

CITY OF DALLAS, TEXAS ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2024



CITY OF DALLAS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Fiscal Year Ended September 30, 2024

Issued by City Controller's Office

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City of Dallas

**SERVICE
FIRST,
NOW!**

INTRODUCTORY SECTION

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED SEPTEMBER 30, 2024
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City of Dallas

**SERVICE
FIRST,
NOW!**



March 31, 2025

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, 2024. The City and our dedicated financial management staff are committed to responsibly stewarding the funds our residents and taxpayers entrust to us. We have produced this report to help the public better understand the City, our operations, and our finances.

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

We present the report in three sections:

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

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

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

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-Arlington (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.

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¹ U.S. Census Bureau, City, Metropolitan and Micropolitan Statistical Areas Population Totals: 2020-2023

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

572,194



MEDIAN HOUSEHOLD
INCOME

\$67,760



BACHELOR'S DEGREE
OR HIGHER

38.7%



HIGH SCHOOL DIPLOMA
OR LESS

20.8%



MEDIAN AGE

33.4



TOTAL POPULATION

1.3 million



AGES 18-65

64.4%



UNDER 18

24.2%



OVER 65

11.4%

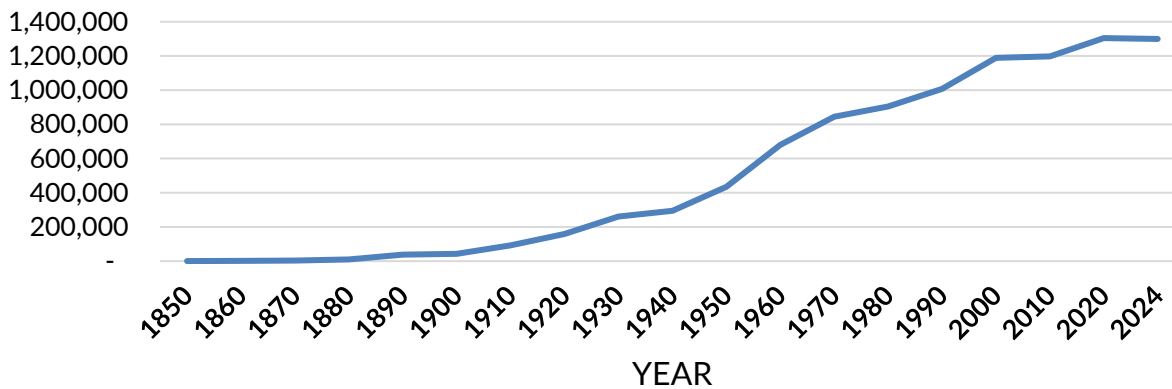
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² United States Census Bureau City Profile: https://data.census.gov/profile/Dallas_city,_Texas?g=160XX00US4819000

THE DALLAS ECONOMY

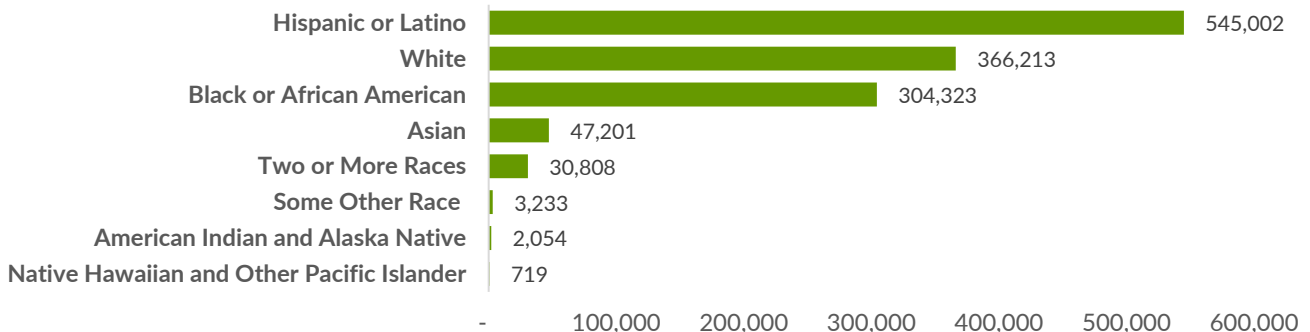
The City of Dallas is home to 1,299,553 people.³ The U.S. Census data shows an increase in the population of about 29% during the last 30 years.⁴ Per the most recent census numbers, the Dallas-Fort Worth (DFW) area experienced an increase of over 152,500 residents between July 1, 2022, and July 1, 2023, to bring the current DFW population to 8,100,037. This is the largest population increase 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 41.9% of residents identify as Hispanic or Latino (of any race), while 58.1% identify as non-Hispanic or Latino. Among non-Hispanic or Latino residents, 28.2% are White, 23.4% are Black, 3.6% are Asian, and 2.9% represent other racial backgrounds.⁷

Figure 2.
RACE & ETHNICITY



³ U.S. Census Bureau, City, Metropolitan and Micropolitan Statistical Areas Population Totals: 2020-2023

⁴ Texas Almanac, <http://www.texasalmanac.com/places/dallas>

⁵ U.S. Census Bureau, City, Metropolitan, and Micropolitan Statistical Areas Population Totals: 2020-2023

⁶ United States Census Bureau Quick <https://www.census.gov/quickfacts/fact/table/dallascitytexas,US/PST045222>

⁷ 2023 American Community Survey, 5-Year Estimates, Table S0501

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 to the addition of 74,800 jobs in 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 30.3 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 750,000 city residents⁹, and more than 522 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, 2024.

⁹ Estimated using data from ESRI Business Analyst, 2024

¹⁰ Reference Solutions, 2024

THE DALLAS ECONOMY

Corporate Headquarters

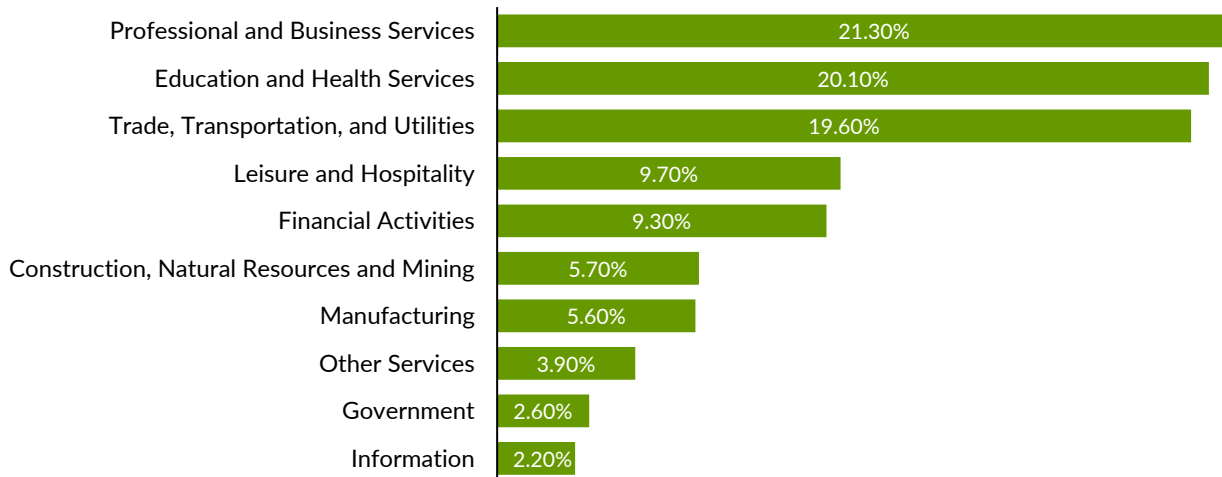
The Dallas-Fort Worth metroplex is one of the world's leading corporate headquarters in 2024. The Dallas business community includes:

- Nine of the 22 Fortune 500 companies in the DFW area and 21 of the 48 Fortune 1000 companies.¹¹
- Dallas ranks fifth in the U.S. for locally headquartered Fortune 1000 companies, with 21 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 22% 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 216,430 workers. The next-largest sectors in the region are Education and Health Services (205,729 workers) and Trade, Transportation, and Utilities (199,301).¹⁴

FIGURE 3.
CITY OF DALLAS EMPLOYMENT BY INDUSTRY



¹¹ Fortune 500 Ranking: <https://fortune.com/ranking/fortune500/2024/search/?hqcity=Dallas>

¹² https://www.dallaschamber.org/wp-content/uploads/2024/03/EDG2024_Business-Fortune1000.pdf

¹³ Estimated using data from ESRI Business Analyst, 2024

¹⁴ JobsEQ- 2024Q2 Industry Snapshot, 2024

THE DALLAS ECONOMY

In FY 2024, the average monthly labor force in Dallas was 751,330, with an average of 29,324 unemployed residents each month. The labor force in Dallas has grown by about 9,000 over the past year, with the number of unemployed virtually unchanged from FY2023. Despite the modest increase in the Dallas labor force, the average unemployment rate for Dallas remains steady at 3.9 percent for FY 2024. This unemployment rate matches the national average of 3.9 percent in FY 2024.¹⁵

FIGURE 4.
DALLAS UNEMPLOYMENT RATE
(PERCENT)

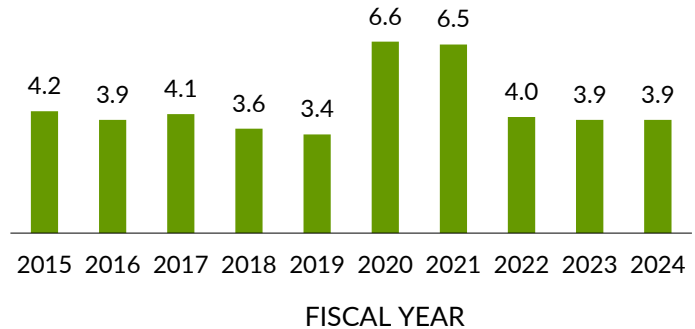
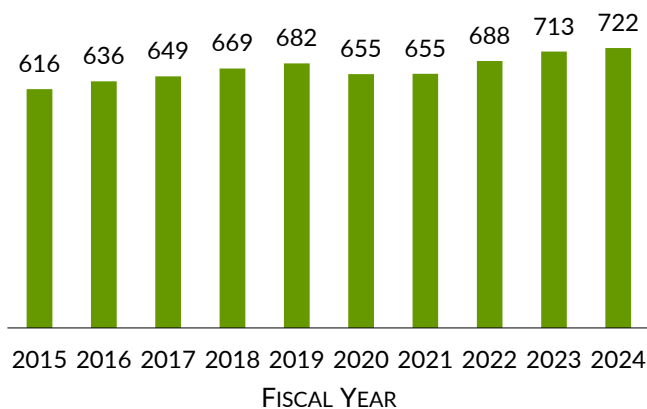


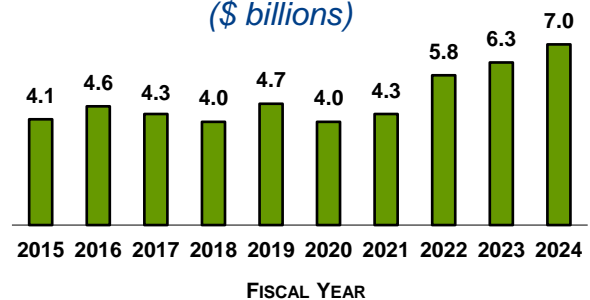
FIGURE 5.
DALLAS EMPLOYMENT
(1,000's of employed residents)



The unemployment rate in Dallas peaked at 4.4 percent in June 2024, experiencing fluctuations throughout the fiscal year. December 2023 recorded the lowest unemployment rate of the year at 3.4 percent. The employed population in Dallas continues to grow, reaching approximately 722,006 residents in fiscal year 2024, compared to 712,728 in fiscal year 2023. This reflects a 1.3 percent increase.^{16 17}

In FY 2024, the annual value of issued construction permits was about \$7.0 billion. New construction values increased from the previous year by approximately 11.1 percent.¹⁸

Figure 6. Dallas Building Activity
(\$ billions)



¹⁵ Texas Workforce Commission (TWC) and U.S. Bureau of Labor Statistics

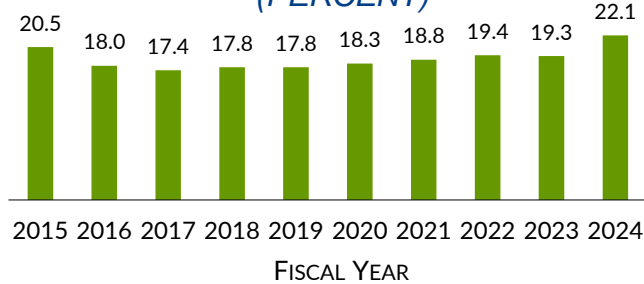
¹⁶ Texas Workforce Commission (TWC) and U.S. Bureau of Labor Statistics

¹⁷ U.S. Bureau of Labor Statistics (non-seasonally adjusted values)

¹⁸ City of Dallas Development Services

THE DALLAS ECONOMY

FIGURE 7.
DALLAS OFFICE VACANCY RATE
(PERCENT)



According to the CoStar commercial real estate database, Dallas has nearly 143 million square feet of office space and 86 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 2024. This increase in vacancy can be attributed to several factors: a rise in project deliveries for developments that began in 2021 and 2022 (many of which were speculative), a slowdown in demand for new space, and an oversupply of new industrial buildings. However, DFW remains one of the top industrial markets in the United States. Currently, Dallas has approximately 234 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 two 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.

