	-	-	-	4,161
Total assets	10,200	188	1,736	167	476	12,767	2,226,926
Liabilities, deferred inflows, and fund balances							
Liabilities							
Accrued payroll	-	-	-	-	-	-	30
Accounts payable	-	-	-	-	-	-	19,664
Due to other funds	-	-	-	-	-	-	104,744
Unearned revenue	-	-	-	-	-	-	45,417
Construction accounts payable	-	-	-	-	-	-	24,761
Notes payable to other funds	-	-	-	-	-	-	8,931
Customer deposits	-	-	-	-	-	-	111
Contracts payable	-	-	-	-	-	-	60,514
Other liabilities	-	-	-	-	-	-	3,926
Total liabilities	-	-	-	-	-	-	268,098
Deferred inflows of resources							
Unavailable revenue related to taxes, accounts receivable, and grants	-	-	-	-	-	-	48,678
Unavailable revenue related to leases	-	-	-	-	-	-	23,659
Total deferred inflows of resources	-	-	-	-	-	-	72,337
Fund balances							
Nonspendable	10,200	188	1,736	167	476	12,767	23,508
Restricted	-	-	-	-	-	-	1,802,909
Committed	-	-	-	-	-	-	60,095
Unassigned	-	-	-	-	-	-	(21)
Total fund balances	10,200	188	1,736	167	476	12,767	1,886,491
Total liabilities, deferred inflows, and fund balance	$ 10,200	$ 188	$ 1,736	$ 167	$ 476	$ 12,767	$ 2,226,926

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025
(in thousands)

	Special Revenue				
	Community Development	Health and Human Services	Library	Police	Recreation
Revenues:					
Ad valorem tax	$ -	$ -	$ -	$ -	$ -
Tax increment financing, intergovernmental	-	-	-	-	-
Franchise fees	-	-	-	-	-
Licenses and permits	-	-	-	-	1,265
Intergovernmental	50,612	18,865	27	15,931	50
Service to others	1,775	-	8	16,676	7,172
Fines and forfeitures	-	16	-	378	-
Investment income	536	21	158	1,554	2,780
Special assessments	-	-	-	-	-
Contributions and gifts	3,124	160	523	189	1,425
Confiscated money awards	-	-	-	3,188	-
Other revenues	1	-	-	66	-
Total revenues	56,048	19,062	716	37,982	12,692
Expenditures:					
Current					
General government	6,181	-	-	-	-
Public safety	-	-	-	25,940	-
Environmental and health services	-	17,691	-	-	-
Streets, public works, and transportation	-	-	-	-	-
Equipment and building services	-	-	-	-	-
Culture and recreation	813	-	71	-	13,958
Human services	47,596	-	-	-	-
Debt service:					
Principal	657	1,148	-	166	-
Interest and fiscal charges	227	51	-	5	194
Capital outlay	3,928	172	316	2,468	3,301
Total expenditures	59,402	19,062	387	28,579	17,453
Excess (deficiency) of revenues over (under) expenditures	(3,354)	-	329	9,403	(4,761)
Other financing sources (uses):					
Transfers in	-	30	-	-	16,014
Transfers out	-	-	-	(960)	-
Premium on bonds issued	-	-	-	-	-
Issuance of certificates of obligation	-	-	-	-	-
Issuance of equipment acquisition notes	-	-	-	-	-
Issuance of general obligation bonds	-	-	-	-	-
Inception of leases	-	-	-	-	-
Inception of SBITAs	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Inception of lease	-	-	-	-	-
Proceeds from repayment of notes receivable	-	-	-	-	-
Issuance of commercial paper notes	-	-	-	-	-
Total other financing sources (uses)	-	30	-	(960)	16,014
Net change in fund balances	(3,354)	30	329	8,443	11,253
Fund balances, beginning of year	18,806	728	3,508	34,180	48,842
Fund balances, end of year	$ 15,452	$ 758	$ 3,837	$ 42,623	$ 60,095

Transportation	Management Improvement	Public Improvement Districts	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
492	-	-	-	-	-	1,757
1,994	31,085	-	1,919	-	-	120,483
231	1,140	-	7,152	5	230	34,389
-	872	-	-	-	-	1,266
1,266	7,723	3	2,665	92	324	17,122
-	-	46,745	-	-	-	46,745
448	1,040	-	1,750	27	-	8,686
-	-	-	-	-	-	3,188
-	2,286	-	-	-	-	2,353
4,431	44,146	46,748	13,486	124	554	235,989
-	30,450	46,551	8,236	567	-	91,985
-	14,333	-	-	-	-	40,273
-	-	-	-	-	-	17,691
3,342	8,941	-	-	-	-	12,283
-	1,551	-	-	-	-	1,551
-	1,657	-	-	-	-	16,499
-	12,811	-	-	-	-	60,407
						-
-	-	-	-	-	-	1,971
-	-	-	-	-	-	477
2,022	31,128	-	-	70	-	43,405
5,364	100,871	46,551	8,236	637	-	286,542
(933)	(56,725)	197	5,250	(513)	554	(50,553)
3,194	419	-	7,515	-	-	27,172
(29)	(706)	-	(425)	-	-	(2,120)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,165	(287)	-	7,090	-	-	25,052
2,232	(57,012)	197	12,340	(513)	554	(25,501)
28,897	215,934	(218)	58,211	2,589	8,408	419,885
$ 31,129	$ 158,922	$ (21)	$ 70,551	$ 2,076	$ 8,962	$ 394,384

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, 2025
(in thousands)

	Capital Projects			
	Neighborhood Projects	Parks	Streets and Drainage	Building
Revenues:				
Ad valorem tax	$ 127,195	$ -	$ -	$ -
Tax increment financing, intergovernmental	10,958	-	-	-
Franchise fees	-	-	13,790	-
Licenses and permits	-	-	-	-
Intergovernmental	-	3,158	-	651
Service to others	716	1,628	364	-
Fines and forfeitures	-	-	-	-
Investment income	18,349	4,965	10,921	30,251
Special assessments	-	-	-	-
Contributions and gifts	37,155	6,158	1,980	-
Confiscated money awards	-	-	-	-
Other revenues	-	-	10	-
Total revenues	194,373	15,909	27,065	30,902
Expenditures:				
Current				
General government	87,090	-	-	2,502
Public safety	-	-	-	299
Environmental and health services	-	-	-	-
Streets, public works, and transportation	-	-	21,923	3,438
Equipment and building services	-	-	-	387
Culture and recreation	-	12,605	-	321
Human services	-	-	-	-
Debt service:				
Principal	-	-	561	117
Interest and fiscal charges	(47)	-	272	1,985
Capital outlay	9,581	62,960	109,964	183,757
Total expenditures	96,624	75,565	132,720	192,806
Excess (deficiency) of revenues over (under) expenditures	97,749	(59,656)	(105,655)	(161,904)
Other financing sources (uses):				
Transfers in	5,988	11,500	19,527	650
Transfers out	-	(1,501)	(7,000)	(8,164)
Premium on bonds issued	1,494	-	7,572	11,890
Issuance of certificates of obligation	-	-	-	-
Issuance of equipment acquisition notes	-	-	-	21,020
Issuance of general obligation bonds	17,423	-	88,338	126,110
Inception of leases	-	-	-	-
Inception of SBITAs	-	-	-	-
Proceeds from sale of capital assets	-	-	744	-
Total other financing sources (uses)	24,905	9,999	109,181	151,506
Net change in fund balance	122,654	(49,657)	3,526	(10,398)
Fund balances, beginning of year	386,167	165,049	240,689	471,131
Fund balances, end of year	$ 508,821	$ 115,392	$ 244,215	$ 460,733

Trans-portation	Total Nonmajor Capital Project Funds
$ -	$ 127,195
-	10,958
-	13,790
-	-
33,249	37,058
-	2,708
-	-
7,777	72,263
-	-
-	45,293
-	-
520	530
41,546	309,795
-	89,592
-	299
-	-
3,081	28,442
-	387
-	12,926
-	-
-	678
-	2,210
65,462	431,724
68,543	566,258
(26,997)	(256,463)
-	37,665
(800)	(17,465)
-	20,956
-	-
-	21,020
-	231,871
-	-
-	-
-	744
(800)	294,791
(27,797)	38,328
169,921	1,432,957
$ 142,124	$ 1,471,285

continued

SERVICE FIRST, NOW!

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2025
(in thousands)

	Debt Service
	Fair Park
Revenues:	
Ad valorem tax	$ -
Tax increment financing, intergovernmental	-
Franchise fees	-
Licenses and permits	-
Intergovernmental	-
Service to others	-
Fines and forfeitures	-
Investment income	331
Special assessments	-
Contributions and gifts	-
Confiscated money awards	-
Other revenues	-
Total revenues	331
Expenditures:	
Current	
General government	-
Public safety	-
Environmental and health services	-
Streets, public works, and transportation	-
Equipment and building services	-
Culture and recreation	-
Human services	-
Debt service:	
Principal	960
Interest and fiscal charges	2,710
Capital outlay	-
Total expenditures	3,670
Excess (deficiency) of revenues over (under) expenditures	(3,339)
Other financing sources (uses):	
Transfers in	4,775
Transfers out	-
Premium on bonds issued	-
Issuance of certificates of obligation	-
Issuance of equipment acquisition notes	-
Issuance of general obligation bonds	-
Inception of leases	-
Inception of SBITAs	-
Proceeds from sale of capital assets	-
Total other financing sources (uses)	4,775
Net change in fund balance	1,436
Fund balances, beginning of year	6,619
Fund balances, end of year	$ 8,055

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2025
(in thousands)

	Permanent Funds		
	Samuell Park	Grauwyler Memorial	Craddock Park
Revenues:			
Ad valorem tax	$ -	$ -	$ -
Tax increment financing, intergovernmental	-	-	-
Franchise fees	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Service to others	-	-	-
Fines and forfeits	-	-	-
Investment income	1,121	18	168
Special assessments	-	-	-
Contributions and gifts	-	-	-
Confiscated money awards	-	-	-
Other revenues	-	-	-
Total revenues	1,121	18	168
Expenditures:			
Current			
General government	-	-	-
Public safety	-	-	-
Environmental and health services	-	-	-
Streets, public works, and transportation	-	-	-
Equipment and building services	-	-	-
Culture and recreation	-	-	-
Human services	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,121	18	168
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(365)	-	-
Premium on bonds issued	-	-	-
Issuance of certificates of obligation	-	-	-
Issuance of equipment acquisition notes	-	-	-
Issuance of general obligation bonds	-	-	-
Inception of leases	-	-	-
Inception of SBITAs	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	(365)	-	-
Net change in fund balances	756	18	168
Fund balances, beginning of year	9,444	170	1,568
Fund balances, end of year	$ 10,200	$ 188	$ 1,736

Martin Weiss Park	Hale Davis	Total Permanent Funds	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 127,195
-	-	-	10,958
-	-	-	13,790
-	-	-	1,757
-	-	-	157,541
-	-	-	37,097
-	-	-	1,266
16	47	1,370	91,086
-	-	-	46,745
-	-	-	53,979
-	-	-	3,188
-	-	-	2,883
16	47	1,370	547,485
-	-	-	181,577
-	-	-	40,572
-	-	-	17,691
-	-	-	40,725
-	-	-	1,938
-	-	-	29,425
-	-	-	60,407
-	-	-	3,609
-	-	-	5,397
-	-	-	475,129
-	-	-	856,470
16	47	1,370	(308,985)
-	-	-	69,612
-	(14)	(379)	(19,964)
-	-	-	20,956
-	-	-	-
-	-	-	21,020
-	-	-	231,871
-	-	-	-
-	-	-	-
-	-	-	744
-	(14)	(379)	324,239
16	33	991	15,254
151	443	11,776	1,871,237
$ 167	$ 476	$ 12,767	$ 1,886,491