FIGURE 8.
DALLAS INDUSTRIAL VACANCY
RATE (PERCENT)

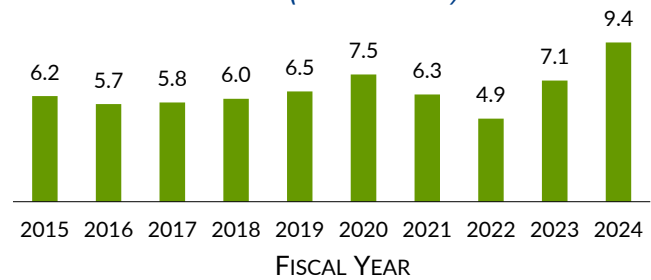
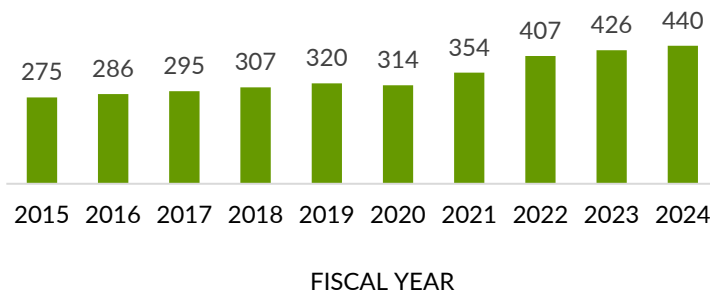


FIGURE 9.
DALLAS SALES TAX REVENUE
(IN MILLIONS \$)

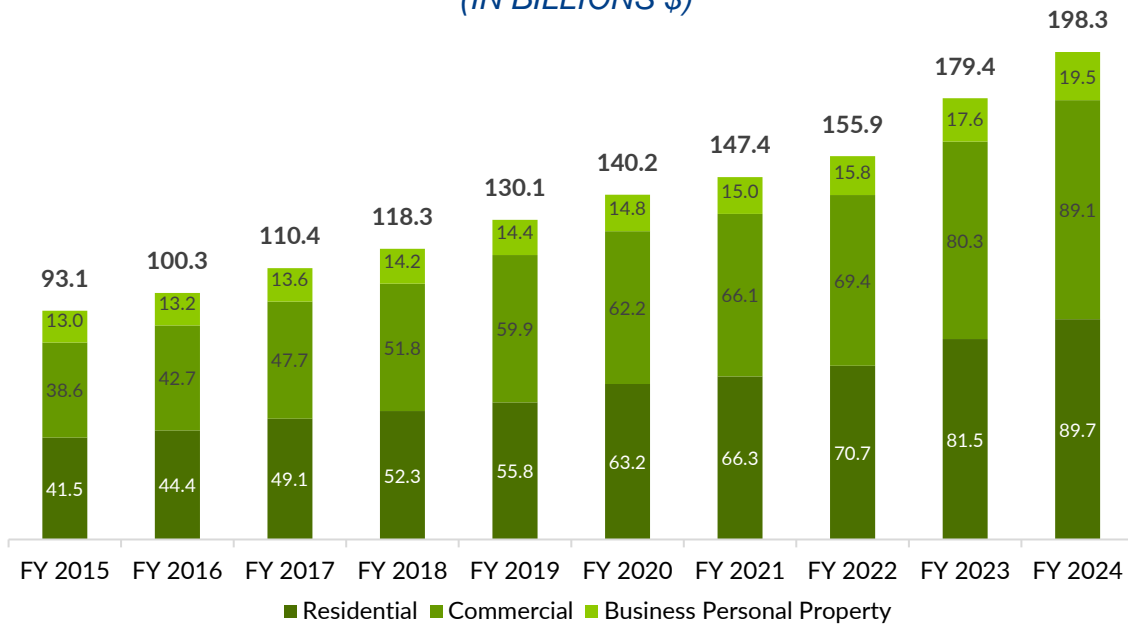


Total actual sales tax revenue for FY 2023-24 was \$439.7 million, which is \$14.1 million, or 3.3 percent more than the actuals reported in FY 2022-23. Sales tax revenue has increased by 59.9 percent since FY 2015.¹⁶

THE DALLAS ECONOMY

The certified value of the property tax base, which includes business personal property (BPP) and commercial and residential real property taxes, has increased to \$198.3 billion in FY 2024. This represents a 10.5 percent rise from the \$179.4 billion recorded in FY 2023. Remarkably, despite the challenges posed by the COVID-19 pandemic, FY 2024 marks the twelfth consecutive year of growth in Dallas' taxable property values.¹⁹

FIGURE 10.
DALLAS TAXABLE PROPERTY VALUES
(IN BILLIONS \$)



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 50 properties. The multifamily sector remains strong, benefiting from high demand and consistent performance, with nearly 90% occupancy in downtown. Additionally, the downtown area features a significant presence of 140 commercial office buildings and 30 hotels, including the anticipated \$2.8 billion redevelopment of the Kay Bailey Hutchinson Convention Center. 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.²⁰ Additionally, within a 2.5-mile radius of the Central Business District (CBD), the population has exceeded 66,250 residents, representing a 70.4% increase since 2010.²¹

¹⁹ City of Dallas Budget & Management Services

²⁰ Downtown Dallas Inc, State of the Market, 2024

²¹ PolicyMap, accessed December 12th, 2024

THE DALLAS ECONOMY

In January 2023, City Council approved a new Economic Development Incentive Policy with goals of proactively addressing disparities, minimizing existing inequities, and focusing on historically disadvantaged communities and populations. The new economic development incentive policy is designed to keep what was working and address some of the challenges that developers and business owners faced, including the need for streamlined applications, processes and approvals, and the need for additional sources of capital for the significant infrastructure needs often found in Southern Dallas.

As a result of the new incentive policy, the City approved two as-of-right tax abatement projects (one warehouse project and one commercial kitchen development) and provided grant funding for Bonton Health and Wellness Center, a new construction community facility to bring primary care medical services and financial education services, in addition to new community space, to the Bonton area.

Businesses continue to invest in Dallas. Dallas has made strong investments in City parks, with the Halperin Park (formerly the Southern Gateway Park) and Harold Simmons Park scheduled to open to the public over the next few years. 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:

Biotechnology and Life Sciences Innovation

In September 2023, the City of Dallas and Pegasus Park were selected 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. In September 2024, Bridge Labs at Pegasus Park celebrated the grand opening of its 135,000-square-foot research and development facility, featuring lab suites designed for growth-stage life sciences entrepreneurs and companies. Additionally, Dallas welcomed two significant life sciences headquarters announcements over the past year: Verily, a Google subsidiary focused on medical research, and Koya Medical, a manufacturer of medical devices.

Goldman Sachs and Financial Services

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. Additionally, the Texas Stock Exchange (TXSE) will soon be headquartered in Dallas, further paving the way for Dallas to become one of the nation's top financial centers. The Texas Stock Exchange will begin trading as early as Q4 2025, and listing companies as soon as early 2026. Public companies and exchange-traded products will both be listed on TXSE, which will focus on the south and southeast quadrant of the United States.

THE DALLAS ECONOMY

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 of 2.5 million square feet 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 night life. The surrounding space and master plan are envisioned to be inclusive, open, pedestrian friendly. Construction is estimated to be completed in 2028-2029, and the expansion is expected to double the size of Dallas' convention business.

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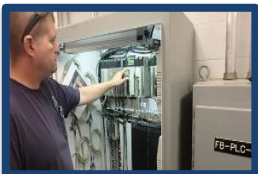
AT YOUR SERVICE

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 11,656 paved lane miles and 9,121 miles of water and wastewater mains, not to mention stormwater and drainage infrastructure. Dallas offers 84 lane miles of on-street bicycle facilities, plus 179 lane miles of trails and other off-street facilities.



Last year, Dallas Water Utilities provided more than 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 72 billion gallons of wastewater a day.



The City supports 59 fire stations, 46 full-time ambulances, and seven 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 August 2024, DAS holds a 74.4% live release rate for dogs and cats for the fiscal year. DAS has also responded to more than 74,000 resident service calls this year.



Park and Recreation maintains and operates six golf courses, four tennis centers, 42 recreation centers, and more than 21,227 acres of parkland. We also provide financial support to the Dallas Arboretum, Texas Discovery Gardens, Trinity River Audubon Center, and Dallas Zoo.



The City operates 29 libraries that serve over six million residents annually. Arts and Culture supported more than 150 local artists and arts providers this year and provided nearly 11,000 in-person art experiences to residents and visitors—not to mention hundreds of virtual activities.

Data based on FY 2023-24

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 <u>safe, vibrant, and growing</u> Dallas, by transforming our foundational structure to become a more <u>livable, sustainable, and fiscally sound</u> city with strong, aligned systems at its <u>core</u> 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, equitable, 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 Dallaskites 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

SAFE

Dallas Police Department (DPD) Technology

The Dallas Police Department continued investments to the safety of Dallas residents by ensuring that public safety equipment including software, technology, and equipment was readily available to police officers and deployed in high crime areas. In FY 2023-24, DPD invested \$1 million and installed Automated License Plate Recognition (ALPR) cameras in all marked squad car dash cams. DPD currently has 225 Flock cameras deployed across the city, with 363 additional cameras estimated to be deployed in FY 2024-25.

Police Response Times

In FY 2023-24, DPD hired 253 personnel, including laterals, rehires, and trainees. Due to higher attrition in the prior year, causing the actual starting headcount (3,058) to be lower than the budgeted starting headcount (3,069), and higher attrition throughout the current fiscal year, DPD ended FY 2023-24 with a total of 3,121 officers which is 23 officers below the goal of 3,144 officers.

Investigations and Operations

DPD reassigned 20 non-uniform positions and invested \$1.1 million to investigations and operations from other areas in DPD to relieve sworn detectives of certain administrative tasks related to researching, retrieving, and transferring digital evidence, saving an estimated 5,180 hours of sworn detective time per year. Additionally, these positions ensure compliance with the Richard Miles Act (SB111, 2021).

Right Size the Fire Department

In FY 2023-24, Dallas Fire-Rescue (DFR) hired 290 personnel, including laterals, rehires, trainees Fire-Rescue Officers (FRO), Single Function Paramedics, and Fire Prevention Officers. Due to lower attrition than forecasted, DFR ended FY 2023-24 with a total of 2,207 which is 20 officers higher than the goal of 2,187. Overtime pay continues due to the required 14-month training period for recruits prior to covering shifts contributing to overtime expenses related to the mandatory minimum staffing. Additionally, of the 2,207 uniform personnel, approximately 1,655 are field staff that is down from the 1,726 required to abate overtime costs.

Single Function Paramedic Program

In FY 2023-24, DFR expanded the Single Function Paramedic Program from six units to eight units to be deployed throughout the City to improve response times. DFR has filled 24 Single Function Paramedics positions of the allocated 32 positions. The vacant Single Function Paramedic shifts are being covered by Fire-Rescue Officers. In July, DFR expanded from six to eight units to increase operational efficiency.

FOUNDATIONAL STRUCTURE

VIBRANT

Expanding Library Access

The Dallas Public Library provides access to invaluable resources, programs, and services. The Library invested \$3 million to expand hours and staffing to six days per week and has hired sufficient positions to allow for the additional hours to be covered with non-overtime shifts. The FY 2023-24 investments allows library users to enhance their lives through education, workforce development, and senior and early literacy programs.

Day Labor Program

The Small Business Center (SBC) initiated workforce improvements for day laborers through a facility or mobile workstation and staff to support a Day Labor Center Program. In FY 2023-24 SBC completed the initial evaluation of a facility or mobile workstation to support a Day Labor Center Program and the program transitioned to the Office of Community Care (OCC) effective August 2024. Although a facility or mobile workstation has not been established, OCC has completed additional meetings, research, and planning to launch a new strategy in FY 2024-25 and meet the needs of the realigned program.

Senior Services

The Office of Community Care (OCC) hired the Age-Friendly Officer began with the City on June 17, 2024. The position provides leadership to the Senior Services division and is dedicated to enhancing the lives of older adults within the city of Dallas. Funding for the position included \$102,903 and the responsibilities as the City's first Age Friendly Officer include providing strategic leadership and coordinating efforts across 43 city departments. Specifically, they focus on developing and implementing programs tailored to the needs of older adults, improving outreach, and recommending enhancements to city-wide initiatives that support the well-being of the aging community.

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FOUNDATIONAL STRUCTURE

GROWING

Augmentation of Planning and Zoning

In FY 2023-24, Planning and Development invested \$400,000 to decrease the review time for new development initiatives from 10 months to four months. The expansion and update of the contract with existing provider was approved by City Council on April 10, 2024. The third-party service provider consultant began assisting with zoning case reviews in January 2024, handling about 105 applications, which represents 25 percent of all received rezoning applications to date. Currently, around 28 cases are still under review, with new applications to the third-party service provider. For recent submissions, the rezoning timeline has returned to the usual four-month period from application to City Council approval.

Community Development Team

In FY 2023-24, the City of Dallas launched a Community Development Team (CDV) to advance community-oriented real estate projects with catalytic potential. CDV attended introductory meetings with seven departments, participated in 65 collaborative community and public engagements, and initiated notable catalytic projects (such as the Martin Luther King Jr. Dart Station Projects and the Icehouse Building - Deep Ellum) to fulfill the department mission in partnering with stakeholders, local emerging developers, and business owners to advance real estate projects in priority areas. In FY 2024-25, CDV will be absorbed into the Department of Housing and Neighborhood Revitalization along with their five community development managers. The new department will be called the Department of Housing and Community Development (HOU).

Development Services

Development Services (DEV) focused on updating fees to ensure maintenance of at least 30 days of budgeted operations and maintenance expense in net working capital and avoid cash deficit. In FY 2023-24, DEV implemented fee study recommendations resulting from the 2023 cost of service study and implemented an annual fee cost escalator by February 2024. Development Services' outcomes from the 2023 fee study were presented to the City Council on March 27, 2024. The City Council approved the proposed changes to the fees, with an effective start date of May 1, 2024. All fee changes have since been fully enacted. The new fees are aimed to align with the actual costs incurred, ensuring that the department maintains sufficient funds to cover operational and maintenance expenses in its net working capital, thus avoiding cash deficits.

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FOUNDATIONAL STRUCTURE

LIVABLE

Addressing Homelessness - Rebranded RTR

The Dallas R.E.A.L Time Rapid Rehousing (DRTRR) initiative's team of homeless providers was rebranded as the R.E.A.L. Time Rehousing (RTR) initiative with a new goal of housing a combined 6,000 unique individuals by the end of 2025. The initial DRTRR initiative was an investment by the City, County, and partners to re-house 2,700 individuals. The Office of Homeless Solutions' goal was met in October 2023. The DRTRR contributed to substantial progress which allowed the system to secure new private and CoC funds. The Real Time Rehousing Initiative was expanded, to include two additional pathways out of homelessness (Diversion and Permanent Supportive Housing). Since the launch of the expansion in May 2023, the Real Time Rehousing Initiative (Rapid Rehousing, Diversion, and Permanent Supportive Housing) has provided over 11,971 housing placements as of September 2024.

Composting Site

In furtherance of the Comprehensive Environmental and Climate Action Plane (CECAP) and Zero Waste goals, Sanitation (SAN) is leading efforts to identify and implement policies, programs, and infrastructure needed to manage solid waste and recyclable materials generated in the City over the next 50 years. In FY 2023-24, SAN initiated a feasibility study and development of a composting site and processing system at McCommas Bluff to support commercial and resident self-haul to turn waste into resources. City Council authorized the acceptance of a grant and execution of a grant agreement from the North Central Texas Council of Governments (NCTCOG) to fund a feasibility study on April 10, 2024. SAN is in the process of securing the services of a solid waste engineering firm to conduct this study and finalize a composting site location. SAN anticipates completion by grant period ending August 2025.

Reduce Blight and Beautification Program

The Code Compliance Department (CCS) continued investments to remove dangerous properties and improve the quality of life in neighborhoods. In January 2024, City Council approved a demolition vendor agreement. As of September, demolition has been completed at 33 properties and four properties are in queue to be demolished with court orders expected to be received in the coming months.