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, 2025
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Pooled cash and cash equivalents	$ 100	$ 29,755	$ 29,855
Receivables:			
Accounts	151	111	262
Accrued interest	1	138	139
Total current assets	252	30,004	30,256
Capital assets:			
Nondepreciable	-	5,273	5,273
Depreciable, net of accumulated depreciation/amortization	1,207	22,491	23,698
Total capital assets	1,207	27,764	28,971
Total assets	1,459	57,768	59,227
Deferred outflows of resources			
Deferred outflows of resources related to pensions	73	21,239	21,312
Deferred outflows of resources related to other postemployment benefits	-	222	222
Total deferred outflows of resources	73	21,461	21,534
Liabilities			
Current liabilities:			
Accounts payable	2	517	519
Compensated absences	7	2,238	2,245
Other postemployment benefits	-	182	182
Pension obligation bonds - current	33	242	275
Other liabilities	3	3,668	3,671
Unearned revenue	-	15,975	15,975
Accrued bond interest payable	2	45	47
Leases payable	181	195	376
SBITAs payable	-	967	967
Total current liabilities	228	24,029	24,257
Noncurrent liabilities:			
Accreted interest on pension obligation bonds	1,053	7,733	8,786
Pension obligation bonds	660	4,423	5,083
Leases payable	760	783	1,543
SBITAs payable	-	1,027	1,027
Total long-term debt	2,473	13,966	16,439
Other noncurrent liabilities			
Compensated absences	-	840	840
Other postemployment benefits	-	3,080	3,080
Net pension liability	239	69,568	69,807
Total other noncurrent liabilities	239	73,488	73,727
Total long-term liabilities	2,712	87,454	90,166
Total liabilities	2,940	111,483	114,423
Deferred inflows of resources			
Deferred inflows of resources related to pensions	140	40,830	40,970
Deferred inflows of resources related to other postemployment benefits	-	761	761
Total deferred inflows of resources	140	41,591	41,731
Net position			
Net investment in capital assets	266	24,792	25,058
Unrestricted (deficit)	(1,814)	(98,637)	(100,451)
Total net position (deficit)	$ (1,548)	$ (73,845)	$ (75,393)

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2025
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Operating revenues:			
Customer charges	$ 411	$ 47,800	$ 48,211
Other revenues	-	211	211
Total operating revenues	411	48,011	48,422
Operating expenses:			
Personnel services	(310)	22,504	22,194
Supplies and materials	44	157	201
Contractual and other services	89	22,172	22,261
Depreciation and amortization	238	1,969	2,207
Total operating expenses	61	46,802	46,863
Operating income (loss)	350	1,209	1,559
Nonoperating revenues (expenses):			
Investment Income	4	1,283	1,287
Interest on bonds and notes	(197)	(1,414)	(1,611)
Total nonoperating revenues (expenses)	(193)	(131)	(324)
Change in net position	157	1,078	1,235
Net position (deficit), beginning of year, as previously reported	(1,705)	(74,225)	(75,930)
Adjustment for change in accounting principle (see Note 22)	-	(698)	(698)
Net position (deficit), beginning of year, restated	(1,705)	(74,923)	(76,628)
Net position (deficit), end of year	$ (1,548)	$ (73,845)	$ (75,393)

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2025
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from customers	$ 403	$ 47,017	$ 47,420
Cash payments to suppliers for goods and services	(58)	(157)	(215)
Cash payments to employees for services	-	(30,166)	(30,166)
Cash payments for contractual services	(13)	(18,390)	(18,403)
Other operating cash receipts (payments)	-	211	211
Net cash provided by (used in) operating activities	332	(1,485)	(1,153)
Cash flows from non capital financing activities:			
Principal paid on pension obligation bonds	(33)	(242)	(275)
Interest paid on pension obligation bonds	(151)	(1,107)	(1,258)
Transfers from other funds	-	-	-
Net cash provided by (used in) non capital financing activities	(184)	(1,349)	(1,533)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	1	(3,821)	(3,820)
Principal paid on notes payable and other obligations	(172)	(1,203)	(1,375)
Interest paid on bonds, notes and other obligations	(12)	(52)	(64)
Net cash provided by (used in) capital and related financing activities	(183)	(5,076)	(5,259)
Cash flows from investing activities:			
Investment Income	5	1,331	1,336
Net cash provided by (used in) investing activities	5	1,331	1,336
Net increase (decrease) in cash and cash equivalents	(30)	(6,579)	(6,609)
Cash and cash equivalents, beginning of year	130	36,334	36,464
Cash and cash equivalents, end of year	$ 100	$ 29,755	$ 29,855
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ 350	$ 1,209	$ 1,559
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	238	1,969	2,207
Change in assets and liabilities			
(Increase) Decrease in accounts and other receivables	(8)	(15)	(23)
(Increase) Decrease in prepaid expenses	-	3,827	3,827
(Increase) Decrease in deferred outflows for other postemployment benefits	-	2	2
(Increase) Decrease in deferred outflows for pension contributions	146	19,546	19,692
Increase (Decrease) in accounts payable	(14)	(498)	(512)
Increase (Decrease) in accrued payroll	(3)	(888)	(891)
Increase (Decrease) in compensated absences	(2)	247	245
Increase (Decrease) in unearned revenue	-	(768)	(768)
Increase (Decrease) in customer deposits		-	-
Increase (Decrease) in other post employment benefits	-	99	99
Increase (Decrease) in net pension liability	(408)	(48,089)	(48,497)
Increase (Decrease) in other liabilities	-	452	452
Increase (Decrease) in deferred inflows for other postemployment benefits	-	(81)	(81)
Increase (Decrease) in deferred inflows for pension contributions	33	21,501	21,534
Total adjustments	(18)	(2,696)	(2,714)
Net cash provided by (used in) operating activities	$ 332	$ (1,487)	$ (1,155)
Current Assets:			
Pooled cash and cash equivalents	$ 100	$ 29,755	$ 29,855
Total cash and cash equivalents end of year	$ 100	$ 29,755	$ 29,855
Noncash investing, capital, and financing activities:			
Premium/discount amortization	$ (38)	$ (278)	$ (316)
Accretion on capital appreciation bonds	119	873	992
Right-to-use assets acquired through lease and SBITA liabilities	-	6,818	6,818
Lease and SBITA liabilities incurred as a result of acquiring right-to-use assets	-	(6,818)	(6,818)

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, 2025
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
Assets							
Current assets:							
Pooled cash and cash equivalents	$ 8,123	$ 14,387	$ 8,060	$ 66,665	$ 68,939	$ -	$ 166,174
Receivables:							
Accrued interest	8	66	30	224	246	-	574
Inventories, at cost	5,172	215	90	1	-	-	5,478
Total current assets	13,303	14,668	8,180	66,890	69,185	-	172,226
Capital assets:							
Nondepreciable	1,781	-	-	-	-	-	1,781
Depreciable, net of accumulated depreciation/amortization	5,735	27,847	587	97,409	-	72	131,650
Total capital assets	7,516	27,847	587	97,409	-	72	133,431
Total assets	20,819	42,515	8,767	164,299	69,185	72	305,657
Deferred outflows of resources							
Deferred outflows of resources related to pensions	14,943	2,148	542	18,020	5,005	12,352	53,010
Deferred outflows of resources related to other postemployment benefits	166	16	8	125	40	101	456
Total deferred outflows of resources	15,109	2,164	550	18,145	5,045	12,453	53,466
Liabilities							
Current liabilities:							
Accounts payable	2,638	18	392	6,006	2,263	53	11,370
Accrued interest payable	-	602	1	1,798	-	-	2,401
Compensated absences	1,283	186	55	1,673	419	1,114	4,730
Other postemployement benefits	136	13	7	102	33	83	374
Estimated unpaid health claims	-	-	-	-	16,396	-	16,396
Estimated unpaid claims - general	-	-	-	-	12,859	-	12,859
Workers' compensation	-	-	-	-	9,784	-	9,784
Leases payable	-	3,215	84	733	-	-	4,032
SBITA payable	-	-	-	30,486	-	-	30,486
Due to other funds	-	-	-	-	-	943	943
Other liabilities	-	-	1	-	5,580	-	5,581
Total current liabilities	4,057	4,034	540	40,798	47,334	2,193	98,956
Noncurrent liabilities:							
Estimated unpaid claims - general	-	-	-	-	9,882	-	9,882
Workers' compensation	-	-	-	-	49,238	-	49,238
Compensated absences	496	63	47	1,078	343	809	2,836
Other postemployment benefits	2,296	224	112	1,736	560	1,400	6,328
Net pension liability	49,039	7,041	1,757	59,132	16,396	40,339	173,704
Leases payable	-	25,475	546	-	-	-	26,021
SBITAs payable	-	-	-	47,809	-	-	47,809
Total noncurrent liabilities	51,831	32,803	2,462	109,755	76,419	42,548	315,818
Total liabilities	55,888	36,837	3,002	150,553	123,753	44,741	414,774
Deferred inflows of resources							
Deferred inflows of resources related to pensions	28,781	4,133	1,030	34,707	9,623	23,675	101,949
Deferred inflows of resources related to other postemployment benefits	567	56	28	429	139	346	1,565
Total deferred inflows of resources	29,348	4,189	1,058	35,136	9,762	24,021	103,514
Net position							
Net investment in capital assets	7,516	(843)	(43)	18,381	-	72	25,083
Unrestricted (deficit)	(56,824)	4,496	5,300	(21,626)	(59,285)	(56,309)	(184,248)
Total net position (deficit)	$ (49,308)	$ 3,653	$ 5,257	$ (3,245)	$ (59,285)	$ (56,237)	$ (159,165)

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30,2025
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
Operating revenues							
Charges to other city departments	$ 70,970	$ 14,314	$ 2,190	$ 131,683	$ 201,820	$ 20,218	$ 441,195
Charges to employees/retirees	-	-	-	-	45,025	-	45,025
Other revenues	1,302	-	190	83	35,502	-	37,077
Total operating revenues	72,272	14,314	2,380	131,766	282,347	20,218	523,297
Operating expenses							
Personnel services	17,555	2,430	925	21,369	23,982	16,301	82,562
Supplies and materials	30,576	361	1,056	1,261	15	252	33,521
Contractual and other services	16,286	2,468	261	71,678	276,177	3,750	370,620
Depreciation and amortization	2,892	3,906	89	35,156	-	11	42,054
Total operating expenses	67,309	9,165	2,331	129,464	300,174	20,314	528,757
Operating income (loss)	4,963	5,149	49	2,302	(17,827)	(96)	(5,460)
Nonoperating revenues (expenses):							
Investment income	77	630	275	2,242	2,520	-	5,744
Interest on bonds, notes, and leases	-	(761)	(9)	(2,422)	-	-	(3,192)
Total nonoperating revenues (expenses)	77	(131)	266	(180)	2,520	-	2,552
Income (loss) before transfers	5,040	5,018	315	2,122	(15,307)	(96)	(2,908)
Transfers							
Transfers in	-	3,745	-	5,440	6,209	-	15,394
Transfers out	(1,211)	(10,685)	-	(4,487)	(461)	-	(16,844)
Total transfers	(1,211)	(6,940)	-	953	5,748	-	(1,450)
Change in net position	3,829	(1,922)	315	3,075	(9,559)	(96)	(4,358)
Net position (deficit), beginning of year	(52,806)	5,631	4,968	(6,044)	(49,646)	(55,964)	(153,861)
Adjustment for change in accounting principle (see Note 22)	(331)	(56)	(26)	(276)	(80)	(177)	(946)
Net position (deficit), beginning of year, restat	(53,137)	5,575	4,942	(6,320)	(49,726)	(56,141)	(154,807)
Net position (deficit), end of year	$ (49,308)	$ 3,653	$ 5,257	$ (3,245)	$ (59,285)	$ (56,237)	$ (159,165)