Additionally, CCS continued investments to reduce blight and foster clean, healthy, and safe communities. In FY 2023-24, CCS added three positions to expand Keep Dallas Beautiful Program. As of September, the Volunteer Community Clean-Up program completed 98 community cleanups and the Community Clean Trash-Off program completed 19 events.

Night Entertainment Team

The Code Compliance Department (CCS) worked to address nuisances created by after-hours entertainment venues. In FY 2023-24, CCS hired five positions and staff to actively operate in the designated overnight shifts to ensure entertainment venues are operating within their approved scope and ensure better adherence with promoters and vending ordinances.

FOUNDATIONAL STRUCTURE

Spay and Neuter Program

Dallas Animal Services (DAS) included \$250,000 in operational funding to support spay and neuter services and promote responsible pet ownership. DAS continued to host 2-3 spay and neuter events each month in targeted areas. Through September, DAS completed 2,660 surgeries. These surgeries help to reduce the animal population, bolster the spay/neuter capacity, enhance compliance with violations and citations, and diminish the loose animal population in Dallas.

SUSTAINABLE

Street Maintenance

Public Works Department (PBW) invested \$141.0 million in funding to improve approximately 792 street lane miles. As of September 2024, PBW completed 770.3 lane miles of streets maintenance, with a total expenditure of \$139.1 million.

Public Safety Street Light Program and Parking Management

Transportation Department (TRN) invested \$2.0 million in corridor lighting and continuation of public safety street lighting along Walton Walker/Loop 12. TRN streetlight team has completed its review of lighting options for corridor lighting along Walton Walker/ Loop 12. TRN has sent a project extent map of streetlights to TxDOT for review. TRN has issued a Request for Proposal for the streetlight analysis and design. Bids were due by April 26, 2024, and the design award was approved by City Council on August 28, 2024. The streetlight analysis and design is scheduled to be completed in March 2025.

Additionally, TRN included \$500,000 to implement a comprehensive approach to parking management citywide by upgrading approximately 500 of the combined totals of 2,800 2G and coin operated meters. On January 10, 2024, the City Council approved a cooperative purchasing agreement for electronic intelligent parking technology, which was executed in February 2024. By August 2024, the procurement of 500 meters were completed, and the implementation schedule was finalized. The installations were successfully completed in September 2024.

Expand Green Job Skills Program

The Office of Environmental Quality and Sustainability (OEQS) expanded the Green Job Skills Program that empowers local contractors looking to increase their skill set and fulfill high-demand green jobs in Dallas and by expanding the number of participants courses offered from four to six. As of September, OEQS has inherited the interlocal agreement between Dallas College and the Small Business Center (SBC) to offer two Electric Vehicle (EV) related trainings - 1. Electrical Safety and Wiring and 2. EV Charging Station Installation. These hands-on training opportunities were held in September 2025. There are six courses available on the Green Job Skills program website (www.greenjobskills.com). These courses are led by subject matter experts from the Dallas College School of Manufacturing and Industrial Technology. A total of \$250,000 has been allocated for this initiative. OEQS will continue SBC's efforts by activating a one-year renewal term for the Interlocal Agreement (ILA), ensuring that these EV-related trainings remain accessible to 175 City of Dallas residents and up to 50 City employees.

FOUNDATIONAL STRUCTURE

FISCALLY SOUND

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.

Reducing Property Taxes

The City prioritized responsible financial management in reducing property tax for the eighth consecutive year, from 74.58¢ to 73.57¢ per \$100 valuation., resulting in a 1.01¢ reduction.

Additionally, for the sixth year since 2017, we have increased the property tax exemption for residents who are age 65 and over or living with a disability, from \$115,500 to \$139,400.

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FOUNDATIONAL STRUCTURE

CORE

Modernize Key Software Applications

FY 2023-24 investments in Information Technology infrastructure included initiatives to optimize and support the digital ecosphere, improve productivity, and ensure the City's network is amply protected in everyday operations. In FY 2023-24, ITS scheduled to complete the implementation of network resilience through advanced technology and connectivity and modernizing technology such as upgrading financial and budget system and expanding the use of the Salesforce platform to an additional five departments (City Manager's Office, Code Compliance, Dallas Police and the Offices of Procurement Services and Community Care). ITS planned projects to improve operations for public safety including the rehosting of all 911 Computer Aided Dispatch and 911 call recording servers, replacement of the Dallas Fire Rescue Station Alerting System, and updates to the Dallas Police body worn camera infrastructure.

As of September 2024, ITS has spent \$5,627,116 for the following technology projects: The rehosting of 911 CAD and call recording servers which was completed in December 2023, the Dallas Police's Procurement Automation - Phase 1 project, the Code Compliance Inventory project, and the AdvantageDallas project to upgrade the financial and budget system which was completed in October 2024. The remaining projects status are as following: The Office of Community Care's Online Grant Management and the portal project is in the configuration phase with a tentative completion in the fall. CMO's Enterprise Community & Employee Engagement project plan has been adjusted to implement sprints with the 311 CRM enhancements to be handled in Sprint 1 that is currently in the testing phase with the tentative completion in the fall. The RFCSP for the DFR's Station Alerting System is pending procurement completion and contract award. Updates are ongoing for Dallas Police's body worn camera infrastructure.

Procurement Services - Enhanced Services

The Office of Procurement Services (OPS) worked to ensure support of citywide solicitations and contract management are maintained and optimized per industry standards. In FY 2023-24, OPS improved staffing capacity by adding five positions to procure goods and services more efficiently and decrease contract development by 45 days. As of August, OPS onboarded all five positions. Through staffing and process improvements, the procurement process timeline reduced from approximately nine months total to seven months, improving OPS' processing time by two months. Additionally, OPS is reviewing staffing structure for the FY 2024-25 budget to maximize the contract development process.

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AWARDS AND ACCOLADES

The pages below highlight several of Dallas' award-winning achievements and accolades in FY 2023-24.

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, 2023. 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 18 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, 2023. 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 25th consecutive year that GFOA has recognized the City for its annual budget document.

OnCon Icon Top 50 Information Security Team Award

The Information and Technology Services Security Team was recognized for its excellence in Information Security, has been awarded the esteemed OnCon Icon Top 50 Information Security Team Award. The OnCon Icon Awards celebrate outstanding achievements of top organizations and teams worldwide.

This prestigious recognition is determined through peer and community voting. Voters are instructed to select teams they have seen make a significant impact on their own organization or within the broader industry, contribute to their professional community through thought leadership, drive innovation, and demonstrate exceptional leadership.

What Works Cities Certification

City of Dallas was recognized for excellence in data-driven local government! Results for America awarded Dallas with the Bloomberg Philanthropies What Works Cities Silver Certification for establishing exceptional data capabilities to inform policy, allocate funding, improve services, evaluate programs, and engage residents.

AWARDS AND ACCOLADES

Sharman Stein Award

Office of Data Analytics and Business Intelligence (DBI) received the sixth annual Sharman Stein Award for Storytelling Changemakers. The award, which honors the memory of What Works Cities' founding Director of Communications Sharman Stein, recognizes a local government team that cultivates trust and collaboration between local government and residents through excellence in communication.

Environmental Justice and Equity Utility Management Award

The American Metropolitan Water Association (AMWA) awarded Dallas Water Utilities (DWU) with its new Environmental Justice and Equity Utility Management Award. In developing this award, AMWA wanted to encourage utilities to strive to advance environmental justice in one or more categories that meet with communities' specific needs. Winners demonstrated how their utilities have overcome historic inequities and barriers within their communities to create more equitable and sustainable water systems and advanced environmental justice programs, projects, and practices.

American Association of Code Enforcement

The City of Dallas Code Compliance Services Department has received the prestigious "Code Compliance Department of the Year" and "Innovative Program and Creative Marketing" awards at the 35th Annual American Association of Code Enforcement (AACE) Conference. Additionally, we are honored to announce that Assistant Director Brian Morris has been elected as the Second Vice President on the AACE Board of Directors.

These awards reflect the exceptional dedication, innovation, and leadership of our Code Compliance Department, distinguishing it among all departments nationwide. This recognition not only highlights our team's hard work but also solidifies Dallas as the top code compliance organization in the country, bringing positive attention to our city on a national scale.

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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.
- 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.

FINANCIAL INFORMATION

- 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 (DPFCC) 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. The reason for not including these entities is because the City's accountability does not extend beyond appointing members to the boards.

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FINANCIAL INFORMATION

FINANCIAL MANAGEMENT

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

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

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

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

The City also established a new contract management program during 2019 under the oversight of the Chief Financial Officer to ensure parties meet their respective commitments and deliver the intended outcomes. As part of the program, each department has authorized individuals to monitor specific aspects of contract performance.

During FY 2023, 48 individuals participated in an internal certification program to become a Dallas Contracting Officer Representative (D-COR). Approximately 773 individuals have participated in the program since inception in 2019. The D-COR program is managed by the Office of Procurement Services and is designed to strengthen knowledge and standardize the City's approach to contract management, including the development of contract monitoring plans.

FINANCIAL INFORMATION

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

Annually, each department is required to conduct a self-assessment of internal controls. The results of these assessments are reported to the City Manager with an action plan to correct any identified deficiencies. In addition, beginning with the FY 2017 audit, each department director was required to sign a management representation letter in connection with the preparation of 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 the internal control, including that portion relative to federal and state financial awards, as well as to determine whether the City has complied with applicable laws, regulations, contracts, and grants.

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

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

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

FINANCIAL INFORMATION

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

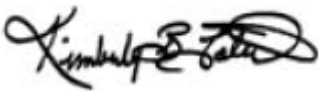
MANAGEMENT DISCLAIMER

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

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

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

Respectfully submitted,



Kimberly Bizer Tolbert
City Manager



Jack Ireland
Chief Financial Officer



Sheri Kowalski, CPA, CIA, CISA
City Controller



City of Dallas

**SERVICE
FIRST,
NOW!**

YOUR ELECTED OFFICIALS



Mayor Eric Johnson
At-Large

Chad West
District 1

Jesse Moreno
District 2

Zarin D. Gracey
District 3

Carolyn King Arnold
District 4

Jaime Resendez
District 5

Omar Narvaez
District 6

Adam Bazaldua
Deputy Mayor Pro Tem, District 7

Tennell Atkins
Mayor Pro Tem, District 8

Paula Blackmon
District 9

Kathy Stewart
District 10

Jaynie Schultz
District 11

Cara Mendelsohn
District 12

Gay Donnell Willis
District 13

Paul E. Ridley
District 14

LIVING OUR VALUES

At the City of Dallas, we lead with a Service First culture. We are guided by our core values of Empathy, Ethics, Excellence, Engagement, and Equity.



CITY OF DALLAS APPOINTED OFFICIALS

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

- City Manager Kimberly Bizer Tolbert
- City Attorney Tammy Palomino
- City Auditor Mark S. Swann
- City Secretary Bilierae Johnson
- Municipal Court judges

The City Manager appoints an executive leadership team that collectively oversees the City's over \$4.0 billion budget.

EXECUTIVE LEADERSHIP TEAM



Kim Bizer 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



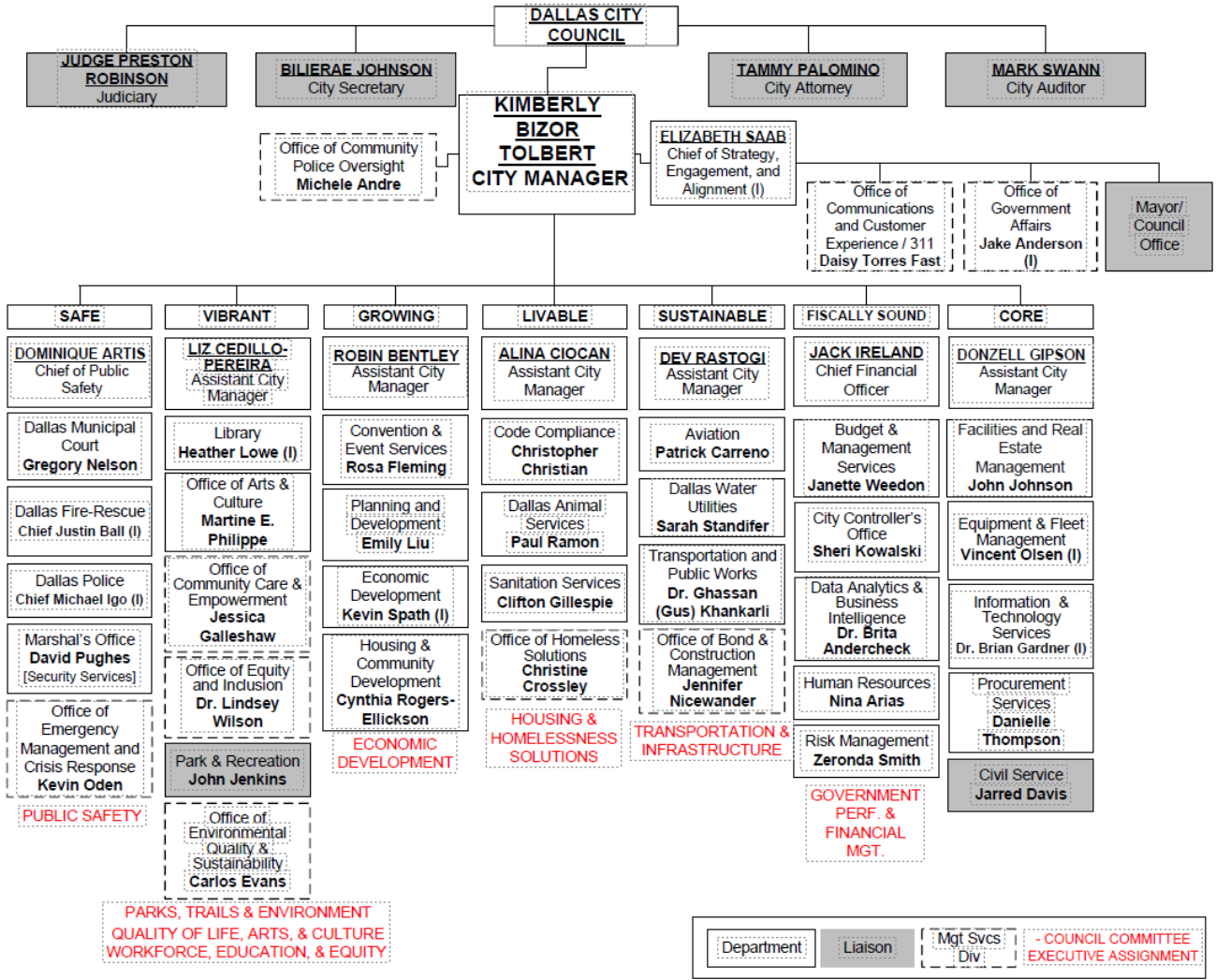
Jack Ireland
Chief Financial Officer



Elizabeth Saab
*Chief of Strategy, Engagement,
and Alignment (I)*

CITY OF DALLAS ORGANIZATIONAL CHART

SEPTEMBER 30, 2024





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, 2023

Christopher P. Morill

Executive Director/CEO



City of Dallas

**SERVICE
FIRST,
NOW!**

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, 2024, 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, 2024, 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 20%, 24%, and 20% 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%, 30%, 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, beginning net position of the governmental activities, business-type activities, and the Storm Water Operations Fund and beginning fund balance of the nonmajor governmental funds have been restated in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. 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 31, 2025



City of Dallas

**SERVICE
FIRST,
NOW!**

FINANCIAL SECTION

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)

As management of the City of Dallas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. 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 \$4.4 billion.
- The City's governmental activities net position increased from the beginning net position by \$238 million while the business-type activities net position increased by \$376 million.
- As of the close of fiscal year 2024, the City's governmental funds reported combined ending fund balances of \$2.5 billion, an increase of \$726.1 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$398.3 million, or approximately 22.2 percent of the total general fund expenditures, including transfers out.
- The City's governmental long-term liabilities had a net increase of \$278.3 million from the prior balance of \$8.6 billion. The City's business-type activities long-term liabilities increased \$286.5 million from the prior year's balance of \$6 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.

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)

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-three funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the combining financial statements section of this report.

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

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

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

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

The basic proprietary fund financial statements can be found on pages 26-35 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 36-37 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 38-135 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was approximately \$4.4 billion as of September 30, 2024. Analyzing the net position of governmental and business-type activities separately, the governmental activities had a deficit balance of approximately \$176 million and the business-type activities net position was approximately \$4.5 billion. This analysis focuses on the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position (Table 1), and changes in revenues and expenses (Table 2) of the City's governmental and business-type activities.

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)

Table 1
Net Position (in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2024	2023*	2024	2023*	2024	2023*
Current and other assets	\$ 3,105,018	\$ 2,606,895	\$2,661,462	\$ 2,307,299	\$ 5,766,480	\$ 4,914,194
Capital assets	5,300,844	5,144,627	8,285,219	7,909,210	13,586,063	13,053,837
Total assets	8,405,862	7,751,522	10,946,681	10,216,509	19,352,543	17,968,031
Deferred outflows of resources	1,153,284	1,674,067	408,277	573,449	1,561,561	2,247,516
Long-term liabilities	8,884,805	8,606,476	6,243,115	5,956,616	15,127,920	14,563,092
Other liabilities	302,003	516,529	316,161	298,905	618,164	815,434
Total liabilities	9,186,808	9,123,005	6,559,276	6,255,521	15,746,084	15,378,526
Deferred inflows of resources	548,372	716,653	269,505	384,001	817,877	1,100,654
Net position:						
Net investment in capital assets	3,490,385	3,115,968	4,220,179	3,938,729	7,710,564	7,054,697
Restricted	983,900	851,947	389,401	430,139	1,373,301	1,282,086
Unrestricted (deficit)	(4,650,319)	(4,381,984)	(83,403)	(218,432)	(4,733,722)	(4,600,416)
Total net position (deficit)	\$ (176,034)	\$ (414,069)	\$4,526,177	\$ 4,150,436	\$ 4,350,143	\$ 3,736,367

* Restated - 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 \$238 million. Overall revenues and transfers increased \$331.1 million, due primarily to increases in ad valorem tax and sales tax revenues of \$90 million and \$14.1 million, respectively, related to increases in property values, additions through new construction, and increased consumer spending. Additionally, investment income increased \$112 million due to an increase in the average rate of return on investments and increases in cash related to the issuance of long-term debt during fiscal year 2024. Operating grants and capital grants also increased \$141.1 million and \$66.6 million, respectively. These increases were offset by a decrease in charges for services of \$76.5 million related to the reclassification of Storm Water Operations from governmental to business-type activities in fiscal year 2024 (see note 22). Additionally, charges for services decreased an additional \$12 million related to decreased fees for ambulance services.

Long-term liabilities increased by \$278.3 million in the governmental activities due primarily to an increase in OPEB liability of \$23.5 million, an increase of compensated absences of \$6.6 million, an increase in arbitrage liability of \$20.6 million, and an increase in general obligation bonds, tax and revenue certificates, equipment acquisition notes and pension obligation bonds of \$369.5 million. These increases were offset by a decrease in net pension liability of \$19.8 million, a decrease in the master lease liability of \$23.9 million, a decrease in leases of \$13.4 million, a decrease in developer payable of \$30.8 million, and claims liabilities decreased \$53.8 million.

The business-type activities long-term liabilities increased \$286.5 million, due mainly to an increase of \$154 million in Dallas Water Utilities commercial paper notes payable, a net increase of \$158 million in Convention Center bonds payable and a net increase in Storm Water Operations bonds payable of \$202 million. These increases were offset by a decrease in Dallas Water Utilities bonds payable of \$107.5 million and a decrease of \$ 27.2 million in the Dallas Water Utilities water transmission financing agreement. In addition, the Airport Revenue bonds payable and revenue credit agreement decreased \$27 million and \$10.2 million, respectively. Finally, the net pension liability decreased \$45.1 million and the OPEB liability decreased \$16.2 million overall for business-type activities.

An additional portion of the City's net position (\$983.9 million governmental activities and \$389.4 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.

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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In governmental activities, there is a deficit unrestricted net position of \$4.7 billion as a result of long-term liabilities for items such as bonds, compensated absences, unfunded risk liabilities, net pension liability, other postemployment benefits, pollution remediation, pension obligation bonds, and sales tax liability. Because of the focus on current assets and liabilities, the City's budget is developed to address the needs of current operations. The City plans to fund long-term liabilities in future budgets as those liabilities consume current assets. In business-type activities, there is a deficit unrestricted net position of \$83.4 million, primarily for items such as the sanitation landfill closure/postclosure liability, as well as compensated absences, net pension liability and other postemployment benefits for all business-type activities.

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, 2024, with comparative totals for the fiscal year ended September 30, 2023. The governmental activities net position increased by \$238 million and business-type activities net position increased by \$376 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	
	2024	2023*	2024	2023*	2024	2023*
Revenues:						
Program revenues:						
Charges for services	\$ 169,325	\$ 262,941	\$ 1,395,678	\$ 1,272,249	\$ 1,565,003	\$ 1,535,190
Operating grants and contributions	348,688	207,627	4,581	48,551	353,269	256,178
Capital grants and contributions	131,722	65,108	55,847	58,093	187,569	123,201
General revenues:						
Ad valorem tax	1,415,798	1,326,845	-	-	1,415,798	1,326,845
Tax increment financing revenue	12,150	12,275	-	-	12,150	12,275
Special assessments	44,531	42,259	-	-	44,531	42,259
Sales tax	439,666	425,543	-	-	439,666	425,543
Franchise fees	143,851	146,000	-	-	143,851	146,000
Hotel occupancy tax	-	-	109,446	103,587	109,446	103,587
Alcohol beverage tax	-	-	17,850	17,844	17,850	17,844
Investment income	177,307	65,396	114,582	51,181	291,889	116,577
Other	20,292	23,491	2,684	874	22,976	24,365
Total revenues	2,903,330	2,577,485	1,700,668	1,552,379	4,603,998	4,129,864
Expenses:						
General government	374,472	499,761	-	-	374,472	499,761
Public safety	1,363,854	798,664	-	-	1,363,854	798,664
Code enforcement	74,451	73,223	-	-	74,451	73,223
Environmental and health services	19,001	18,171	-	-	19,001	18,171
Streets, public works, and transportation	400,055	320,738	-	-	400,055	320,738
Equipment and building services	56,611	52,804	-	-	56,611	52,804
Culture and recreation	269,240	253,224	-	-	269,240	253,224
Housing	4,824	4,760	-	-	4,824	4,760
Human services	40,972	33,839	-	-	40,972	33,839
Interest on long-term debt	107,728	72,606	-	-	107,728	72,606
Dallas Water Utilities	-	-	675,258	715,299	675,258	715,299
Convention center	-	-	102,687	128,809	102,687	128,809
Airport revenues	-	-	212,230	180,427	212,230	180,427
Sanitation	-	-	163,684	161,095	163,684	161,095
Storm Water	-	-	69,848	-	69,848	-
Municipal radio	-	-	(4,870)	1,554	(4,870)	1,554
Building inspection	-	-	60,177	55,819	60,177	55,819
Total expenses	2,711,208	2,127,790	1,279,014	1,243,003	3,990,222	3,370,793
Excess before transfers	192,122	449,695	421,654	309,376	613,776	759,071
Transfers	45,913	40,613	(45,913)	(40,613)	-	-
Increase in net position	238,035	490,308	375,741	268,763	613,776	759,071
Net position (deficit) - beginning of year	(331,824)	(822,132)	4,068,191	3,799,428	3,736,367	2,977,296
Restatement*	(82,245)	-	82,245	-	-	-
Net position (deficit) - end of year	\$ (176,034)	\$ (331,824)	\$ 4,526,177	\$ 4,068,191	\$ 4,350,143	\$ 3,736,367

* Restated - see Note 22

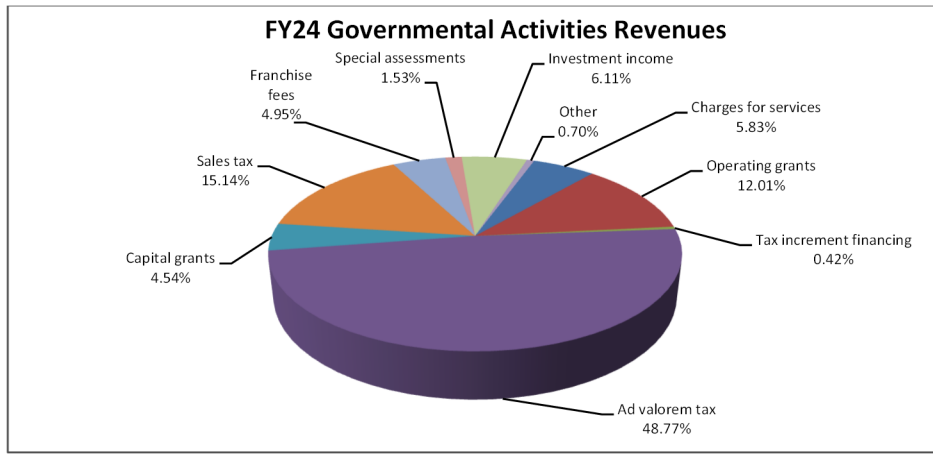
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CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)

Governmental Activities

The governmental activities deficit net position decreased \$238 million in fiscal year 2024. Total revenues and transfers increased \$331.1 million, or 12.6 percent from fiscal year 2023. Significant changes in revenue include the following:

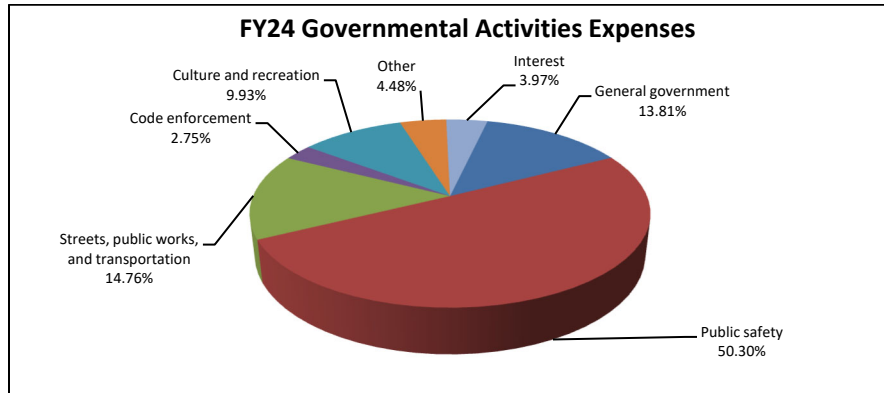
- Ad valorem tax revenues increased \$89 million due to an increase in the certified property tax values as well as new properties added to the valuation.
- Sales tax revenue increased \$14.1 million due to increased discretionary customer spending and increases in overall costs of goods and services.
- Operating grants and contributions increased \$141 million, due primarily to an increase of \$123 million in revenue recognized for COVID-19 response, an \$8.5 million increase in revenue for crime prevention and law enforcement, and a \$4.8 million increase in revenue for transportation programs.
- The average interest rate on investments increased from 3.289 percent in 2023 to 4.502 percent in 2024. The interest rate increase, combined with increases in cash balances from the issuance of new long-term debt, resulted in an increase in investment income of \$112 million.



Total governmental activities expenses increased approximately \$583.4 million, or 27.4 percent, from fiscal year 2023.

- General government expenses decreased \$125.3 million, primarily due to a decrease of \$81 million in pension expense and a decrease of \$11 million in OPEB expense. In addition, in fiscal year 2023, the governmental activities reported \$52.1 million in expenses related to Storm Water Operations. Those expenses are reported in the business-type activities in fiscal year 2024 (see note 22). These decreases were offset by increases in salaries, benefits, supplies and materials and contractual services.
- Public safety expenses increased \$565.2 million, due mainly to increases in pension and OPEB expenses of \$453 million and \$48 million, respectively. Salaries and benefits also increased approximately \$56 million.
- Streets, public works, and transportation expenses increased \$79.3 million, due mainly to an increase in pension expense of \$50.2 million, and an increase in contractual services of \$26 million for street resurfacing and repair.
- Human services expenses increased \$7.1 million due mainly to increases in services provided through Community Development Block grants.
- Interest expense increased \$35.1 million related to the issuance of new long-term debt.

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)



Business-type Activities

Business-type activities net position increased \$376 million during fiscal year 2024. Total revenues increased \$148.3 million from fiscal year 2023.

Significant changes in revenues include the following:

- During fiscal year 2024, Dallas Water Utilities operating revenues increased \$11.4 million primarily due to a 7 percent increase in wholesale rates and a 2.5 percent increase in retail rates. Investment income increased \$28.4 million, mainly due to an increased average interest rate on the City's investment pool and increased cash balances related to the issuance of new long-term debt.
- Convention Center hotel occupancy taxes increased \$5.9 million, due to improvements in travel and tourism in the City. Customer charges decreased \$4.8 million, due to decreased event receipts.
- During fiscal year 2024, total airport operating revenues increased \$22.5 million. Increased traffic at Love Field resulted in increases in customer charges, concession fees, rental fees, and landing fees. Interest income also increased \$11.2 million due to higher interest rates on pooled investments. Intergovernmental revenues decreased \$44.1 million, as the Aviation fund reported less federal funding in fiscal year 2024.
- Sanitation customer charges increased \$17.3 million, mainly due to a rate increase of approximately 6.1 percent.
- Storm Water Operations was reclassified from governmental to business-type activities in fiscal year 2024 (see note 22).
- Operating revenues in the nonmajor enterprise funds decreased \$.8 million, due mainly to decreases in building inspections.