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2025
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
Cash flows from operating activities:							
Cash received from customers	$ 70,970	$ 14,314	$ 2,190	$ 131,721	$ 254,997	$ 20,218	$ 494,410
Cash payments to suppliers for goods and services	(31,530)	(284)	(803)	(1,262)	(15)	(252)	(34,146)
Cash payments to employees for services	(21,441)	(2,955)	(842)	(24,299)	(20,292)	(17,598)	(87,427)
Cash payments for contractual services	(16,286)	(2,550)	(261)	(72,031)	(268,521)	(2,859)	(362,508)
Other operating cash receipts (payments)	1,302	-	190	83	35,502	-	37,077
Net cash provided by (used in) operating activities	3,015	8,525	474	34,212	1,671	(491)	47,406
Cash flows from non capital financing activities:							
Transfers from other funds		3,745	-	5,440	6,209	-	15,394
Transfers to other funds	(1,211)	(10,685)	-	(4,487)	(461)	-	(16,844)
Net cash provided by (used in) non capital financing activities	(1,211)	(6,940)	-	953	5,748	-	(1,450)
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(454)	1	-	(4,300)	-	-	(4,753)
Principal paid on notes payable and other obligations	-	(3,126)	(80)	(34,759)	-	-	(37,965)
Interest paid on bonds, notes and other obligations	-	(828)	(9)	(1,020)	-	-	(1,857)
Net cash provided by (used in) capital and related financing activities	(454)	(3,953)	(89)	(40,079)	-	-	(44,575)
Cash flows from investing activities:							
Investment income	79	633	284	2,258	2,529	-	5,783
Net cash provided by (used in) investing activities	79	633	284	2,258	2,529	-	5,783
Net increase (decrease) in cash and cash equivalents	1,429	(1,735)	669	(2,656)	9,948	(491)	7,164
Cash and cash equivalents, beginning of year	6,694	16,122	7,391	69,321	58,991	491	159,010
Cash and cash equivalents, end of year	$ 8,123	$ 14,387	$ 8,060	$ 66,665	$ 68,939	$ -	$ 166,174
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	$ 4,963	$ 5,149	$ 49	$ 2,302	$ (17,827)	$ (96)	$ (5,460)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	2,892	3,906	89	35,156	-	11	42,054
Change in assets and liabilities							
(Increase) Decrease in accounts and other receivables	-	-	-	38	8,152	-	8,190
(Increase) Decrease in inventories	(430)	77	58	(1)	-	-	(296)
(Increase) Decrease in deferred outflows for other postemployment benefits	58	2	(1)	31	5	11	106
(Increase) Decrease in deferred outflows for pension contributions	12,782	1,854	380	14,960	4,004	10,046	44,026
Increase (Decrease) in accounts payable	(523)	(82)	193	(353)	(24)	(51)	(840)
Increase (Decrease) in accrued payroll	(626)	(87)	(27)	(738)	(217)	(497)	(2,192)
Increase (Decrease) in due to other governments	-	-	1	-	-	-	1
Increase (Decrease) in compensated absences	(66)	(9)	4	(115)	37	205	56
Increase (Decrease) in other post employment benefits	(731)	(26)	14	(375)	(40)	(98)	(1,256)
Increase (Decrease) in estimated unpaid health claims	-	-	-	-	3,730	-	3,730
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-	7,169	-	7,169
Increase (Decrease) in workers' compensation	-	-	-	-	296	-	296
Increase (Decrease) in net pension liability	(30,709)	(4,484)	(882)	(35,665)	(9,470)	(23,995)	(105,205)
Increase (Decrease) in other liabilities	-	-	-	-	511	943	1,454
Increase (Decrease) in deferred inflows for other postemployment benefits	(275)	(14)	(1)	(161)	(29)	(76)	(556)
Increase (Decrease) in deferred inflows for pension contributions	15,680	2,239	597	19,133	5,374	13,106	56,129
Total adjustments	(1,948)	3,376	425	31,910	19,498	(395)	52,866
Net cash provided by (used in) operating activities	$ 3,015	$ 8,525	$ 474	$ 34,212	$ 1,671	$ (491)	$ 47,406
Noncash investing, capital, and financing activities:							
Right-to-use assets acquired through lease and SBITA liabilities	$ -	$ -	$ -	$ 97,263	$ -	$ -	$ 97,263
Lease and SBITA liabilities incurred as a result of acquiring right-to-use assets	-	-	-	(97,263)	-	-	(97,263)

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, 2025 (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)
Assets							
Cash and cash equivalents	$ 105,936	$ 71,501	$ 816	$ -	$ -	$ -	$ 178,253
Invested securities lending collateral	199,812	-	-	-	-	-	199,812
Receivables:							
Accounts	1,106,930	13,218	42	972	1,029	9	1,122,200
Accrued interest and dividends	16,326	4,496	51	-	-	-	20,873
Notes Receivable-DC Member	-	-	-	15,892	16,547	-	32,439
Investments /Participants	-	-	-	486,387	533,451	5,406	1,025,244
Short-term investments	-	27,631	315	-	-	-	27,946
Equity securities	-	1,055,766	12,048	-	-	-	1,067,814
Domestic equities	1,174,945		4,585	-	-	-	1,179,530
U.S. and foreign government fixed income securities	254,931	401,780	-	-	-	-	656,711
Domestic corporate fixed income	878,448	-	-	-	-	-	878,448
International equities and fixed income	430,941	-	-	-	-	-	430,941
Commingled index funds	200,399	-	-	-	-	-	200,399
Real assets	339,290	247,322	2,822	-	-	-	589,434
Private equities and venture capital funds	369,482	185,443	2,116	-	-	-	557,041
Prepaid expenses	-	595	7	-	-	-	602
Capital assets, net	4,746	11,351	130	-	-	-	16,227
Total assets	5,082,186	2,019,103	22,932	503,251	551,027	5,415	8,183,914
Liabilities							
Accounts payable	8,343	5,155	49	-	-	-	13,547
Payable for securities purchased	17,392	115	1	-	-	-	17,508
Securities lending collateral	199,812	-	-	-	-	-	199,812
Other liabilities	1,099,157	-	-	-	-	-	1,099,157
Total liabilities	1,324,704	5,270	50	-	-	-	1,330,024
Deferred inflows of resources							
Deferred inflows of resources related to pensions	-	2,411	28	-	-	-	2,439
Total Deferred inflows of resources	-	2,411	28	-	-	-	2,439
Net Position							
Restricted for pension benefits	3,757,482	2,011,422	22,854	503,251	551,027	5,415	6,851,451
Total net position	$ 3,757,482	$ 2,011,422	$ 22,854	$ 503,251	$ 551,027	$ 5,415	$ 6,851,451

(1) Although the City has a fiscal year-end of September 30, 2025 the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2024.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Year Ended September 30, 2025
(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)
Additions:							
Contributions							
Employer	$ 80,782	$ 188,633	$ 4,256	$ -	$ -	$ -	$ 273,671
Employee	74,831	67,920	295	31,745	31,129	880	206,800
Total contributions	155,613	256,553	4,551	31,745	31,129	880	480,471
Net investment income:							
Interest and dividends	136,371	25,003	285	19,458	18,732	124	199,973
Net appreciation (depreciation) in fair value of investments	206,920	156,354	1,676	49,107	61,415	-	475,472
Securities lending income	1,346	-	-	-	-	-	1,346
Less investment expenses:							
Investment management fees	(18,850)	(7,474)	(85)	-	-	-	(26,409)
Custody fees	(110)	-	-	-	-	-	(110)
Consultant fees	(736)	-	-	-	-	-	(736)
Securities lending management fees	(269)	-	-	-	-	-	(269)
Total investment expenses	(19,965)	(7,474)	(85)	-	-	-	(27,524)
Net investment income	324,672	173,883	1,876	68,565	80,147	124	649,267
Other income(expense)	(593)	512	6	-	-	-	(75)
Total additions	479,692	430,948	6,433	100,310	111,276	1,004	1,129,663
Deductions:							
Benefit payments	348,938	341,809	3,166	-	-	-	693,913
Refund of contributions	12,369	5,125	136	-	-	-	17,630
Administrative expenses	10,005	7,408	85	(16)	(50)	1	17,433
Withdrawals-deferred compensation participants	-	-	-	36,665	35,130	581	72,376
Total deductions	371,312	354,342	3,387	36,649	35,080	582	801,352
Net increase (decrease) in net position available for benefits	108,380	76,606	3,046	63,661	76,196	422	328,311
Net position, beginning of year	3,649,102	1,934,816	19,808	439,590	474,831	4,993	6,523,140
Net position, end of year	$ 3,757,482	$ 2,011,422	$ 22,854	$ 503,251	$ 551,027	$ 5,415	$ 6,851,451

(1) Although the City has a fiscal year-end of September 30, 2025, the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2024.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2025
(in thousands)

	Confiscated Money	Unclaimed Property	Municipal Court	Total
Assets				
Cash and cash equivalents	$ 3,381	$ 7,319	$ 10	$ 10,710
Receivables:				
Accrued interest and dividends	11	-	-	11
Total assets	3,392	7,319	10	10,721
Liabilities				
Accounts payable	13	-	5	18
Total liabilities	13	-	5	18
Net Position				
Restricted for other purposes	3,379	7,319	5	10,703
Total net position	$ 3,379	$ 7,319	$ 5	$ 10,703

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended September 30, 2025
(in thousands)

	Confiscated Money	Unclaimed Property	Municipal Court	Totals
Additions:				
Confiscated money receipts	$ 2,433	$ -	$ -	$ 2,433
Unclaimed property receipts	-	867	-	867
Municipal court receipts for other jurisdictions	-	-	158	158
Investment income	-	-	-	-
Other income	-	-	-	-
Total additions	2,433	867	158	3,458
Deductions:				
Confiscated money payments	1,264	-	-	1,264
Unclaimed property payments	-	685	-	685
Municipal court payments to other jurisdictions	-	-	158	158
Total deductions	1,264	685	158	2,107
Net increase (decrease) in net position	1,169	182	-	1,351
Net position, beginning of year	2,210	7,137	5	9,352
Net position, end of year	$ 3,379	$ 7,319	$ 5	$ 10,703

DEBT SERVICE FUND

The City maintains one Debt Service Fund to account for payments 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, 2025
(in thousands)

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget-Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	$ 410,546	$ 410,546	$ 408,488	$ (2,058)
Insurance recovery	8,000	8,000	-	(8,000)
"Build America Bonds" Federal Subsidy	760	760	757	(3)
Investment income	500	500	8,456	7,956
Total revenues	419,806	419,806	417,701	(2,105)
Expenditures:				
Principal	288,681	288,681	373,117	(84,436)
Interest and fiscal charges	159,654	159,654	134,180	25,474
Other	37,420	37,420	36,290	1,130
Total expenditures	485,755	485,755	543,587	(57,832)
Deficiency of revenues over expenditures	(65,949)	(65,949)	(125,886)	(59,937)
Other financing sources:				
Transfers	45,723	45,723	13,109	(32,614)
General obligation bonds and premium issued	-	-	97,858	97,858
Total other financing sources	45,723	45,723	110,967	65,244
Deficiency of revenues and other financing sources over expenditures	(20,226)	(20,226)	(14,919)	5,307
Fund balance, beginning of year	95,372	95,372	95,372	
Fund balance, end of year	$ 75,146	$ 75,146	$ 80,453	$ 5,307

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:

Deficiency of revenues and other financing sources over expenditures and other uses-budget basis	$ (14,919)
Change in fair market value of investments	1,110
Deficiency of revenues and other financing sources over expenditures and other uses-GAAP basis	$ (13,809)

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.

Dallas Public Facility Corporation - organized to assist the City in financing, refinancing, or providing public facilities that are located within the city limits of the City of Dallas. In general, the DPFC seeks to develop and preserve mixed-income workforce housing communities to serve residents earning at or below 80 percent of the area median income as well as provide non-income restricted units.

Dallas Economic Development Corporation (DEDC) – organized as a public, nonprofit corporation to accomplish any governmental purpose of the City. The DEDC may engage in targeted and outbound marketing, inbound marketing, branding, media campaigns, marketing missions, attendance at trade shows and industry conferences to promote the City of Dallas, expand business recruitment, support the existing business community, and may perform any services to support the work of the City's Office of Economic Development.

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CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
As of September 30, 2025
(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 *	Dallas Public Facility Corporation	Dallas Economic Development Corporation	Total Business-Type
Assets:											
Current assets:											
Cash and cash equivalents	$ 56,941	$ 10	$ -	$ 56,951	$ 18,470	$ 973	$ 4,114	$ 170,922	$ 4,158	$ 1,801	$ 200,438
Investments, at fair value	-	-	-	-	2,501	-	10	-	-	-	2,511
Receivables	198	-	-	198	686	380	277	2,467	1,272	503	5,585
Inventory	-	-	-	-	-	-	-	676	-	-	676
Prepaid expenses	-	-	-	-	22	-	16	1,366	11	31	1,446
Land held for resale	-	-	-	-	-	830	-	-	-	-	830
Franchise fee (net of accumulated amortization)	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	1,766	-	10,145	-	11,911
Restricted assets:				-							
Cash and cash equivalents	8,346	-	-	8,346	-	-	25	34,173	-	-	34,198
Investments, at fair value	-	-	-	-	-	-	-	35,723	-	-	35,723
Capital assets:											
Non-depreciable	-	-	-	-	-	-	-	27,511	63,163	-	90,674
Depreciable, net of accumulated depreciation	-	-	-	-	76,528	-	-	240,535	-	-	317,063
Total assets	65,485	10	-	65,495	98,207	2,183	6,208	513,373	78,749	2,335	701,055
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-
Liabilities:											
Accrued payroll	-	-	-	-	-	-	-	3,359	-	-	3,359
Accounts payable	225	66	-	291	158	-	96	1,295	87	47	1,683
Accrued expenses	-	-	-	-	10	-	-	1,665	-	62	1,737
Accrued taxes payable	-	-	-	-	-	-	-	948	-	-	948
Unearned revenue	-	-	-	-	-	-	30	16,632	-	-	16,662
Accrued interest payable	153	-	-	153	-	-	-	13,682	-	-	13,682
Accounts payable Omni	-	-	-	-	-	-	-	1,659	-	-	1,659
Other liabilities	36,930	-	340	37,270	-	-	365	282	10,145	-	10,792
Long-term liabilities:											
Due within one year	2,239	-	-	2,239	419	-	-	5,133	-	-	5,552
Due in more than one year	71,643	-	-	71,643	466	-	-	401,764	-	24	402,254
Total liabilities	111,190	66	340	111,596	1,053	-	491	446,419	10,232	133	458,328
Deferred inflows of resources	-	-	-	-	71,515	-	-	64	64,733		136,312
Net position:											
Net investment in capital assets	-	-	-	-	5,012	-	-	(54,427)	(1,570)	-	(50,985)
Restricted for debt service	8,218	-	-	8,218	-	-	-	-	-	-	-
Unrestricted	(53,923)	(56)	(340)	(54,319)	20,627	2,183	5,717	121,317	5,354	2,202	157,400
Total net position	$ (45,705)	$ (56)	$ (340)	$ (46,101)	$ 25,639	$ 2,183	$ 5,717	$ 66,890	$ 3,784	$ 2,202	$ 106,415

* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2024.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended September 30, 2025
(in thousands)

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Downtown Dallas Development Authority
Component units:					
Governmental activities:					
Downtown Dallas Development Authority	$ 41,658	$ -	$ -	$ -	$ (41,658)
North Oak Cliff Municipal Management District	2	-	-	-	-
Cypress Waters Municipal Management District	1	-	-	-	-
Total governmental activities	41,661	-	-	-	(41,658)
Business-Type activities:					
Housing Finance Corporation *	462	5,572	-	-	-
Housing Acquisition and Development Corporation	384	-	-	-	-
Dallas Development Fund	478	619	-	-	-
Dallas Convention Center Hotel Development Corporation *	126,993	131,105	-	-	-
Dallas Public Facility Corporation	454	1,401	-	-	-
Dallas Economic Development Corporation	1,551	-	3,655	-	-
Total business-type activities	130,322	138,697	3,655	-	-
General revenues:					
Tax increment contributions					45,579
City tax revenues					-
Investment income					1,223
Other revenues					-
Total general revenues					46,802
Change in net position					5,144
Net position (deficit), beginning of year					(50,849)
Net position (deficit), end of year					$ (45,705)

* The information reported for the Housing Finance Corporation, Dallas Convention Center Hotel Development Corporation, and the Dallas Public Facility Corporation is as of December 31, 2024.

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 *	Dallas Public Facility Corporation	Dallas Economic Development Corporation	Total
$ -	$ -	$ (41,658)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(2)	-	(2)	-	-	-	-	-	-	-
-	(1)	(1)	-	-	-	-	-	-	-
(2)	(1)	(41,661)	-	-	-	-	-	-	-
-	-	-	5,110	-	-	-	-	-	5,110
-	-	-	-	(384)	-	-	-	-	(384)
-	-	-	-	-	141	-	-	-	141
-	-	-	-	-	-	4,112	-	-	4,112
-	-	-	-	-	-	-	947	-	947
-	-	-	-	-	-	-	-	2,104	2,104
-	-	-	5,110	(384)	141	4,112	947	2,104	12,030
-	-	45,579	-	-	-	-	-	-	-
-	-	-	-	-	-	4,569	-	-	4,569
-	-	1,223	520	-	35	9,199	87	92	9,933
-	-	-	11	1,190	56	9,082	-	-	10,339
-	-	46,802	531	1,190	91	22,850	87	92	24,841
(2)	(1)	5,141	5,641	806	232	26,962	1,034	2,196	36,871
(54)	(339)	(51,242)	19,998	1,377	5,485	39,928	2,750	6	69,544
$ (56)	$ (340)	$ (46,101)	$ 25,639	$ 2,183	$ 5,717	$ 66,890	$ 3,784	$ 2,202	$ 106,415

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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.

		Tables
Financial Trends	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
Revenue Capacity	These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.	5-9
Debt Capacity	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.	10-16
Demographic & Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	17-18
Operating information	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.	19-21

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive 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)

	2016 [1]	2017 [2]	2018 [3]	2019
Governmental Activities				
Net investment in capital assets	$ 2,640,551	$ 2,746,024	$ 2,818,586	$ 2,776,179
Restricted	169,538	180,303	263,184	272,002
Unrestricted	(6,163,516)	(6,773,455)	(5,903,832)	(5,752,159)
Total Governmental Activities net position	(3,353,427)	(3,847,128)	(2,822,062)	(2,703,978)
Business-Type Activities				
Net investment in capital assets	2,917,498	3,009,285	3,200,152	3,292,594
Restricted for debt service	288,970	360,630	362,960	394,465
Unrestricted	1,946	(50,473)	(142,755)	(224,444)
Total Business-Type Activities net position	3,208,414	3,319,442	3,420,357	3,462,615
Primary government				
Net investment in capital assets	5,558,049	5,755,309	6,018,738	6,068,773
Restricted	458,508	540,933	626,144	666,467
Unrestricted	(6,161,570)	(6,823,928)	(6,046,587)	(5,976,603)
Total primary government net position	$ (145,013)	$ (527,686)	$ 598,295	$ 758,637

[1] In fiscal year 2016, Sanitation was reclassified from governmental activities to business-type activities.

[2] 2017 was not restated for the implementation of GASB Statement No. 75 because the information was not available.

[3] The 2018 classifications of net postion for the business-type activities have been updated to be consistent with the 2019 presentation.

[4] The 2021 net position for govermental and business-type activities were restated as a result of the implementation of GASB Statement No. 87, Leases.

[5] The 2022 net position for business-type activities was restated as a result of the implementation of GASB Statement No. 91, Conduit Debt Arrangements.

[6] In fiscal year 2024, Storm Water Operations was reclassified from governmental activities to business-type activities. The fiscal year 2023 balances were restated as a result of this reclassification.

[7] The fiscal year 2024 net positions were restated as a result of the implementation of GASB Statement No. 101, Compensated Absences.

*Source: Annual Comprehensive Financial Report for the respective years unless restated, which is from the subsequent year's Annual Comprehensive Financial Report, Management Discussion and Analysis.