Total business-type activities expenses increased \$36 million from fiscal year 2023. The following items contributed to changes in expenses during fiscal year 2024:

- Dallas Water Utilities personnel expenses decreased \$74.7 million, due mainly to a \$75.1 million decrease in pension expense and a \$9.8 million decrease in OPEB expense. This was offset by increases in salaries and wages of \$10.2 million. Supplies and materials expense increased \$6.5 million due primarily to an increase in chemical costs and water supplies. Contractual services expense increased \$12.3 million due primarily to an increase of \$1.3 million in street rental payments and increase of \$11.3 million for equipment and building maintenance. Interest on bonds and notes increased \$6.7 million.
- Convention Center personnel services decreased \$29.5 million, due to decreases in pension and OPEB expenses of \$26.8 million and \$3.6 million, respectively. These decreases were offset by slight increases in salaries and benefits. Contractual services decreased \$7.3 million, due primarily due to a decrease of \$13.5 million in professional services, offset by increases in food services, insurance, temporary staff, custodial services, and city forces. Interest on bonds and notes increased \$10.4 million.
- Airport personnel expenses increased \$19.8 million due primarily to an increase of \$17 million in pension expense as well as slight increases in salaries and benefits. Contractual services increased \$8.4 million, due to overall increases in operating costs for increases in passenger traffic.
- Sanitation expenses increased \$2.5 million. This was due primarily to slight overall increases in personnel, supplies and materials, contractual services and depreciation expenses.
- Storm Water Operations was reclassified from governmental to business-type activities in fiscal year 2024 (see note 22).
- Personnel services in the nonmajor enterprise funds decreased \$5.3 million, due mainly to a decrease in pension expense \$4.4 million, and a decrease in OPEB expense of \$1.7 million. These decreases were offset by slight increases in salaries and benefits.

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)

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 2024, the City's governmental funds reported combined ending fund balance of \$2.5 billion, an increase of \$726.1 million in comparison with the prior fiscal year fund balance. The general fund and debt service fund balances increased by \$5.6 million and \$28.5 million respectively, while the nonmajor fund balances increased by \$692.1 million. The increase in the debt service fund was primarily due to an increase in ad valorem taxes related to increases in property values and new properties added to the valuation. The nonmajor fund balances increased \$692.1 million, mainly due the issuance of \$605 million in bonds, certificates of obligation, and equipment acquisition notes and investment income of \$119.4 million.

The general fund is the chief operating fund of the City, and its fund balance increased \$5.6 million in fiscal year 2024 compared to the prior year's increase of \$25 million. Total revenues and transfers in increased \$82.7 million, mostly due to an increase of \$60 million in ad valorem tax related to increases in property tax valuations and new properties. Additionally, sales tax revenues increased \$14.1 million, due to continually increased consumer activity, and investment income increased \$22.8 million due to an increase in interest rates. These increases were offset by decreases in franchise fees of \$2.4 million, services to others of \$2.9 million, and other revenues of \$5.6 million. Additionally, the net increase in revenues was offset by overall increases in expenditures for payroll, supplies and materials, contractual services, capital outlay, and transfers out in the amount of \$156.6 million.

Approximately \$398.3 million of the general fund's total fund balance of \$472.8 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 22.2 percent of total general fund expenditures and transfers out, while total fund balance represents 26.3 percent of that same amount.

The debt service fund had a total fund balance of \$129.4 million at September 30, 2024 restricted for the payment of debt service. The debt service fund balance increased during the current year by \$28.5 million primarily due to increases in ad valorem tax revenues, offset by increases in principal and interest on long-term debt.

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

Unrestricted net position in Dallas Water Utilities and Sanitation at the end of the year amounted to deficit balances of \$95 million and \$191.7 million, respectively. The unrestricted net position was \$200.1 million in the Convention Center, \$78.1 million in the Airport Revenues Fund, and \$22.7 million in the Storm Water Operations Fund. The total change in net position was an increase of \$226 million in Dallas Water Utilities, an increase of \$70.3 million in Convention Center, an increase of \$82.3 million in the Airport Revenues Fund, an increase of \$.9 million in Sanitation, an increase of \$11 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, the both the final amended revenue budget and the original revenue budget were \$1.8 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 \$21.2 million, or one percent below final budgeted amounts. Actual budgetary expenditures and transfers out were \$21.2 million, or one percent lower than the final amended budget.

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2024, the City had approximately \$14 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 \$532.2 million or approximately 4.1 percent over the prior fiscal year.

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

	Governmental Activities		Business-type Activities		Totals	
	2024	2023*	2024	2023*	2024	2023*
Land	\$ 602,660	\$ 597,117	\$ 279,657	\$ 276,408	\$ 882,317	\$ 873,525
Artwork	51,265	50,670	6,171	5,574	57,436	56,244
Construction in progress	540,947	504,297	1,880,172	1,659,271	2,421,119	2,163,568
Water rights	-	-	208,681	212,223	208,681	212,223
Buildings	917,450	914,558	1,129,608	1,165,599	2,047,058	2,080,157
Improvements other than buildings	527,970	479,189	369,144	392,617	897,114	871,806
Equipment	409,757	367,137	294,909	298,831	704,666	665,968
Infrastructure assets	2,092,420	2,059,090	435,616	324,705	2,528,036	2,383,795
Utility property	-	-	3,603,666	3,493,122	3,603,666	3,493,122
Intangible assets:						
Land (leased)	1,818	3,617	61,915	62,098	63,733	65,715
Buildings (leased)	23,237	25,797	13,117	14,787	36,354	40,584
Equipment (leased)	99,589	112,783	-	-	99,589	112,783
SBITAs	33,731	30,372	2,563	3,974	36,294	34,346
Totals	\$ 5,300,844	\$ 5,144,627	\$ 8,285,219	\$ 7,909,209	\$ 13,586,063	\$ 13,053,836

* Restated - see Note 22

Some of the major additions for fiscal year 2024 included (gross additions – in millions):

Aviation Runway 13R/31L	\$ 117.3
Fair Park Coliseum improvements	8.0
Fire Station #41	7.4
Land acquisitions	9.5
Equipment acquisitions	122.1
Water and wastewater facilities	347.0
Total	\$ 611.3

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.

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)

Debt

At fiscal year-end, the City had \$6.9 billion in bonds for both governmental and business-type activities, an obligation for revenue credit agreement (including accrued unpaid interest), and water transmission facilities financing agreement outstanding, as shown in Table 4.

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

	Governmental Activities		Business-type Activities		Totals	
	2024	2023*	2024	2023	2024	2023
General obligation bonds	\$ 1,793,139	\$ 1,815,569	\$ -	\$ -	\$ 1,793,139	\$ 1,815,569
Certificates of obligation	417,240	107,200	89,265	-	506,505	107,200
Equipment acquisition obligations	135,850	105,375	-	-	135,850	105,375
Pension obligation bonds	62,652	87,232	32,663	45,479	95,315	132,711
Revenue bonds	43,360	-	3,409,195	3,248,880	3,452,555	3,248,880
Water transmission facilities financing agreement	-	-	861,590	888,816	861,590	888,816
Obligation for revenue credit agreement	-	-	59,365	69,595	59,365	69,595
Total	\$ 2,452,241	\$ 2,115,376	\$ 4,452,078	\$ 4,252,770	\$ 6,904,319	\$ 6,368,146

* Restated - see Note 22

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 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, and air transportation facilities.

In October of 2023, the City issued Senior Lien Special Tax Revenue Bonds (Fair Park Venue Project), Series 2023, of \$43.4 million with a premium of \$.12 million, a stated interest rate of 6.25 percent, and a final maturity of August 15, 2053. The bonds were issued to finance the initial planning and development work associated with the Fair Park renovations and improvements and for paying the related issuance costs.

In December 2023, the City issued Equipment Acquisition Contractual Obligations, Series 2023A, of \$76.3 million, stated interest rate of 4.425 percent, and a final maturity of August 15, 2028. These Contractual Obligations were issued to purchase property for the fire department and various other departments of the City and for paying the related issuance costs.

In January 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024A, of \$132.5 million with a premium of \$15.1 million, a stated interest rate of 5 percent, and a final maturity of February 15, 2033. The certificates were issued for the purpose of financing capital projects related to infrastructure improvements, improvements to Fair Park, and paying the costs incurred in connection with the issuance of the certificates.

In March of 2024, the City issued General Obligation Refunding Bonds, Series 2024A, of \$49 million with a premium of \$5.2 million, stated interest rates ranging from 4 percent to 5 percent, and a final maturity of February 15, 2043. The bonds were issued for the purpose of refunding a final judgement in a lawsuit and paying the costs incurred in connection with issuance of the bonds.

In April of 2024, the City issued General Obligation Refunding and Improvement Bonds, Series 2024B, of \$371.9 million with a premium of \$28.5 million, stated interest rates ranging from 4 percent to 5 percent, and a final maturity of February 15, 2043. The bonds were issued for the purpose of refunding General Obligation Refunding and Improvement Bonds, Series 2013A, General Obligation Refunding and Improvement Bonds, Series 2014, financing capital construction projects, economic development programs and infrastructure, and pay costs of issuance of the bonds. Proceeds of \$270 million, along with a cash contribution of \$2.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$270.4 million of the refunded bonds are considered defeased and the liability for these bonds have been removed from the financial statements. Total debt service payments decreased by \$20.6 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$15.2 million.

In April of 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024B, of \$170.3 million with a premium of 15.5 million, with a stated interest rate of 5 percent, and a final maturity of February 15, 2033. The Certificates were issued for the purpose of paying contractual obligations to be incurred for street and park improvements and for paying the costs incurred in connection with the issuance of the Certificates.

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)

In December 2023, the City issued Waterworks and Sewer System Revenue Bonds, Series 2023C, of \$34 million with interest rates ranging from 2.9 percent to 4.04 percent. Final maturity will occur on October 1, 2048. The bonds were issued for the purpose of planning, acquisition, designing, and constructing extensions and improvements to the system.

In October 2023, the City issued Senior Lien Special Tax Revenue Bonds (Kay Bailey Hutchison Convention Center Dallas Venue Project), Series 2023, of \$170.6 million with a premium of approximately \$1 million and a stated interest rate of 6 percent. Final maturity will occur on August 15, 2053. The bonds were issued for the planning, acquisition, establishment, development, construction, renovation, and financing of the expansion of the Convention Center and related infrastructure.

In January 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024A, of \$89.3 million with a premium of \$9.5 million, a stated interest rate of 5 percent, and a final maturity of February 15, 2033. The certificates were issued for the purpose of financing capital projects related to flood protection and storm drainage facilities and improvements and paying the costs incurred in connection with the issuance of the certificates.

In April of 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024B, of \$27.6 million with a premium of \$2.5 million, with a stated interest rate of 5 percent, and a final maturity of February 15, 2033. The Certificates were issued for the purpose of paying contractual obligations to be incurred for flood protection and storm drainage facilities and improvements, erosion control, and for paying the costs incurred in connection with the issuance of the Certificates.

In August 2024, the City issued Drainage Utility System Revenue Bonds, Series 2024A, of \$14.2 million with a stated interest rate of zero percent, with a final maturity of October 1, 2053. These bonds were issued for the purpose of planning, acquisition, designing, and constructing extensions and improvements to the system.

In August 2024, the City issued Drainage Utility System Revenue Bonds, Series 2024B, of \$90.1 million with a stated interest rate of zero percent, with a final maturity of October 1, 2053. These bonds were issued for the purpose of planning, acquisition, designing, and constructing extensions and improvements to the system.

The City's General Obligation, General Obligation Pension, Waterworks and Sewer System, General Airport Revenue, Civic Center Convention Complex, KBHCCD Venue Project, Fair Park Venue Project, Dallas Convention Center Development Corp, and Downtown Dallas Development Authority bonds' underlying ratings as of September 30, 2024 are listed below.

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Dallas City Council has identified eight strategic priorities – Public Safety; Parks, Trails and Environment; Quality of Life, Arts, and Culture; Workforce, Education, and Equity; Economic Development; Housing and Homelessness Solutions; Transportation and Infrastructure; and Government Performance and Financial Management. Property value for the tax roll as of January 1, 2024 was \$215.1 billion, which is a 8.5 percent increase from the 2023 certified value of \$198.3 billion. The adopted fiscal year 2024-25 tax rate of \$0.7047 per \$100 valuation is a \$0.031 reduction from the fiscal year 2023-24 adopted tax rate of \$.7357. The fiscal year 2024-25 budget of \$4.97 billion is balanced, utilizing various cost containment strategies, revenue enhancements, and operational efficiencies.

With the multitude of water challenges across Texas, the City will continue to focus on maintaining infrastructure, conserving resources, and providing for future needs through replacement of aged water and wastewater mains; improvements at water treatment plants to improve reliability and water quality as well as increase capacity; continued water conservation efforts; and the TRWD integrated pipeline project to connect Lake Palestine to Dallas' water supply system to meet future needs. The retail water and sewer rates increased approximately 2 percent for fiscal year 2024-25.

CITY OF DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024
(Unaudited)

The City of Dallas is experiencing areas of economic growth. The City's unemployment rate of 3.9 percent matches the national average of 3.9 percent. Property tax revenue is the single largest revenue source and accounts for 56.8 percent of general fund revenue. Fiscal year 2025 will mark the twelfth consecutive year of growth in property value. As the second largest revenue source in general fund, sales tax revenue is projected at \$463.8 million for fiscal year 2024-25, which is a 2.7 percent increase from the fiscal year 2023-24 budget. The combined property tax and sales tax revenues in the general fund budget is projected to increase \$46.4 million from the fiscal year 2024 amended budget to the fiscal year 2025 budget.

In fiscal year 2025, 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 be the safest large city in the United States by serving and protecting our diverse community with equity, integrity, and respect.

Vibrant means to be an ethical, equitable, 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 means 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 means 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 means 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 means 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 means 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.