Table 1

2020	2021 [4]	2022 [5]	2023 [6]	2024 [7]	2025
$ 2,779,462	$ 3,078,939	$ 3,104,432	$ 3,115,968	$ 3,490,385	$ 3,830,809
477,600	418,226	626,035	851,947	983,900	1,047,252
(5,560,832)	(4,941,789)	(4,552,599)	(4,381,984)	(4,692,854)	(4,854,204)
(2,303,770)	(1,444,624)	(822,132)	(414,069)	(218,569)	23,857
3,389,626	3,446,193	3,661,142	3,938,729	4,220,179	4,524,503
421,790	429,744	350,215	430,139	389,401	585,478
(285,914)	(265,533)	(211,929)	(218,432)	(88,897)	(39,242)
3,525,502	3,610,404	3,799,428	4,150,436	4,520,683	5,070,739
6,169,088	6,525,132	6,765,574	7,054,697	7,710,564	8,355,312
899,390	847,970	976,250	1,282,086	1,373,301	1,632,730
(5,846,746)	(5,207,322)	(4,764,528)	(4,600,416)	(4,781,751)	(4,893,446)
$ 1,221,732	$ 2,165,780	$ 2,977,296	$ 3,736,367	$ 4,302,114	$ 5,094,596

CITY OF DALLAS, TEXAS
CHANGE IN NET POSITION
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)
(in thousands)

Expenses	2016 [1]	2017 [2]	2018	2019
Governmental Activities:				
General government	$ 339,671	$ 312,279	$ 371,548	$ 525,676
Public safety	1,345,492	1,284,942	(350,079)	672,991
Code enforcement	-	60,897	51,710	63,709
Environmental and health services	19,431	17,455	18,897	16,978
Streets, lighting, sanitation, code enforcement	195,187	222,444	-	-
Public works and transportation	88,141	-	202,815	219,484
Equipment and building services	50,829	46,620	50,980	50,025
Cultural and recreation	222,921	201,716	213,337	224,008
Housing	32,694	23,696	15,045	6,731
Human services	26,789	25,703	21,294	22,908
Interest on long-term debt	80,890	70,676	70,693	78,124
Total Governmental Activities	2,402,045	2,266,428	666,240	1,880,634
Business-Type Activities:				
Dallas water utilities	586,505	524,308	553,038	604,779
Convention center	105,869	105,864	106,487	115,311
Airport revenues	137,143	144,903	143,697	163,250
Sanitation	116,152	103,363	100,252	132,349
Storm Water	-	-	-	-
Municipal radio	3,009	2,290	2,187	2,784
Building inspection	45,988	38,338	36,729	48,510
Total Business-Type Activities	994,666	919,066	942,390	1,066,983
Total primary government expenses	3,396,711	3,185,494	1,608,630	2,947,617
Program revenues				
Governmental Activities:				
Charges for services				
General government	115,901	110,857	115,092	126,722
Public safety	102,308	116,033	100,658	77,288
Code enforcement	18,984	9,959	10,654	9,719
Environmental and health services	71	289	-	-
Streets, public works, and transportation	6,551	4,378	19,714	6,337
Equipment and building services	1,157	886	1,241	463
Cultural and recreation	21,467	21,831	21,853	22,367
Housing	2,973	1,646	2,782	789
Human Services	122	104	-	-
Operating grants and contributions	75,560	73,693	72,807	72,000
Capital grants and contributions	31,092	64,858	52,942	78,769
Total Governmental Activities	376,186	404,534	397,743	394,454
Business-Type Activities:				
Charges for services				
Dallas water utilities	607,329	632,469	668,624	617,510
Convention center	32,858	32,892	34,361	41,180
Airport revenues	123,757	133,677	156,167	182,475
Sanitation	102,283	106,618	110,918	123,590
Storm Water	-	-	-	-
Municipal radio	1,608	1,636	1,751	1,771
Building inspection	33,648	33,552	34,387	36,871
Operating grants and contributions	6,343	6,296	6,356	6,039
Capital grants and contributions	37,317	22,050	34,217	29,050
Total Business-Type Activities	945,143	969,190	1,046,781	1,038,486
Total primary government program revenues	1,321,329	1,373,724	1,444,524	1,432,940
Net (Expense) Revenue				
Governmental Activities	(2,025,859)	(1,861,894)	(268,497)	(1,486,180)
Business-Type Activities	(49,523)	50,124	104,391	(28,497)
Total primary government net expense	(2,075,382)	(1,811,770)	(164,106)	(1,514,677)
General Revenues:				
Taxes:				
Ad valorem tax	791,420	854,136	914,272	998,861
Sales taxes	285,669	295,361	307,149	320,413
Franchise taxes	140,184	144,205	151,793	140,822
Tax increment financing, intergovernmental	6,473	8,829	11,139	12,766
Special assessments	-	-	31,070	33,038
Investment income (loss)	10,089	9,567	16,601	36,304
Miscellaneous	16,771	13,792	19,372	21,530
Transfer	32,856	42,303	45,157	40,530
Total general revenues	1,283,462	1,368,193	1,496,553	1,604,264
Business-Type Activities:				
Hotel occupancy tax	59,225	59,746	65,307	67,836
Alcohol beverage tax	12,058	12,624	13,323	13,877
Investment income (loss)	6,786	6,505	13,279	28,999
Miscellaneous	699	24,332	1,343	673
Transfer	(32,856)	(42,303)	(45,157)	(40,530)
Total Business-Type Activities	45,912	60,904	48,095	70,855
Change in Net Position				
Governmental Activities	(742,397)	(493,701)	1,228,056	118,084
Business-Type Activities	(3,611)	111,028	152,486	42,358
Total primary government	$ (746,008)	$ (382,673)	$ 1,380,542	$ 160,442

[1] In fiscal year 2016, Sanitation was reclassified from governmental activities to business-type activities.

[2] In fiscal year 2017, streets, public works, and transportation were combined. Code enforcement was reported separately. Fiscal year 2017 beginning net position was not restated for the implmenation of GASB Statement No. 75 because the information was not available.

[3] In fiscal year 2024, Storm Water Operations was reclassified from governmental activities to business-type activities. Fiscal year 2023 information is not restated in this table.

[4] In fiscal year 2025, the beginning net positions were restated as a result of the implementation of GASB Statement No. 101, Compensated Absences. Fiscal year 2024 information is not restated in this table.

*Source: Annual Comprehensive Financial Report for the respective years unless restated, which is from the subsequent year's Annual Comprehensive Financial Report, Management Discussion and Analysis

Table 2

2020	2021	2022	2023 [3]	2024 [4]	2025
$ 455,389	$ 534,764	$ 437,888	$ 499,761	$ 374,472	$ 397,954
674,112	306,796	618,090	798,664	1,363,854	1,384,385
49,083	51,616	52,944	73,223	74,451	62,077
16,281	16,660	15,949	18,171	19,001	19,380
-	-	-	-	-	-
205,933	216,691	279,743	320,738	400,055	230,598
40,137	50,843	40,417	52,804	56,611	54,422
188,982	179,249	198,455	253,224	269,240	240,439
3,494	3,528	4,074	4,760	4,824	3,763
23,493	32,214	33,906	33,839	40,972	60,791
76,948	58,792	69,798	72,606	107,728	122,184
1,733,852	1,451,153	1,751,264	2,127,790	2,711,208	2,575,993
591,692	623,532	606,180	715,299	675,258	725,517
84,969	86,849	106,758	128,809	102,687	128,042
152,267	160,158	154,951	180,427	212,230	197,431
116,743	125,350	131,315	161,095	163,684	140,152
-	-	-	-	69,848	64,610
2,870	2,013	2,054	1,554	(4,870)	258
36,589	42,584	39,849	55,819	60,177	48,216
985,130	1,040,486	1,041,107	1,243,003	1,279,014	1,304,226
2,718,982	2,491,639	2,792,371	3,370,793	3,990,222	3,880,219
128,650	130,523	131,682	137,373	59,263	65,337
83,899	87,260	81,417	71,151	55,691	77,412
8,044	12,638	13,237	12,958	13,591	13,237
120	146	302	224	-	266
7,117	9,451	17,393	16,555	13,559	17,074
394	1,007	954	984	910	5,756
11,859	15,016	23,139	23,696	24,408	22,163
375	1,232	787	-	1,903	255
-	-	419	-	-	162
202,759	253,997	194,660	207,627	348,688	153,945
48,349	54,979	71,662	65,108	131,722	86,928
491,566	566,249	535,652	535,676	649,735	442,535
635,940	675,180	775,576	816,678	828,121	844,856
29,725	26,341	32,570	49,438	44,690	34,643
146,976	166,997	195,140	215,970	238,112	250,029
122,154	131,264	143,645	151,109	168,397	189,816
-	-	-	-	79,943	85,342
1,500	1,229	1,396	566	462	411
32,866	35,669	42,205	38,488	35,953	47,800
31,095	15,414	33,768	48,551	4,581	1,457
22,003	56,880	24,260	58,093	55,847	231,725
1,022,259	1,108,974	1,248,560	1,378,893	1,456,106	1,686,079
1,513,825	1,675,223	1,784,212	1,914,569	2,105,841	2,128,614
(1,242,286)	(884,904)	(1,215,612)	(1,592,114)	(2,061,473)	(2,133,458)
37,129	68,488	207,453	135,890	177,092	381,853
(1,205,157)	(816,416)	(1,008,159)	(1,456,224)	(1,884,381)	(1,751,605)
1,080,445	1,154,660	1,204,389	1,326,845	1,415,798	1,490,106
314,385	354,288	407,309	425,543	439,666	453,319
125,921	131,130	144,603	146,000	143,851	146,254
12,553	11,136	11,466	12,275	12,150	10,958
28,525	27,766	36,379	42,259	44,531	46,745
22,885	4,404	(27,985)	65,396	177,307	132,485
12,645	23,321	26,920	23,491	20,292	48,026
45,135	35,121	35,023	40,613	45,913	47,991
1,642,494	1,741,826	1,838,104	2,082,422	2,299,508	2,375,884
41,602	40,416	70,365	103,587	109,446	107,634
9,747	12,935	16,940	17,844	17,850	17,794
18,823	4,515	(15,555)	51,181	114,582	89,568
621	849	1,139	874	2,684	1,198
(45,135)	(35,121)	(35,023)	(40,613)	(45,913)	(47,991)
25,658	23,594	37,866	132,873	198,649	168,203
400,208	856,922	622,492	490,308	238,035	242,426
62,787	92,082	245,319	268,763	375,741	550,056
$ 462,995	$ 949,004	$ 867,811	$ 759,071	$ 613,776	$ 792,482

CITY OF DALLAS, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)
(in thousands)

	2016 [1]	2017	2018	2019
General Fund				
Nonspendable	$ 10,659	$ 11,143	$ 11,227	$ 13,385
Restricted	9,593	12,061	10,244	11,185
Committed	1,250	1,250	1,250	1,250
Assigned	15,836	38,963	20,727	37,109
Unassigned	153,693	171,747	212,806	234,225
Total General Fund	191,031	235,164	256,254	297,154
All Other Governmental Funds				
Nonspendable	17,484	14,044	10,102	9,937
Restricted	761,184	658,712	894,157	997,796
Committed	13,781	17,186	22,642	25,393
Unassigned	-	-	-	-
Total All Other Governmental Funds	792,449	689,942	926,901	1,033,126
Total all Governmental Funds	$ 983,480	$ 925,106	$ 1,183,155	$ 1,330,280

[1] In fiscal year 2016, Sanitation was reclassifed from governmental funds to enterprise funds.

[2] In fiscal year 2024, Storm Water was reclassifed from governmental funds to enterprise funds. The fiscal year 2023 balances were restated as a result of this reclassification.

Source: Annual Comprehensive Financial Report for the respective years unless restated, which is from the subsequent years' Annual Comprehensive Financial Report, notes to the financial statements

Table 3

2020	2021	2022	2023 [2]	2024	2025
$ 15,385	$ 16,006	$ 18,723	$ 23,069	$ 25,754	$ 28,001
8,724	6,627	5,653	-	-	-
2,000	2,000	3,000	3,000	6,600	6,600
41,071	51,565	44,347	54,453	42,217	33,467
277,451	324,300	370,588	386,743	398,270	399,566
344,631	400,498	442,311	467,265	472,841	467,634
10,326	12,048	24,929	26,620	23,821	23,508
990,368	989,118	935,611	1,212,484	1,928,216	1,918,524
30,177	33,252	39,814	41,035	48,842	60,095
-	-	-	-	(218)	(21)
1,030,871	1,034,418	1,000,354	1,280,139	2,000,661	2,002,106
$ 1,375,502	$ 1,434,916	$ 1,442,665	$ 1,747,404	$ 2,473,502	$ 2,469,740

CITY OF DALLAS, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)
(in thousands)

	2016 [2]	2017	2018	2019
REVENUES:				
Ad valorem taxes	$ 791,087	$ 853,733	$ 912,645	$ 1,000,380
Tax increment financing, intergovernmental	6,473	8,829	11,139	12,766
Sales taxes	285,669	295,361	307,149	320,413
Franchise fees	140,184	144,205	151,793	140,822
Licenses and permits	6,232	5,242	10,555	12,612
Intergovernmental	98,329	95,019	82,637	74,820
Service to others	182,959	192,420	197,862	182,517
Fines and forfeitures	39,262	37,336	36,278	41,931
Investment income (loss)	9,804	9,324	15,801	34,471
Special assessments	-	-	31,070	33,038
Contributions and gifts	15,270	18,931	23,580	29,712
Confiscated money awards	3,256	2,810	4,063	2,561
Other revenues	12,640	14,898	18,129	12,566
Total revenues	1,591,165	1,678,108	1,802,701	1,898,609
EXPENDITURES:				
Current:				
General government	224,342	240,142	314,174	380,273
Public safety	700,430	721,753	752,278	784,018
Code enforcement [1]	129,472	40,509	42,717	43,779
Environmental and health services	18,576	16,597	16,650	16,467
Streets, public works, and transportation [1]	18,046	112,924	107,830	128,348
Equipment and building services	24,375	25,411	25,564	22,939
Culture and recreation	140,566	147,098	159,837	151,242
Housing	11,932	14,075	3,954	3,098
Human services	25,285	25,284	19,325	22,679
Debt Service:				
Principal	165,234	169,820	168,406	205,032
Interest and fiscal charges	93,109	89,778	96,318	101,030
Payment to refunded bond escrow agent	2,880	-	30,675	-
Capital outlay	228,726	213,060	266,364	268,765
Total expenditures	1,782,973	1,816,451	2,004,092	2,127,670
Excess(deficiency) of revenues over expenditures	(191,808)	(138,343)	(201,391)	(229,061)
OTHER FINANCING SOURCES(USES):				
Transfers in	54,465	64,359	77,495	79,755
Transfers out	(19,265)	(28,929)	(87,574)	(209,288)
Inception of lease				
Proceeds from sale of capital assets	610	342	716	1,711
Premium on debt issued	31,556	-	36,444	51,803
Issuance of long-term debt	230,310	44,197	432,359	452,205
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from repayment of notes receivable	6,143	-	-	-
Refunding bonds issued	2,880	-	-	-
Total other financing sources(uses)	306,699	79,969	459,440	376,186
Net change in fund balance	$ 114,891	$ (58,374)	$ 258,049	$ 147,125
Debt service as a percentage of noncapital expenditures	16.62%	16.19%	15.23%	16.46%

[1] In fiscal year 2017, streets, public works, and transportation were combined. Code enforcement was reported separately.

[2] In fiscal year 2016, Sanitation was reclassifed from governmental funds to enterprise funds.

[3] In fiscal year 2024, Storm Water was reclassifed from governmental funds to enterprise funds. Fiscal year 2023 information is not restated in this table.

*Source: Annual Comprehensive Financial Report for the respective years unless restated, which is from the subsequent years' Annual Comprehensive Financial Report, notes to the financial statements.

Table 4

2020	2021	2022	2023 [3]	2024	2025
$ 1,076,976	$ 1,153,474	$ 1,202,945	$ 1,322,001	$ 1,412,290	$ 1,486,081
12,553	11,136	11,466	12,275	12,150	10,958
314,385	354,288	407,309	425,543	439,666	453,319
125,921	131,130	144,603	146,000	143,851	146,254
9,274	11,791	16,643	13,380	14,969	16,230
211,170	263,712	199,555	213,328	350,456	182,317
196,546	207,128	214,274	225,838	148,304	158,983
25,051	25,444	25,104	22,733	20,665	20,926
21,886	4,262	(25,586)	60,977	169,069	126,741
28,525	27,766	36,379	42,259	44,531	46,745
33,852	29,835	50,265	51,454	74,136	54,284
2,661	1,820	1,404	4,079	2,774	3,188
8,615	14,995	16,704	13,683	7,808	6,060
2,067,415	2,236,781	2,301,065	2,553,550	2,840,669	2,712,086
440,845	465,568	448,584	436,053	381,791	373,651
854,425	897,953	950,104	1,036,025	1,088,118	1,179,126
44,628	45,712	50,232	56,326	62,872	63,662
15,691	16,492	14,521	15,911	17,611	17,691
126,573	139,498	197,878	213,988	247,316	161,820
25,183	34,673	24,198	29,299	31,718	31,234
149,912	146,157	167,162	187,017	204,083	208,443
2,707	2,632	3,279	3,880	3,582	3,344
21,806	37,590	34,108	32,820	41,519	60,407
204,515	378,200	400,881	294,314	295,267	312,004
105,692	90,869	87,914	90,596	110,763	144,916
-	-	-	-	-	-
296,412	381,256	301,222	406,957	307,550	498,380
2,288,389	2,636,600	2,680,083	2,803,186	2,792,190	3,054,678
(220,974)	(399,819)	(379,018)	(249,636)	48,479	(342,592)
97,317	80,653	92,017	143,364	313,301	116,478
(43,360)	(32,681)	(50,770)	(88,482)	(299,960)	(55,731)
		3,381	84,042	2,621	2,624
320	8,738	6,171	588	2,215	1,373
3,798	26,255	45,885	54,602	66,636	29,505
208,121	472,599	152,863	464,725	610,469	252,891
-	(96,331)	(93,895)	(62,442)	(269,994)	(97,619)
-	-	-	-	-	-
-	-	231,115	56,415	252,331	89,309
266,196	459,233	386,767	652,812	677,619	338,830
$ 45,222	$ 59,414	$ 7,749	$ 403,176	$ 726,098	$ (3,762)
15.57%	20.80%	20.55%	16.06%	16.34%	17.87%

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 [2]	Personal Property Estimated Market Value [2]	Less: Tax-Exempt Property [2]	Total Taxable Assessed Value [1] [4]	Total Direct Tax Rate [3]
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
2023	224,846,032	17,696,063	(63,108,503)	179,433,592	0.7458
2024	248,408,612	19,591,937	(69,728,459)	198,272,090	0.7357
2025	257,592,234	19,846,464	(62,290,850)	215,147,848	0.7047

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., 2024 fiscal year reflects 2023 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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund	$ 0.5646	$ 0.5601	$ 0.5580	$ 0.5667	$ 0.5691	$ 0.5688	$ 0.5658	$ 0.5403	$ 0.5317	$ 0.5109
Debt Service Fund	0.2324	0.2224	0.2224	0.2100	0.2075	0.2075	0.2075	0.2055	0.2040	0.1938
Total City Tax Rate	$ 0.7970	$ 0.7825	$ 0.7804	$ 0.7767	$ 0.7766	$ 0.7763	$ 0.7733	$ 0.7458	$ 0.7357	$ 0.7047

Source: Dallas Central Appraisal District

Table 7

CITY OF DALLAS, TEXAS
PROPERTY TAX RATES - ALL DIRECT AND OVERALAPPING TAX RATES
(PER $100 OF ASSESSED VALUE)
Last Ten Fiscal Years (Unaudited)

	City Direct Rates [1]		Overlapping Rates [2]					
Fiscal Year	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
2016	$ 0.5646	$ 0.2324	$ 0.2431	$ 0.1237	$ 1.2821	$ 0.0100	$ 0.2860	$ 2.7418
2017	0.5601	0.2224	0.2431	0.1242	1.2821	0.0100	0.2794	2.7213
2018	0.5580	0.2224	0.2431	0.1242	1.2821	0.0100	0.2794	2.7192
2019	0.5667	0.2100	0.2431	0.1240	1.4120	0.0100	0.2794	2.8452
2020	0.5691	0.2075	0.2431	0.1240	1.3104	0.0100	0.2695	2.7336
2021	0.5688	0.2075	0.2397	0.1240	1.2967	0.0100	0.2661	2.7129
2022	0.5658	0.2075	0.2280	0.1235	1.2482	0.0100	0.2550	2.6380
2023	0.5403	0.2055	0.2179	0.1159	1.1849	0.0100	0.2358	2.5104
2024	0.5317	0.2040	0.2157	0.1100	1.0138	0.0100	0.2195	2.3048
2025	0.5109	0.1938	0.2155	0.1056	0.9972	0.0100	0.2120	2.2450

Source: Dallas Central Appraisal District

[1] 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.

[2] Overlapping rates are those of local and county governments that apply to property owners within the City of Dallas.

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
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	1,158,134	1,140,993	99.68%	3,708	1,144,701	98.84%
2022	2021	1,203,409	1,188,513	99.93%	5,053	1,193,566	99.18%
2023	2022	1,332,142	1,313,231	98.58%	-	1,313,231	98.58%
2024	2023	1,439,121	1,418,088	98.54%	-	1,418,088	98.54%
2025	2024	1,496,990	1,476,713	98.65%	-	1,476,713	98.65%

Source: Dallas County Tax Assessor/Collector.

Table 9

CITY OF DALLAS, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago (Unaudited)
(in thousands)

		2025			2016		
Name of Taxpayer	**Nature of Property**	**Taxable Assessed Valuation**	**Rank**	**Percent of Total Taxable Assessed Valuation**	**Taxable Assessed Valuation**	**Rank**	**Percent of Total Taxable Assessed Valuation**
Oncor Electric Delivery	Electric Utility	$ 1,144,233	1	0.59%	$ 789,299	1	0.85%
Texas Instruments	Electronic Manufacturing	1,037,617	2	0.53%	548,171	6	0.59%
Billingsley Arts	Developer	956,480	3	0.49%			
Southwest Airlines Co	Air Transportation	918,823	4	0.47%	552,374	5	0.59%
Northpark Land Partners	Developer	862,593	5	0.44%	643,717	2	0.69%
FM Village Fixed Rate LLC	Developer	847,183	6	0.44%			
Crescent TC Investors LP	Developer	724,054	7	0.37%	642,212	3	0.69%
Atmos Energy	Gas Utility	632,483	8	0.33%			
AT&T Mobility LLC	Telephone Utility	627,554	9	0.32%	583,581	4	0.63%
Amazon Com KYDC LLC	Retailer	483,315	10	0.25%			
PC Village Apartments Dallas LP	Developer	-	-	-	475,467	7	0.51%
Walmart	Retailer	-	-	-	402,250	8	0.43%
Galleria Mall Investors LP	Developer	-	-	-	396,588	9	0.43%
Post Properties Inc.	Developer	-	-	-	313,299	10	0.34%
Total		$ 8,234,335		4.24%	$ 5,346,958		5.75%