The City's fiscal year 2025 capital budget also provides \$24.9 million for aviation facilities, \$158.5 million for city facilities, \$69.6 million for convention and event services, \$87.7 million for economic development, \$60 million for flood protection and storm drainage management, \$69.4 million for parks and recreation, \$20 million for sanitation services, \$93.9 million for streets and transportation, and \$328.2 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, 2024
(in thousands)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Governmental	Business-type
Assets					
Cash and cash equivalents	\$ 1,179,844	\$ 922,709	\$ 2,102,553	\$ 17,968	\$ 148,709
Other investments, at fair value	35,699	-	35,699	-	3,462
Receivables, net	356,927	242,922	599,849	101	10,324
Internal balances	(103,570)	103,570	-	-	-
Prepaid items	17,268	10,416	27,684	-	1,050
Inventories, at cost	30,927	24,473	55,400	-	642
Other assets	-	-	-	-	1,169
Restricted assets:					
Cash and cash equivalents	1,587,923	979,041	2,566,964	9,044	43,607
Other investments, at fair value	-	143,229	143,229	-	35,723
Future pipeline reserve capacity rights	-	234,181	234,181	-	-
Customer assessments	-	921	921	-	-
Capital assets:					
Capital assets, non-depreciable	1,194,872	2,166,000	3,360,872	-	72,529
Capital assets, depreciable, net of accumulated depreciation/amortization	4,105,972	6,119,219	10,225,191	-	308,637
Total assets	<u>8,405,862</u>	<u>10,946,681</u>	<u>19,352,543</u>	<u>27,113</u>	<u>625,852</u>
Deferred outflows of resources					
Deferred loss on refunding	-	48,088	48,088	-	-
Deferred outflows of resources related to pensions	1,140,554	357,673	1,498,227	-	-
Deferred outflows of resources related to other postemployment benefits	12,730	2,516	15,246	-	-
Total deferred outflows of resources	<u>1,153,284</u>	<u>408,277</u>	<u>1,561,561</u>	<u>-</u>	<u>-</u>
Liabilities					
Accrued payroll	30,031	8,174	38,205	-	1,909
Accounts payable	90,082	56,063	146,145	64	6,325
Due to other governments	3,571	2,177	5,748	-	-
Contracts payable	74,622	-	74,622	-	-
Other liabilities	11,831	3,219	15,050	339	1,072
Construction accounts payable	20,413	105,822	126,235	-	-
Accrued bond interest payable	14,484	58,942	73,426	156	13,992
Unearned revenue	56,043	46,934	102,977	-	12,680
Customer deposits	926	31,368	32,294	-	-
Customer construction advances	-	3,462	3,462	-	-
Noncurrent liabilities:					
Due within one year	429,937	219,680	649,617	2,743	12,470
Due in more than one year	8,454,868	6,023,435	14,478,303	75,053	405,756
Total liabilities	<u>9,186,808</u>	<u>6,559,276</u>	<u>15,746,084</u>	<u>78,355</u>	<u>454,204</u>
Deferred inflows of resources					
Deferred gain on refunding	12,142	-	12,142	-	-
Deferred inflows of resources related to pensions	388,522	168,910	557,432	-	-
Deferred inflows of resources related to other postemployment benefits	47,979	9,477	57,456	-	-
Deferred inflows of resources related to leases	99,729	53,330	153,059	-	102,116
Deferred inflows of resources related to conduit debt	-	37,788	37,788	-	-
Total deferred inflows of resources	<u>548,372</u>	<u>269,505</u>	<u>817,877</u>	<u>-</u>	<u>102,116</u>
Net position					
Net investment in capital assets	3,490,385	4,220,179	7,710,564	-	(55,734)
Restricted for:					
Capital projects	410,361	-	410,361	-	-
Debt service	102,221	309,909	412,130	8,921	-
General government	138,172	-	138,172	-	-
Public safety	59,700	-	59,700	-	-
Culture and recreation	106,121	-	106,121	-	-
Streets and transportation	50,472	-	50,472	-	-
Other purposes	105,077	-	105,077	-	-
Permanent funds - nonexpendable	11,776	-	11,776	-	-
Emergency repairs and replacements	-	5,000	5,000	-	-
Operation and maintenance expenses	-	14,847	14,847	-	-
Passenger facility charges	-	59,645	59,645	-	-
Unrestricted (deficit)	(4,650,319)	(83,403)	(4,733,722)	(60,163)	125,266
Total net position (deficit)	<u>\$ (176,034)</u>	<u>\$ 4,526,177</u>	<u>\$ 4,350,143</u>	<u>\$ (51,242)</u>	<u>\$ 69,532</u>

CITY OF DALLAS, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024
(in thousands)

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 374,472	\$ 59,263	\$ 48,356	\$ 34,556
Public safety	1,363,854	55,691	8,701	-
Code enforcement	74,451	13,591	203	-
Environmental and health services	19,001	-	236,100	-
Streets, public works, and transportation	400,055	13,559	7,323	42,878
Equipment and building services	56,611	910	120	-
Culture and recreation	269,240	24,408	1,326	54,288
Housing	4,824	1,903	8,627	-
Human services	40,972	-	37,932	-
Interest on long-term debt	107,728	-	-	-
Total governmental activities	<u>2,711,208</u>	<u>169,325</u>	<u>348,688</u>	<u>131,722</u>
Business-Type activities:				
Dallas water utilities	675,258	828,121	-	25,349
Convention center	102,687	44,690	36	-
Airport revenues	212,230	238,112	4,426	30,498
Sanitation	163,684	168,397	119	-
Storm water	69,848	79,943	-	-
Municipal radio	(4,870)	462	-	-
Building inspection	60,177	35,953	-	-
Total business-type activities	<u>1,279,014</u>	<u>1,395,678</u>	<u>4,581</u>	<u>55,847</u>
Total primary government	<u>3,990,222</u>	<u>1,565,003</u>	<u>353,269</u>	<u>187,569</u>
Component units:				
Governmental	39,294	-	-	-
Business-type	31,703	40,992	-	-
Total component units	<u>70,997</u>	<u>40,992</u>	<u>-</u>	<u>-</u>

General revenues:

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

Transfers

Total general revenues and transfers

Change in net position

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

Restatement for change in reporting entity (see Note 22)

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

Net position (deficit), end of year

Net (Expense) Revenue and Changes in Net Position

Primary Government				
Governmental	Business-Type	Total	Component Units	
Activities	Activities		Governmental	Business-Type
\$ (232,297)	\$ -	\$ (232,297)	\$ -	\$ -
(1,299,462)	-	(1,299,462)	-	-
(60,657)	-	(60,657)	-	-
217,099	-	217,099	-	-
(336,295)	-	(336,295)	-	-
(55,581)	-	(55,581)	-	-
(189,218)	-	(189,218)	-	-
5,706	-	5,706	-	-
(3,040)	-	(3,040)	-	-
(107,728)	-	(107,728)	-	-
<u>(2,061,473)</u>	<u>-</u>	<u>(2,061,473)</u>	<u>-</u>	<u>-</u>
-	178,212	178,212	-	-
-	(57,961)	(57,961)	-	-
-	60,806	60,806	-	-
-	4,832	4,832	-	-
-	10,095	10,095	-	-
-	5,332	5,332	-	-
-	(24,224)	(24,224)	-	-
-	<u>177,092</u>	<u>177,092</u>	-	-
<u>(2,061,473)</u>	<u>177,092</u>	<u>(1,884,381)</u>	<u>-</u>	<u>-</u>
			(39,294)	-
			-	9,289
			<u>(39,294)</u>	<u>9,289</u>
1,415,798	-	1,415,798	-	-
12,150	-	12,150	43,229	-
44,531	-	44,531	-	-
439,666	-	439,666	-	-
143,851	-	143,851	-	-
-	109,446	109,446	-	-
-	17,850	17,850	-	-
177,307	114,582	291,889	1,429	7,547
20,292	2,684	22,976	-	15,081
45,913	(45,913)	-	-	-
<u>2,299,508</u>	<u>198,649</u>	<u>2,498,157</u>	<u>44,658</u>	<u>22,628</u>
238,035	375,741	613,776	5,364	31,917
(331,824)	4,068,191	3,736,367	(56,606)	37,615
<u>(82,245)</u>	<u>82,245</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(414,069)</u>	<u>4,150,436</u>	<u>3,736,367</u>	<u>(56,606)</u>	<u>37,615</u>
<u>\$ (176,034)</u>	<u>\$ 4,526,177</u>	<u>\$ 4,350,143</u>	<u>\$ (51,242)</u>	<u>\$ 69,532</u>

CITY OF DALLAS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024
(in thousands)

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and cash equivalents	\$ 432,109	\$ 130,343	\$ 458,382	\$ 1,020,834
Other investments, at fair value	-	-	35,699	35,699
Receivables:				
Ad valorem tax	42,171	16,200	-	58,371
Sales tax	71,877	-	-	71,877
Notes	580	-	64,037	64,617
Special assessments-paving notes	-	-	6,112	6,112
Accounts	80,733	-	27,218	107,951
Accrued interest	3,713	620	11,489	15,822
Leases	77,047	-	27,105	104,152
Allowance for uncollectible accounts	(72,015)	(14,257)	(45,204)	(131,476)
Due from other governments	6,180	119	44,395	50,694
Due from other funds	10,101	-	-	10,101
Prepaid items	8	-	12,045	12,053
Inventories, at cost	25,746	-	-	25,746
Restricted cash and cash equivalents	-	-	1,587,923	1,587,923
Notes receivable from other funds	-	-	4,161	4,161
Total assets	<u>678,250</u>	<u>133,025</u>	<u>2,233,362</u>	<u>3,044,637</u>
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accrued payroll	26,882	-	957	27,839
Accounts payable	54,700	3,437	19,734	77,871
Due to other funds	268	-	108,440	108,708
Unearned revenue	4,047	-	51,996	56,043
Due to other governments	3,571	-	-	3,571
Construction accounts payable	-	-	20,413	20,413
Notes payable to other funds	-	-	9,124	9,124
Customer deposits	705	-	221	926
Contracts payable	-	-	74,622	74,622
Other liabilities	5,648	-	1,114	6,762
Total liabilities	<u>95,821</u>	<u>3,437</u>	<u>286,621</u>	<u>385,879</u>
Deferred inflows of resources				
Unavailable revenue related to taxes, accounts receivable, and grants	35,475	164	49,888	85,527
Unavailable revenue related to leases	74,113	-	25,616	99,729
Total deferred inflows of resources	<u>109,588</u>	<u>164</u>	<u>75,504</u>	<u>185,256</u>
Fund balances				
Nonspendable	25,754	-	23,821	49,575
Restricted	-	129,424	1,798,792	1,928,216
Committed	6,600	-	48,842	55,442
Assigned	42,217	-	-	42,217
Unassigned	398,270	-	(218)	398,052
Total fund balance	<u>472,841</u>	<u>129,424</u>	<u>1,871,237</u>	<u>2,473,502</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 678,250</u>	<u>\$ 133,025</u>	<u>\$ 2,233,362</u>	<u>\$ 3,044,637</u>

CITY OF DALLAS, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2024
(in thousands)

Total fund balances - governmental funds \$ 2,473,502

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	600,964	
Artwork	51,265	
Construction in progress	540,947	
Infrastructure assets	3,438,405	
Buildings	1,670,930	
Improvements other than buildings	874,079	
Equipment	1,006,910	
Leased and SBITA assets	112,117	
Accumulated depreciation and amortization	<u>(3,071,363)</u>	
Total capital assets		5,224,254

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. (12,142)

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 85,527

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. (153,861)

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	2,838,633	
Financed purchases	67,371	
Leases and SBITAs	97,766	
Accrued interest on bonds and notes	13,418	
Developer payable	30,310	
Arbitrage rebate payable	20,610	
Notes payable	11,261	
Compensated absences	119,211	
Pollution remediation	<u>753</u>	
Total long-term liabilities		(3,199,333)

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	5,088,976	
Deferred outflows of resources	(1,043,517)	
Deferred inflows of resources	<u>342,703</u>	
		(4,388,162)

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	172,128	
Deferred outflows of resources	(12,167)	
Deferred inflows of resources	<u>45,858</u>	
		<u>(205,819)</u>

Net position (deficit) of governmental activities \$ (176,034)

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

For the Year Ended September 30, 2024
(in thousands)

	General	Debt Service	Nonmajor Governmental Funds	Total
Revenues:				
Ad valorem tax	\$ 931,829	\$ 357,494	\$ 122,967	\$ 1,412,290
Tax increment financing, intergovernmental	-	-	12,150	12,150
Sales tax	439,666	-	-	439,666
Franchise fees	130,471	-	13,380	143,851
Licenses and permits	11,834	-	3,135	14,969
Intergovernmental	22,579	-	327,877	350,456
Service to others	113,637	-	34,667	148,304
Fines and forfeitures	19,520	-	1,145	20,665
Investment Income	39,801	9,824	119,444	169,069
Special assessments	-	-	44,531	44,531
Contributions and gifts	21	-	74,115	74,136
Confiscated money awards	-	-	2,774	2,774
Other revenues	4,278	1,024	2,506	7,808
Total revenues	<u>1,713,636</u>	<u>368,342</u>	<u>758,691</u>	<u>2,840,669</u>
Current expenditures:				
General government	200,551	-	181,240	381,791
Public safety	880,189	-	207,929	1,088,118
Code enforcement	62,872	-	-	62,872
Environmental and health services	-	-	17,611	17,611
Streets, public works, and transportation	118,641	-	128,675	247,316
Equipment and building services	27,182	-	4,536	31,718
Culture and recreation	174,014	-	30,069	204,083
Housing	3,582	-	-	3,582
Human services	-	-	41,519	41,519
Debt service:				
Principal	35,446	255,535	4,286	295,267
Interest and fiscal charges	5,092	100,499	5,172	110,763
Capital outlay	24,078	-	283,472	307,550
Total expenditures	<u>1,531,647</u>	<u>356,034</u>	<u>904,509</u>	<u>2,792,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>181,989</u>	<u>12,308</u>	<u>(145,818)</u>	<u>48,479</u>
Other financing sources (uses):				
Transfers in	33,344	15,873	264,084	313,301
Transfers out	(265,702)	-	(34,258)	(299,960)
Inception of leases	-	-	795	795
Inception of SBITAs	1,316	-	510	1,826
Proceeds from sale of capital assets	455	-	1,760	2,215
Premium on debt issued	5,204	17,934	43,498	66,636
Issuance of certificates of obligation	-	-	322,266	322,266
Issuance of equipment acquisition notes	-	-	76,270	76,270
Issuance of general obligation bonds	48,970	-	162,963	211,933
Issuance of refunding bonds	-	252,331	-	252,331
Payment to refunded bond escrow agent	-	(269,994)	-	(269,994)
Total other financing sources (uses)	<u>(176,413)</u>	<u>16,144</u>	<u>837,888</u>	<u>677,619</u>
Net change in fund balances	5,576	28,452	692,070	726,098
Fund balances, beginning of year, as previously reported	467,265	100,972	1,277,603	1,845,840
Restatement for change in reporting entity (see Note 22)	-	-	(98,436)	(98,436)
Fund balances, beginning of year, restated	<u>467,265</u>	<u>100,972</u>	<u>1,179,167</u>	<u>1,747,404</u>
Fund balances, end of year	<u>\$ 472,841</u>	<u>\$ 129,424</u>	<u>\$ 1,871,237</u>	<u>\$ 2,473,502</u>

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

For the Year Ended September 30, 2024
(in thousands)

Net change in fund balances-total governmental funds \$ 726,098

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	307,550	
Capital contributions	55,839	
Capital assets transferred to business-type activities	(14,269)	
Depreciation and amortization expense	<u>(187,217)</u>	
Net adjustment		161,903

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	(2,215)	
Net loss on disposal of capital assets	<u>1,031</u>	(1,184)

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.