Source: Dallas County Tax Office

CITY OF DALLAS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Year Ended September 30, 2025 (Unaudited)
(in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Direct Debt:			
City of Dallas			
Debt repaid with property taxes			
General obligation bonds	$ 1,974,316		$ 1,974,316
Certificates of obligation	401,208		401,208
Revenue bonds	42,507		42,507
Equipment acquisition notes	108,593		108,593
Pension obligation bonds	271,746		271,746
Other Debt			
Financed purchases	46,450		46,450
Leases	112,100		112,100
SBITAs	83,155		83,155
Long-term notes payable	8,741		8,741
Subtotal, direct debt	3,048,816	100.00 %	3,048,816
Overlapping Debt:			
Carrollton-Farmers Branch ISD	908,585	7.65 %	69,507
Cedar Hill ISD	339,203	1.31 %	4,444
Collin Co	982,755	3.29 %	32,333
Collin Co CCD	438,250	3.29 %	14,418
Community ISD	427,065	0.01 %	43
Coppell ISD	421,575	6.91 %	29,131
Dallas Co	179,530	48.79 %	87,593
Dallas Co Hosp Dist	511,285	48.79 %	249,456
Dallas College	247,115	48.79 %	120,567
Dallas ISD	4,613,765	87.90 %	4,055,499
Denton Co	721,100	1.25 %	9,014
Duncanville ISD	322,745	42.27 %	136,424
Garland ISD	977,345	1.49 %	14,562
Grand Prairie ISD	320,395	2.41 %	7,722
Highland Park ISD (Dallas)	395,545	9.31 %	36,825
Irving ISD	745,650	2.16 %	16,106
Lancaster ISD	140,145	3.54 %	4,961
Lewisville ISD	1,545,585	0.00 %	-
Mesquite ISD	1,063,220	2.03 %	21,583
Plano ISD	1,409,280	10.34 %	145,720
Richardson ISD	955,960	58.41 %	558,376
Rockwall Co	123,500	0.07 %	87
Rockwall ISD	919,219	0.08 %	735
Sunnyvale ISD	166,973	0.00 %	-
Wylie ISD [Collin]	629,120	0.13 %	818
Subtotal, overlapping debt	$ 19,504,910		$ 5,615,924
City Of Dallas (direct debt)	3,048,816	100.00 %	3,048,816
Total direct and overlapping debt	$ 22,553,726		$ 8,664,740
Ratio of Direct and Estimated Share of Overlapping Tax Debt to Taxable Assessed Valuation			4.03%
Per Capita Direct and Overlapping Tax Debt (not in thousands)			6,534

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.

[1] 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.

Total general obligation (G.O.) bonded debt shown for the City of Dallas excludes self-supporting Water and Sewer G.O., and amount available for repayment in the Debt Service fund.

CITY OF DALLAS, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years (Unaudited)
(in thousands)

	Governmental										Business-type		
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Equipment Acquisition Notes	Pension Obligation Bonds	Financed Purchases	Leases [1]	Commercial Paper	Long-term Notes Payable	SBITA Payable [2]	Revenue and Refunding Bonds	Senior Lien Special Tax Notes	Certificates of Obligation
2016	$ 1,641,422	$ 18,011	$ -	$ -	$ 261,102	$ -	$ 59,117	$ 10,220	$ 42,893	$ -	$ 2,701,953	$ -	$ -
2017	1,486,496	14,117	-	-	253,016	-	59,565	9,650	49,027	-	2,900,670	-	-
2018	1,699,537	10,779	-	-	244,418	-	75,788	35,160	48,058	-	3,006,797	-	-
2019	1,973,099	7,997	-	-	346,837	-	118,916	3,500	43,853	-	2,937,671	-	-
2020	1,791,598	21,588	-	33,071	339,205	-	98,185	163,500	25,484	-	3,134,664	-	-
2021	1,794,408	17,187	-	53,365	315,511	-	103,001	159,676	19,025	-	3,498,673	-	-
2022	1,784,031	66,867	-	70,568	305,520	121,161	35,152	9,185	16,138	28,845	3,392,347	-	-
2023	1,957,891	119,644	-	109,173	294,537	91,224	139,303	-	13,727	26,705	3,503,189	-	-
2024	1,928,269	457,434	43,475	137,829	271,627	67,371	125,909	-	11,261	29,244	3,634,352	-	97,967
2025	1,974,316	401,208	42,507	108,593	271,746	46,450	112,100	-	8,741	83,155	3,580,129	252,500	125,202

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Items reported as leases in fiscal years prior to fiscal year 2022.

[2] The City implemented GASB No. 96, Subscription-Based Information Technology Arrangements on October 1, 2022.

[3] These ratios are calculated using personal income and population data (See Table 15).

[4] See Table 5 for property value data.

Table 11

Business-Type														
Equipment Acquisition Notes	General Obligation Bonds	Pension Obligation Bonds	Financed Purchases	Leases [1]	SBITA Payable [2]	Commercial Paper	Long-term Notes Payable	Total Primary Government	Percentage of Personal Income [3]	Per Capita [3]	Total Bonded Debt	Percentage of Estimated Actual Property Value [4]	Per Capita [3]
$ -	$ 8,396	$ 119,738	$ -	$ 73,899	$ -	$ 48,322	$ 266	$ 4,942,446	12.90%	$ 3,929	$ 2,048,669	2.04%	$ 1,629
-	7,307	116,029	-	75,909	-	18,500	-	4,941,259	12.31%	3,891	1,876,965	1.70%	1,478
-	6,261	112,088	-	101,813	-	-	-	5,292,641	13.16%	4,116	2,073,083	1.75%	1,612
-	5,352	159,051	-	87,519	-	164,500	-	5,804,442	13.07%	4,458	2,492,336	1.92%	1,914
-	4,456	104,370	-	85,915	-	52,900	-	5,829,452	12.71%	4,380	2,294,288	1.64%	1,724
-	2,440	144,691	-	82,445	-	2,280	-	6,173,677	13.46%	4,734	2,327,602	1.58%	1,785
-	805	140,105	8,433	79,736	24,026	137,800	-	6,180,555	13.78%	4,740	2,367,896	1.52%	1,821
-	-	135,068	4,422	74,661	22,901	56,600	-	6,512,417	11.99%	5,006	2,616,313	1.46%	2,011
-	-	141,619	2,026	71,736	2,704	210,900	-	7,233,723	12.83%	5,564	3,034,745	1.53%	2,334
10,023	-	141,682	422	68,747	5,117	89,100	-	7,321,738	12.05%	5,522	3,022,747	1.40%	2,280

CITY OF DALLAS, TEXAS
LEGAL DEBT MARGIN
Last Ten Fiscal Years (Unaudited)
(in thousands)

	2016	2017	2018	2019
Total Assessed Valuation	$100,318,937	$110,387,629	$118,314,677	$130,080,985
Overall debt limitation - 10% of assessed valuation	10,031,894	11,038,763	11,831,468	13,008,099
Net Debt Subject to Limitation	1,774,889	1,625,654	1,816,873	2,055,841
Legal debt margin within 10% limitation (1)	$8,257,005	$9,413,109	$10,014,595	$10,952,258
Legal Debt Margin as a Percentage of the Debt Limit	82.3%	85.3%	84.6%	84.2%

(1) 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."

(2) The Fair Park Revenue Bonds are not included in the schedule above.

Table 12

2020	2021	2022	2023	2024 [(2)]	2025 [(2)]
$140,237,631	$147,443,517	$155,938,192	$179,433,592	198,272,090	215,147,848
14,023,763	14,744,352	15,593,819	17,943,359	19,827,209	21,514,785
1,939,270	1,936,978	1,952,168	2,160,851	2,441,544	2,407,978
$12,084,493	$12,807,374	$13,641,651	$15,782,508	$17,385,665	$19,106,807
86.2%	86.9%	87.5%	88.0%	87.7%	88.8%

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 [2]			Revenue Bond Coverage [3]
	Gross Revenue	Expense [1]	Net Revenue	Principal	Interest	Total	
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
2023	838,900	359,945	478,955	119,380	92,360	211,740	2.26
2024	879,160	425,383	453,777	114,850	89,204	204,054	2.22
2025	902,183	432,122	470,061	113,980	93,186	207,166	2.27

[1] 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."

[2] Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

[3] 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
CONVENTION CENTER FUND
Last Ten Fiscal Years (Unaudited)
(in thousands)

Fiscal Year	Net Revenue Available for Debt Service: Gross Revenue	Expense [1]	Net Revenue	Debt Service Requirements [2]: Principal	Interest	Total	Revenue Bond Coverage [3]
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
2023	176,984	103,914	73,070	10,430	8,904	19,334	3.8
2024	196,552	67,464	129,088	14,567	4,770	19,337	6.7
2025	178,604	91,278	87,326	14,845	4,492	19,337	4.5

[1] Convention Center Revenue bond covenants require only Convention Center expenses be considered when calculating bond coverage. Expenses exclude depreciation expense.

[2] Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

[3] Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest.

Table 15

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 [2]			Revenue Bond Coverage [3]
	Gross Revenue	Expense [1]	Net Revenue	Principal	Interest	Total	
2018 [4]	$ 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	19,499	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
2023	195,477	114,981	80,496	25,439	10,336	35,775	2.25
2024	229,193	143,636	85,557	25,855	9,727	35,582	2.40
2025	237,122	133,766	103,356	26,265	9,100	35,365	2.92

[1] Operating expenses do not include depreciation.

[2] Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

[3] Revenue bond coverage is equal to net revenue available for debt service divided by average principal and interest outstanding at fiscal year end.

[4] Debt service payments from net revenues began in fiscal year 2018.

Table 16

CITY OF DALLAS, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE
STORM WATER OPERATIONS FUND
Last Two Fiscal Years (Unaudited)
(in thousands)

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements [2]		Revenue Bond Coverage [3]
	Gross Revenue	Expense [1]	Net Revenue	Principal	Total	
2024	$ 82,062	$ 67,035	$ 15,027	$ 3,480	$ 3,480	4.32
2025 [4]	93,592	59,161	34,431	3,480	3,480	9.89

[1] Operating expenses do not include depreciation.

[2] The bonds do not require interest payments.

[3] Revenue bond coverage is equal to net revenue available for debt service divided by principal payment in year which payments are the greatest amount.

[4] Debt service payments from net revenues began in fiscal year 2025.

CITY OF DALLAS, TEXAS
DEMOGRAPHIC STATISTICS AND ECONOMIC STATISTICS
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population [1]	Personal Income	Per Capita Personal Income	Median Household Income	Median Age	Assessed Valuation [5] (in thousands)	Labor Force [2]	Unemployment [2]	Unemployment Rate [2]
2016	1,257,730	$ 38,299,687,300 [3]	$ 30,451 [4]	$ 44,461 [3]	32.5 [3]	$ 100,318,937	661,622	25,627	3.9 %
2017	1,270,170	40,127,279,400 [3]	31,592 [4]	46,581 [3]	32.7 [3]	110,387,629	676,091	27,356	4.1 %
2018	1,286,380	40,212,238,800 [3]	31,260 [4]	47,285 [3]	32.5 [3]	118,314,677	694,383	25,302	3.7 %
2019	1,301,970	44,411,357,000 [3]	34,111 [4]	51,419 [3]	32.9 [3]	130,080,985	706,339	24,144	3.4 %
2020	1,330,612	45,878,171,148 [3]	34,479 [4]	52,580 [3]	32.7 [3]	140,237,631	695,823	45,769	6.6 %
2021	1,304,379	45,878,171,148 [6]	34,479 [6]	52,580 [6]	32.7 [6]	147,443,517	701,108	45,689	6.5 %
2022	1,300,239	44,841,342,393 [7]	34,487 [7]	54,747 [7]	33.1 [7]	155,938,192	717,021	28,726	4.0 %
2023	1,300,642	54,316,110,562 [7]	41,761 [7]	63,985 [7]	33.1 [7]	179,433,592	742,004	29,277	3.9 %
2024	1,299,553	56,399,463,251 [7]	43,399 [7]	67,760 [7]	33.4 [7]	198,272,090	751,330	29,324	3.9 %
2025	1,326,087	60,749,371,557 [7]	$45,811 [7]	70,518 [7]	33.4 [7]	226,456,133	731,056	29,064	4.0 %

[1] Sources vary over the years including:
North Central Texas Council of Governments estimate.
U.S. Census Bureau.
American Community Survey estimates.

[2] U.S. Bureau of Labor Statistics and Texas Workforce Commission

[3] 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.
U.S. Census Bureau.

[4] Per Capita Personal Income is derived from Population and Personal Income values.
U.S. Census Bureau.

[5] Consolidated Appraisal Value from Budget Office.

[6] The information was not available for September 30, 2021, so the information as of September 30, 2020 was used in this table.

[7] American Community Survey estimates.

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.

CITY OF DALLAS, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago (Unaudited)

	2025			2016		
Name of Employers	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
UT Southwestern Medical Center [1]	22,721	1	2.24%	-	-	-
Dallas Independent School District [2]	22,162	2	2.19%	20,000	3	2.35%
Southwest Airline Co [3]	17,324	3	1.71%	-	-	-
Parkland Health & Hosp System [4]	14,000	4	1.38%	-	-	-
City of Dallas [5]	13,000	5	1.28%	13,000	8	1.53%
AT&T Inc. [3]	10,868	6	1.07%	-	-	-
Texas Instruments Inc. [3]	7,704	7	0.76%	13,000	9	1.53%
Baylor Scott & White Health [6]	7,284	8	0.72%	-	-	-
Methodist Dallas Med Ctr [3]	6,752	9	0.67%	-	-	-
Dallas County [7]	6,500	10	0.64%	-	-	-
Wal-Mart Stores	N/A	N/A	N/A	25,534	1	3.01%
American Airlines Group, Inc.	N/A	N/A	N/A	25,000	2	2.94%
Texas Health Resources	N/A	N/A	N/A	19,131	4	2.25%
Baylor Scott & White Health	N/A	N/A	N/A	16,860	5	1.98%
Bank of America	N/A	N/A	N/A	14,465	6	1.70%
Lockheed Martin Aeronautics Co.	N/A	N/A	N/A	13,700	7	1.61%
JPMorgan chase Bank N.A.	N/A	N/A	N/A	12,600	10	1.48%
Total	128,315		12.67%	173,290		20.40%

Source:
(1) Dallas Business Journal, 2025
(2) Dallas Independent School District, 2025
(3) JobsEQ, 2025
(4) Forbes, 2025.
(5) City of Dallas - Human Resources, 2025
(6) DataAxle - ReferenceSolutions Database, 2025
(7) Dallas County, 2025

2016 data are based upon Dallas Business Journal Book of Lists and census data.

CITY OF DALLAS, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Unaudited)

Function/Program	2016	2017	2018	2019
Public safety				
Police stations	8	8	8	8
Fire stations	58	58	58	58
Streets, public works and transportation				
Streets - paved (miles)	4,034	4,027	4,027	4,056
Lane miles	11,775	11,757	11,755	11,811
Traffic signals	1,354	1,368	1,373	1,383
Street lights	87,790	91,000	88,122	92,542
Parks and recreation				
Parks	389	396	397	397
Parks acres	23,147	20,109	20,245	20,109
Miles of trails (jogging, hiking & biking)	153	158	161	162
Number of lakes	13	13	13	40
Swimming pools	19	19	20	19
Spraygrounds (water-enhanced playground)	11	11	11	11
Athletic fields (soccer, football, baseball, and rugby)	278	274	269	287
Tennis centers	5	5	5	5
Number of tennis courts	81	99	99	99
Neighborhood tennis courts	177	157	157	157
Multi-use courts	154	158	154	159
Golf courses (18 holes)	6	6	6	6
Recreation centers (community)	43	43	43	43
Water				
Water mains (miles)	4,937	4,955	4,983	4,986
Fire hydrants	29,857	30,176	30,558	30,707
Wastewater				
Miles of sanitary sewers	4,020	4,022	4,040	4,046
Miles of storm sewers	1,820	1,838	1,963	1,963

Source: City capital asset records

TABLE 19

2020	2021	2022	2023	2024	2025
8	8	8	8	8	8
58	58	59	59	59	59
4,069	4,009	4,022	4,012	4,041	4,038
11,860	11,622	11,673	11,656	11,716	11,730
1,399	1,422	1,434	1,444	1,457	1,466
92,909	93,977	94,201	93,104	93,887	94,604
397	397	410	412	412	404
23,464	20,245	20,835	21,227	21,227	22,311
168	180	207	179	186	192
40	40	41	41	41	41
19	19	19	19	19	19
11	17	17	17	17	18
287	287	288	287	287	287
5	4	4	4	4	4
99	99	65	67	67	67
157	157	189	188	188	188
159	159	158	157	157	157
6	6	6	6	6	6
43	43	42	42	42	43
5,005	5,017	5,038	5,054	5,076	5,088
30,950	31,091	31,398	31,637	31,976	32,151
4,052	4,058	4,063	4,067	4,081	4,088
1,869	1,879	1,875	1,885	1,885	1,886

CITY OF DALLAS, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Unaudited)

Function/Program	2016	2017	2018	2019
Public Safety				
Police				
Calls for Service	628,871	608,548	586,727	617,111
Fire				
Calls for Service - Fire	43,228	43,783	53,171	49,594
Calls for Service - EMS	202,212	206,323	206,161	205,245
Recreation				
Number of Membership Scans	632,246	453,369	344,127	361,833
Building Permits [1]				
Permits Issued	41,480	40,650	38,826	44,981
Estimated Value	$4,636,962,395	$4,264,728,943	$4,011,159,859	$4,730,498,312
Airport				
Airport Operations (Takeoffs and Landings)	223,997	225,754	232,380	229,594
Utilities (millions of gallons)				
Water Usage - Peak	592	511	607	606
Water Usage - Average	369	372	389	369

Source: Department annual records

[1] Fiscal Year 2023 data are for the submitted building permits. Other years' data are for the issued permits. Starting in May 2025, a new land management system was implemented which changed permit classification and reporting methodology.

Table 20

2020	2021	2022	2023	2024	2025
587,564	569,280	584,268	546,451	493,262	483,071
60,892	66,357	75,865	76,451	76,143	72,638
172,993	194,646	209,426	209,149	212,615	215,786
17,913	818,548	391,688	537,960	652,987	640,069
40,013	44,618	18,471	11,699	13,946	9,867
$4,025,997,722	$4,264,667,272	$5,782,936,004	$6,282,781,148	$7,037,974,494	$4,892,659,692
187,220	197,436	226,591	247,510	249,099	245,032
588	687	655	685	551	562
380	382	412	415	503	411

CITY OF DALLAS, TEXAS
HEADCOUNT OF CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
City Manager's Office	12	11	13	17	13	16	18	17	12	13
City Attorney	153	157	150	159	150	137	158	165	168	150
City Auditor	22	23	25	19	20	21	16	20	19	19
City Controller's Office	41	47	48	54	65	71	71	75	75	73
City Secretary	17	18	21	23	24	24	21	23	24	27
Code Compliance Services	440	455	345	326	329	359	367	426	418	413
Communication & Information Services	170	188	187	179	198	188	198	202	213	214
Dallas Animal Services	-	-	131	148	154	158	151	155	159	164
Office of Economic Development	36	37	27	24	30	42	29	32	32	30
Equipment and Building Services [1]	452	491	469	-	-	-	-	-	-	-
Equipment & Fleet Management	-	-	-	216	237	224	223	222	229	230
Building Services Department	-	-	-	169	176	173	157	162	162	198
Office of Budget	30	31	34	36	42	29	29	29	30	33
Office of Bond Program Administration	-	-	-	-	12	14	10	9	12	18
Office of Data Analytics and Business Intelligence	-	-	-	-	-	22	25	33	39	39
Human Resources	53	54	49	53	53	58	72	77	73	71
Housing & Neighborhood Revitalization	-	-	40	41	45	15	24	22	30	22
Housing	357	304	-	-	-	-	-	-	-	-
Inspector General	-	-	-	-	-	-	-	-	-	7
Office of Cultural Affairs	63	63	68	64	51	77	73	80	78	80
Municipal Court-Judiciary	29	32	30	27	26	38	46	43	44	48
Courts & Detention Services [3]	158	153	140	202	197	194	192	180	53	54
Office of Procurement Services	40	36	31	34	34	32	32	30	36	33
Planning & Urban Design [4]	28	28	26	25	26	24	51	49	54	-
Sustainable Development & Construction Services [4]	-	-	297	310	308	303	265	297	286	337
Library	391	389	407	415	382	314	317	381	427	412
Management Services	181	199	452	505	494	572	631	670	662	579
Subtotal	2,673	2,716	2,990	3,046	3,066	3,105	3,176	3,399	3,335	3,264
Public Safety										
Police-Uniform	3,354	3,075	3,033	3,077	3,161	3,138	3,103	3,071	3,135	3,280
Police-Civilian	550	624	568	550	506	637	635	645	670	698
Fire-Uniform	1,878	1,811	1,940	1,986	1,986	2,002	2,005	2,055	2,214	2,302
Fire-Civilian	102	105	103	98	101	99	106	109	111	114
City Marshal [3]	-	-	-	-	-	-	-	-	138	125
Subtotal	5,884	5,615	5,644	5,711	5,754	5,876	5,849	5,880	6,268	6,519
Development Services	280	299	-	-	-	-	-	-	-	-
Public Works										
Public Works & Transportation	137	-	-	-	-	-	-	-	-	-
Streets, Public Works, and Transportation [2][5]	508	609	633	-	-	-	-	-	-	643
Public Works	-	-	-	445	433	424	476	527	495	-
Trinity Watershed Management	207	209	208	-	-	-	-	-	-	-
Transportation [5]	-	-	-	133	133	143	160	169	176	-
Subtotal	852	818	841	578	566	567	636	696	671	643
Parks and Recreation	729	691	702	690	676	825	922	1,220	995	949
Water Utilities	1,439	1,439	1,363	1,520	1,473	1,468	1,440	1,447	1,503	1,586
Convention & Events Services	98	111	106	27	28	23	19	22	32	30
Aviation	206	240	261	277	270	274	267	283	308	326
Sanitation	483	487	483	491	480	458	489	503	509	534
Other										
Mayor & Council	37	40	37	39	34	52	52	60	67	63
Employee Retirement	25	28	29	31	33	35	35	35	35	34
Civil Services	22	28	26	27	24	21	21	24	21	19
Office of Risk Management	27	26	36	37	41	41	44	50	54	54
Subtotal	111	122	128	134	132	149	152	169	177	170
Total	12,755	12,538	12,518	12,474	12,445	12,745	12,950	13,619	13,798	14,021

Source: City Human Resources Records

[1] In fiscal year 2019, Equipment and Building Services were reorganized as two separate departments - Equipment and Fleet Management and Building Services.

[2] In fiscal year 2017, streets, public works, and transportation were combined.

[3] In fiscal year 2024, the City's Marshal's Office was reorganized as an independent department. It was formerly included with the department of Courts & Detention Services.

[4] Planning & Urban Design and Development Services have combined to become the Planning & Development.

[5] The City's public works and transportation departments have merged into the Dallas Department of Transportation and Public Works.

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