(24,170)

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	(66,636)	
Certificates of obligation	(322,266)	
Equipment acquisition notes	(76,270)	
General obligation bonds	(211,933)	
Refunding bonds	(252,331)	
Leases	1,032	
SBITAs	(1,827)	
Repayments:		
Financed purchases payments	23,853	
Lease payments	10,062	
SBITA payments	3,351	
Note principal payments	2,466	
Bond principal payments	255,535	
Payment to refunded bond escrow agent	<u>269,994</u>	
Net adjustment		(364,970)

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	(982)	
Amortization of premium, discount and refunding deferral	43,418	
Accretion on capital appreciation bonds	(18,790)	
Decrease in pollution remediation liability	285	
Increase in compensated absences	(6,389)	
Decrease in arbitrage rebate liability	(20,610)	
Decrease in developer payable	<u>30,837</u>	
Total adjustment		27,769

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.

35,379

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.

(313,514)

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.

(7,450)

Change in net position of governmental activities

\$ 239,861

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

CITY OF DALLAS, TEXAS
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-NON-GAAP BUDGETARY BASIS

Year Ended September 30, 2024
(in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad valorem taxes	\$ 1,047,596	\$ 1,047,596	\$ 1,020,701	\$ (26,895)
Sales tax	451,746	451,746	439,666	(12,080)
Other tax and franchise revenues	126,634	126,634	130,471	3,837
Licenses and permits	6,101	13,681	11,834	(1,847)
Intergovernmental	16,178	16,178	22,579	6,401
Services to others	117,235	109,656	111,276	1,620
Fines and forfeitures	20,118	20,118	19,520	(598)
Investment income	14,000	14,000	25,521	11,521
Misc revenue	9,882	9,882	5,796	(4,086)
Total revenues	<u>1,809,490</u>	<u>1,809,491</u>	<u>1,787,364</u>	<u>(22,127)</u>
General government				
City attorney's office	23,799	23,595	23,306	289
City auditor's office	3,266	3,180	2,908	272
Office of Budget and management services	4,420	4,366	4,070	296
Non-departmental	128,443	126,973	125,107	1,866
Independent audit	767	767	758	9
City controller's office	9,162	8,955	8,790	165
City manager's office	3,390	4,108	3,700	408
City marshal's office	21,906	21,985	21,982	3
Municipal court - Judiciary	4,397	4,443	4,355	88
Court and detention services	8,371	8,104	7,978	126
Jail contract-Lew Sterrett	8,595	8,595	8,595	-
Civil service	2,762	2,762	2,762	-
Office of Data Analysis and Business Intelligence	6,108	6,092	5,715	377
Office of economic development	3,679	3,731	3,672	59
Mayor and city council	7,400	7,381	6,923	458
Office of Management services	62,185	57,614	54,040	3,574
Human resources	9,187	9,604	9,552	52
Procurement services	3,501	3,382	3,068	314
Elections	1,946	4,018	3,911	107
City secretary's office	3,509	3,569	3,447	122
Total general government	<u>316,793</u>	<u>313,224</u>	<u>304,639</u>	<u>8,585</u>
Public safety				
Dallas police department	656,936	662,161	662,161	-
Dallas fire - rescue	413,381	415,732	415,732	-
Total public safety	<u>1,070,317</u>	<u>1,077,893</u>	<u>1,077,893</u>	<u>-</u>
Code enforcement				
Code compliance	45,563	44,613	42,003	2,610
Dallas animal services	19,180	20,870	20,786	84
Total code enforcement	<u>64,743</u>	<u>65,483</u>	<u>62,789</u>	<u>2,694</u>

continued

CITY OF DALLAS, TEXAS
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-NON-GAAP BUDGETARY BASIS (continued)
Year Ended September 30, 2024
(in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
Public works and transportation				
Public works	\$ 88,552	\$ 88,803	\$ 88,318	\$ 485
Transportation	59,126	58,126	56,412	1,714
Total public works and transportation	<u>147,678</u>	<u>146,929</u>	<u>144,730</u>	<u>2,199</u>
Facilities and real estate management	<u>31,079</u>	<u>31,448</u>	<u>29,461</u>	<u>1,987</u>
Culture and recreation				
Library	43,490	43,197	42,199	998
Office of arts and culture	23,181	23,181	19,188	3,993
Park and recreation	120,077	123,644	123,605	39
Total culture and recreation	<u>186,748</u>	<u>190,022</u>	<u>184,992</u>	<u>5,030</u>
Housing and neighborhood revitalization	<u>6,920</u>	<u>6,834</u>	<u>6,540</u>	<u>294</u>
Planning and urban design	<u>8,024</u>	<u>7,224</u>	<u>6,772</u>	<u>452</u>
Total expenditures	1,832,302	1,839,057	1,817,816	21,241
Excess (deficiency) of revenues over (under) expenditures	(22,812)	(29,566)	(30,452)	(43,368)
Other financing sources (uses):				
Interfund transfers in	28,086	32,954	33,886	932
Interfund reserved and transfers out	(5,274)	(3,388)	(3,388)	-
Total other financing sources (uses)	<u>22,812</u>	<u>29,566</u>	<u>30,498</u>	<u>932</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	-	46	(42,436)
Fund balances, beginning of year	<u>212,553</u>	<u>212,056</u>	<u>311,888</u>	<u>-</u>
Fund balances, end of year	<u>\$ 212,553</u>	<u>\$ 212,056</u>	<u>\$ 311,934</u>	<u>\$ (42,436)</u>

CITY OF DALLAS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024
(in thousands)

	Business-Type Activities Enterprise Funds						Total
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Formerly Special Revenue Fund Storm Water Operations	Nonmajor Enterprise Funds	
Assets							
Current assets:							
Pooled cash and cash equivalents	\$ 309,189	\$ 208,767	\$ 216,522	\$ 54,712	\$ 97,055	\$ 36,464	\$ 922,709
Receivables:							
Accounts	137,403	10,396	18,088	29,910	16,167	242	212,206
Taxes	-	2,933	-	-	-	-	2,933
Accrued interest	4,791	2,772	1,863	420	191	208	10,245
Leases	219	26,908	22,270	-	-	-	49,397
Allowance for uncollectible accounts	(24,452)	-	(71)	(13,675)	(8,594)	-	(46,792)
Due from other governments	123	-	14,766	44	-	-	14,933
Due from other funds	268	-	-	-	98,339	-	98,607
Prepaid items	6,039	175	376	-	-	3,826	10,416
Inventories, at cost	21,903	767	1,485	318	-	-	24,473
Restricted assets:							
Customer assessments	921	-	-	-	-	-	921
Pooled cash and cash equivalents for current debt service	160,723	28,690	-	-	3,480	-	192,893
Cash and cash equivalents Held for construction purposes	13,880	181,587	-	-	-	-	195,467
Customer deposits:							
Pooled cash and cash equivalents	26,510	-	-	1,410	-	-	27,920
Total current assets	<u>657,517</u>	<u>462,995</u>	<u>275,299</u>	<u>73,139</u>	<u>206,638</u>	<u>40,740</u>	<u>1,716,328</u>
Noncurrent assets:							
Capital Assets:							
Nondepreciable	1,834,498	83,246	221,490	4,299	11,127	11,340	2,166,000
Depreciable, net of accumulated depreciation/amortization	4,612,001	267,225	1,096,596	69,716	60,567	13,114	6,119,219
Total capital assets	<u>6,446,499</u>	<u>350,471</u>	<u>1,318,086</u>	<u>74,015</u>	<u>71,694</u>	<u>24,454</u>	<u>8,285,219</u>
Other noncurrent assets:							
Restricted assets:							
Future pipeline reserve capacity rights	234,181	-	-	-	-	-	234,181
Held for construction purposes:							
Cash and cash equivalents	-	-	5,062	-	-	-	5,062
Cash and cash equivalents held by escrow agent	281,950	-	-	-	130,149	-	412,099
Pooled cash and cash equivalents for future debt service	9,264	19,337	37,383	-	124	-	66,108
Pooled cash and cash equivalents for emergency repairs and replacements	-	-	5,000	-	-	-	5,000
Pooled cash and cash equivalents for operation and maintenance expenses	-	-	14,847	-	-	-	14,847
Pooled cash and cash equivalents for passenger facility charges	-	-	59,645	-	-	-	59,645
Other investments for future debt service at fair value	124,000	-	19,229	-	-	-	143,229
Notes receivable from other funds	4,963	-	-	-	-	-	4,963
Prepaid escrow	-	-	-	-	-	-	-
Total other noncurrent assets	<u>654,358</u>	<u>19,337</u>	<u>141,166</u>	<u>-</u>	<u>130,273</u>	<u>-</u>	<u>945,134</u>
Total noncurrent assets	<u>7,100,857</u>	<u>369,808</u>	<u>1,459,252</u>	<u>74,015</u>	<u>201,967</u>	<u>24,454</u>	<u>9,230,353</u>
Total assets	<u>7,758,374</u>	<u>832,803</u>	<u>1,734,551</u>	<u>147,154</u>	<u>408,605</u>	<u>65,194</u>	<u>10,946,681</u>
Deferred outflows of resources							
Deferred loss on refunding	41,708	2,043	4,337	-	-	-	48,088
Deferred outflows of resources related to pensions	177,754	3,226	38,512	70,303	26,874	41,004	357,673
Deferred outflows of resources related to other postemployment benefits	1,490	34	220	369	179	224	2,516
Total deferred outflows of resources	<u>\$ 220,952</u>	<u>\$ 5,303</u>	<u>\$ 43,069</u>	<u>\$ 70,672</u>	<u>\$ 27,053</u>	<u>\$ 41,228</u>	<u>\$ 408,277</u>

CITY OF DALLAS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (continued)
September 30, 2024
(in thousands)

	Business-Type Activities						Total
	Enterprise Funds						
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Storm Water Operations	Nonmajor Enterprise Funds	
Liabilities							
Current liabilities:							
Accrued payroll	\$ 3,971	\$ 290	\$ 966	\$ 1,434	\$ 622	\$ 891	\$ 8,174
Accounts payable	16,953	3,544	27,664	5,950	921	1,031	56,063
Compensated absences	4,935	172	1,041	1,314	810	995	9,267
Other postemployment benefits	1,090	25	161	270	131	164	1,841
Due to other governments	-	5	657	1,515	-	-	2,177
Unearned revenue	-	-	4,537	53	25,601	16,743	46,934
Estimated unpaid health claims	-	-	-	-	-	-	-
Estimated unpaid claims - general	-	-	-	-	-	-	-
Workers' compensation	-	-	-	-	-	-	-
Accrued interest payable on bonds, notes, and leases	472	5	324	112	-	12	925
General obligation bonds	-	-	-	-	9,920	-	9,920
Pension obligation bonds	1,514	96	141	493	227	275	2,746
Pollution remediation	263	391	140	15	1,125	-	1,934
Obligation for revenue credit agreement	-	-	10,745	-	-	-	10,745
Landfill closure/postclosure	-	-	-	372	-	-	372
Financed purchases	-	-	-	1,604	-	-	1,604
Leases	607	-	1,869	-	-	474	2,950
SBITA	1,043	-	66	387	-	-	1,496
Other liabilities	-	-	-	-	-	3,219	3,219
Total current liabilities	<u>30,848</u>	<u>4,528</u>	<u>48,311</u>	<u>13,519</u>	<u>39,357</u>	<u>23,804</u>	<u>160,367</u>
Current liabilities (payable from restricted assets):							
Construction accounts payable	77,168	4,977	21,655	-	2,022	-	105,822
Accrued interest payable on bonds, notes, and leases	45,764	2,327	9,349	-	577	-	58,017
Water transmission facilities financing agreement	27,840	-	-	-	-	-	27,840
Revenue bonds	114,850	10,955	19,680	-	3,480	-	148,965
Total current liabilities (payable from restricted assets)	<u>265,622</u>	<u>18,259</u>	<u>50,684</u>	<u>-</u>	<u>6,079</u>	<u>-</u>	<u>340,644</u>
Total current liabilities	<u>296,470</u>	<u>22,787</u>	<u>98,995</u>	<u>13,519</u>	<u>45,436</u>	<u>23,804</u>	<u>501,011</u>
Noncurrent liabilities:							
Commercial paper notes payable	210,900	-	-	-	-	-	210,900
Revenue bonds	2,559,806	382,545	442,251	-	100,785	-	3,485,387
Obligation for revenue credit agreement	-	-	49,485	-	-	-	49,485
Accreted interest on pension obligation bonds	44,971	3,209	4,214	14,703	6,777	8,190	82,064
General obligation bonds	-	-	-	-	88,047	-	88,047
Pension obligation bonds	31,129	2,221	2,917	10,177	4,691	5,674	56,809
Water transmission facilities financing agreement	833,750	-	-	-	-	-	833,750
Financed purchases	-	-	-	422	-	-	422
Leases	1,633	-	65,195	-	-	1,958	68,786
SBITA	653	-	358	197	-	-	1,208
Total long-term debt	<u>3,682,842</u>	<u>387,975</u>	<u>564,420</u>	<u>25,499</u>	<u>200,300</u>	<u>15,822</u>	<u>4,876,858</u>
Other long-term liabilities:							
Estimated unpaid claims - general	-	-	-	-	-	-	-
Arbitrage rebate	14,740	1,244	429	-	3,239	-	19,652
Other postemployment benefits	19,991	449	2,949	4,949	2,399	2,998	33,735
Net pension liability	511,049	9,053	110,284	202,298	77,178	118,304	1,028,166
Workers' compensation	-	-	-	-	-	-	-
Customer deposits	26,510	3,448	-	1,410	-	-	31,368
Customer construction advances	3,462	-	-	-	-	-	3,462
Pollution remediation	-	-	26	322	9	-	357
Landfill closure/postclosure	-	-	-	53,994	-	-	53,994
Compensated absences	5,684	198	1,199	1,513	933	1,146	10,673
Total other long-term liabilities	<u>581,436</u>	<u>14,392</u>	<u>114,887</u>	<u>264,486</u>	<u>83,758</u>	<u>122,448</u>	<u>1,181,407</u>
Total noncurrent liabilities	<u>4,264,278</u>	<u>402,367</u>	<u>679,307</u>	<u>289,985</u>	<u>284,058</u>	<u>138,270</u>	<u>6,058,265</u>
Total liabilities	<u>4,560,748</u>	<u>425,154</u>	<u>778,302</u>	<u>303,504</u>	<u>329,494</u>	<u>162,074</u>	<u>6,559,276</u>
Deferred inflows of resources							
Deferred inflows of resources related to pensions	83,957	1,487	18,117	33,234	12,679	19,436	168,910
Deferred inflows of resources related to other postemployment benefits	5,616	126	829	1,390	674	842	9,477
Deferred inflows of resources related to leases	214	31,133	21,983	-	-	-	53,330
Deferred inflows of resources related to conduit debt	-	-	37,788	-	-	-	37,788
Total deferred inflows of resources	<u>89,787</u>	<u>32,746</u>	<u>78,717</u>	<u>34,624</u>	<u>13,353</u>	<u>20,278</u>	<u>269,505</u>
Net Position							
Net investment in capital assets	3,189,968	131,215	735,525	71,405	70,044	22,022	4,220,179
Restricted:							
Debt service	233,483	48,865	27,490	-	71	-	309,909
Emergency repairs and replacements	-	-	5,000	-	-	-	5,000
Operation and maintenance expenses	-	-	14,847	-	-	-	14,847
Passenger facility charges	-	-	59,645	-	-	-	59,645
Unrestricted (deficit)	(94,660)	200,126	78,094	(191,707)	22,696	(97,952)	(83,403)
Total net position (deficit)	<u>\$ 3,328,791</u>	<u>\$ 380,206</u>	<u>\$ 920,601</u>	<u>\$ (120,302)</u>	<u>\$ 92,811</u>	<u>\$ (75,930)</u>	<u>\$ 4,526,177</u>

Governmental
 Activities-
 Internal
 Service Funds

\$	2,192
	12,211
	3,052
	412
	-
	-
	12,666
	4,787
	9,222
	-
	-
	-
	-
	-
	4,364
	10,049
	5,069
	<u>64,024</u>
	-
	1,066
	-
	-
	<u>1,066</u>
	<u>65,090</u>
	-
	-
	-
	-
	-
	-
	-
	30,145
	12,829
	<u>42,974</u>
	10,785
	-
	7,547
	278,910
	49,504
	-
	-
	-
	-
	3,514
	<u>350,260</u>
	<u>393,234</u>
	458,324
	45,819
	2,121
	-
	-
	<u>47,940</u>
	19,203
	-
	-
	-
	(173,064)
\$	<u>(153,861)</u>

CITY OF DALLAS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2024
(in thousands)

	Business-Type Activities Enterprise Funds						Total
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Formerly Special Revenue Fund	Nonmajor Enterprise Funds	
					Storm Water Operations		
Operating revenues:							
Customer charges	\$ 828,121	\$ 44,690	\$ 207,701	\$ 168,397	\$ 79,943	\$ 36,415	\$ 1,365,267
Charges to other City departments	-	-	-	-	-	-	-
Charges to employees/retirees	-	-	-	-	-	-	-
Other revenues	-	101	391	117	42	2,033	2,684
Total operating revenues	<u>828,121</u>	<u>44,791</u>	<u>208,092</u>	<u>168,514</u>	<u>79,985</u>	<u>38,448</u>	<u>1,367,951</u>
Operating expenses:							
Personnel services	92,639	(23,563)	55,560	68,642	24,192	33,094	250,564
Supplies and materials	128,697	4,690	10,431	10,160	4,313	1,350	159,641
Contractual and other services	176,937	86,337	77,645	70,430	32,655	18,926	462,930
Depreciation and amortization	155,532	17,996	47,426	12,899	2,813	1,007	237,673
Total operating expenses	<u>553,805</u>	<u>85,460</u>	<u>191,062</u>	<u>162,131</u>	<u>63,973</u>	<u>54,377</u>	<u>1,110,808</u>
Operating income (loss)	<u>274,316</u>	<u>(40,669)</u>	<u>17,030</u>	<u>6,383</u>	<u>16,012</u>	<u>(15,929)</u>	<u>257,143</u>
Nonoperating revenues (expenses):							
Investment income	60,318	24,466	21,101	4,040	2,077	2,580	114,582
Alcohol beverage tax	-	17,850	-	-	-	-	17,850
Hotel occupancy tax	-	109,446	-	-	-	-	109,446
Intergovernmental	-	36	4,426	119	-	-	4,581
Passenger facility charges	-	-	30,411	-	-	-	30,411
Interest on bonds, notes, and leases	(121,331)	(17,227)	(21,168)	(1,553)	(5,875)	(930)	(168,084)
Net gain (loss) on property disposals	(122)	-	-	-	-	-	(122)
Total nonoperating revenues (expenses)	<u>(61,135)</u>	<u>134,571</u>	<u>34,770</u>	<u>2,606</u>	<u>(3,798)</u>	<u>1,650</u>	<u>108,664</u>
Income (loss) before contributions and transfers	213,181	93,902	51,800	8,989	12,214	(14,279)	365,807
Contributions and transfers							
Capital contributions	39,618	-	30,498	-	-	-	70,116
Transfers in	-	-	-	10,227	100	158	10,485
Transfers out	(26,922)	(23,638)	-	(18,359)	(1,748)	-	(70,667)
Total contributions and transfers	<u>12,696</u>	<u>(23,638)</u>	<u>30,498</u>	<u>(8,132)</u>	<u>(1,648)</u>	<u>158</u>	<u>9,934</u>
Change in net position	225,877	70,264	82,298	857	10,566	(14,121)	375,741
Net position (deficit), beginning of year, as previously reported	3,102,914	309,942	838,303	(121,159)	-	(61,809)	4,068,191
Restatement for change in reporting entity (see Note 22)	-	-	-	-	82,245	-	82,245
Net position (deficit), beginning of year, restated	<u>3,102,914</u>	<u>309,942</u>	<u>838,303</u>	<u>(121,159)</u>	<u>82,245</u>	<u>(61,809)</u>	<u>4,150,436</u>
Net position (deficit), end of year	<u>\$ 3,328,791</u>	<u>\$ 380,206</u>	<u>\$ 920,601</u>	<u>\$ (120,302)</u>	<u>\$ 92,811</u>	<u>\$ (75,930)</u>	<u>\$ 4,526,177</u>

Governmental
 Activities-
 Internal
Service Funds

\$	-
	389,358
	82,019
	<u>8,458</u>
	<u>479,835</u>
	110,909
	35,999
	333,880
	18,040
	<u>498,828</u>
	(18,993)
	8,238
	-
	-
	-
	(1,391)
	684
	<u>7,531</u>
	(11,462)
	-
	62,346
	<u>(15,505)</u>
	<u>46,841</u>
	35,379
	(189,240)
	-
	<u>(189,240)</u>
\$	<u><u>(153,861)</u></u>

CITY OF DALLAS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2024
(in thousands)

	Business-Type Activities				
	Enterprise Funds				
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Formerly Special Revenue Fund Storm Water Operations
Cash flows from operating activities:					
Cash received from customers	\$ 818,983	\$ 48,099	\$ 203,622	\$ 166,671	\$ 79,069
Cash payments to suppliers for goods and services	(137,816)	(7,832)	(23,423)	(7,402)	(3,969)
Cash payments to employees for services	(120,141)	(3,123)	(28,546)	(49,084)	(19,810)
Cash payments for contractual services	(179,435)	(90,423)	(71,787)	(69,346)	(131,195)
Other operating cash receipts	-	101	391	117	42
Net cash provided by (used in) operating activities	<u>381,591</u>	<u>(53,178)</u>	<u>80,257</u>	<u>40,956</u>	<u>(75,863)</u>
Cash flows from non-capital financing activities:					
Taxes	-	127,382	-	-	-
Principal paid on pension obligation bonds	(7,023)	(501)	(658)	(159)	(1,059)
Interest paid on pension obligation bonds	(516)	(36)	(48)	-	(78)
Intergovernmental operating grant receipts	-	-	4,426	119	-
Transfers from other funds	-	-	-	10,227	100
Transfers to other funds	(26,922)	(23,638)	-	(18,359)	(1,748)
Net cash provided by (used in) non-capital financing activities	<u>(34,461)</u>	<u>103,207</u>	<u>3,720</u>	<u>(8,172)</u>	<u>(2,785)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(404,496)	(42)	(51,563)	(15,972)	(13,762)
Proceeds from sale of capital assets	214	-	90	9	-
Proceeds from obligation for revenue bonds	-	171,571	-	-	98,806
Principal paid on bonds	(119,380)	(10,430)	(18,740)	(2,296)	-
Principal paid on notes payable and other obligations	(1,534)	-	(12,073)	(2,773)	-
Interest paid on bonds, notes, and other obligations	(118,870)	(16,211)	(28,761)	(104)	(2,073)
Bond issuance costs	-	(863)	-	-	-
Proceeds from sale of commercial paper notes	154,300	-	-	-	-
Retirement of commercial paper notes	-	-	-	-	-
Passenger facility charges	-	-	31,156	-	-
Capital contribution receipts	-	-	20,057	-	-
Net cash provided by (used in) capital and related financing activities	<u>(489,766)</u>	<u>144,025</u>	<u>(59,834)</u>	<u>(21,136)</u>	<u>82,971</u>
Cash flows from investing activities:					
Purchase of investments	181,009	-	20,074	-	-
Maturity of investments	(181,009)	-	(20,074)	-	-
Investment income	60,177	23,079	20,912	3,877	2,025
Net cash provided by (used in) investing activities	<u>60,177</u>	<u>23,079</u>	<u>20,912</u>	<u>3,877</u>	<u>2,025</u>
Net increase (decrease) in cash and cash equivalents	(82,459)	217,133	45,055	15,525	6,348
Cash and cash equivalents, beginning of year	883,975	221,248	293,404	40,597	94,778
Cash and cash equivalents, end of year	<u>\$ 801,516</u>	<u>\$ 438,381</u>	<u>\$ 338,459</u>	<u>\$ 56,122</u>	<u>\$ 101,126</u>

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ 47,975	\$ 1,364,419	\$ 487,341
(1,351)	(181,793)	(38,858)
(27,703)	(248,407)	(81,291)
(26,982)	(569,168)	(415,339)
2,033	2,684	8,458
<u>(6,028)</u>	<u>367,735</u>	<u>(39,689)</u>
-	127,382	-
(1,279)	(10,679)	-
(93)	(771)	-
-	4,545	-
158	10,485	62,346
-	(70,667)	(15,505)
<u>(1,214)</u>	<u>60,295</u>	<u>46,841</u>
(2,299)	(488,134)	(5,642)
-	313	684
-	270,377	-
-	(150,846)	-
(555)	(16,935)	(13,173)
(118)	(166,137)	(1,458)
-	(863)	-
-	154,300	-
-	-	-
-	31,156	-
-	20,057	-
<u>(2,972)</u>	<u>(346,712)</u>	<u>(19,589)</u>
-	201,083	-
-	(201,083)	-
2,616	112,686	8,282
<u>2,616</u>	<u>112,686</u>	<u>8,282</u>
(7,598)	194,004	(4,155)
44,062	1,578,064	163,165
<u>\$ 36,464</u>	<u>\$ 1,772,068</u>	<u>\$ 159,010</u>

continued

CITY OF DALLAS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended September 30, 2024
(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)	\$ 274,316	\$ (40,669)	\$ 17,030	\$ 6,383	\$ 16,012
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	155,532	17,996	47,426	12,899	2,813
Change in assets and liabilities					
(Increase) Decrease in accounts and other receivables	(6,524)	2,151	(94)	(3,737)	(1,893)
(Increase) Decrease in leases	16	3,075	11,231	-	-
(Increase) Decrease in customer assessments receivable	(289)	-	-	-	-
(Increase) Decrease in inventories	(968)	15	(160)	(44)	-
(Increase) Decrease in other asset	-	-	-	-	-
(Increase) Decrease in prepaid escrow	-	-	-	-	-
(Increase) Decrease in due from other governments	-	2	340	(36)	-
(Increase) Decrease in due from other funds	-	-	-	-	(98,339)
(Increase) Decrease in deferred outflows for other postemployment benefits	(550)	(9)	(34)	(82)	(100)
(Increase) Decrease in deferred outflows for pension contributions	78,972	(1,973)	17,415	31,735	12,851
Increase (Decrease) in accounts payable	(8,151)	(7,530)	(7,312)	2,802	385
Increase (Decrease) in accrued payroll	565	(13)	199	166	101
Increase (Decrease) in due to other funds	-	-	-	402	-
Increase (Decrease) in compensated absences	199	78	246	37	89
Increase (Decrease) in allowance for uncollectibles	(86)	-	7	2,037	1,019
Increase (Decrease) in unearned revenue	-	-	(3,957)	(24)	-
Increase (Decrease) in customer deposits	763	(20)	-	34	-
Increase (Decrease) in other postemployment benefits	(8,066)	(3,529)	(234)	(3,760)	354
Increase (Decrease) in customer construction advances	(2,496)	-	-	-	-
Increase (Decrease) in estimated unpaid health claims	-	-	-	-	-
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-	-
Increase (Decrease) in workers' compensation	-	-	-	-	-
Increase (Decrease) in landfill liability	-	-	-	826	-
Increase (Decrease) in net pension liability	(52,584)	(19,728)	19,110	7,446	(1,963)
Increase (Decrease) in other liabilities	(2)	285	(2)	(144)	(242)
Increase (Decrease) in deferred inflows for other postemployment benefits	(2,005)	(53)	(795)	(1,460)	(185)
Increase (Decrease) in deferred inflows for pension contributions	(44,033)	(1,459)	(8,893)	(14,524)	(6,765)
Increase (Decrease) in deferred inflows for leases	(18)	(1,797)	(11,266)	-	-
Total adjustments	110,275	(12,509)	63,227	34,573	(91,875)
Net cash provided by (used in) operating activities	384,591	(53,178)	80,257	40,956	(75,863)
Current Assets:					
Pooled cash and cash equivalents	\$ 309,189	\$ 208,767	\$ 216,522	\$ 54,712	\$ 97,055
Pooled cash and cash equivalents for current debt service	160,723	28,690	-	-	3,480
Held for construction purposes	13,880	181,587	-	-	-
Customer deposits pooled cash and cash equivalents	26,510	-	-	1,410	-
Non-current Assets:					
Cash and cash equivalents					
Held for construction purposes	281,950	-	5,062	-	-
For future debt service	9,264	19,337	37,383	-	124
For emergency repairs and replacements	-	-	5,000	-	-
For operation and maintenance expenses	-	-	14,847	-	-
For passenger facility charges	-	-	59,645	-	-
Total cash and cash equivalents end of year	\$ 801,516	\$ 438,381	\$ 338,459	\$ 56,122	\$ 100,659
Noncash investing, capital, and financing activities:					
Capital contributions	\$ 39,618	\$ -	\$ -	\$ -	\$ -
Prepaid escrow	-	-	-	-	-
Premium/discount amortization	(20,430)	(3,242)	(8,449)	(677)	(1,053)
Accretion on capital appreciation bonds	5,369	388	503	1,755	809
Amortization of deferred gain/loss on refunding	(10,061)	(520)	(481)	-	-
Right-to-use assets acquired through lease and SBITA liabilities	-	-	-	-	-
Lease and SBITA liabilities incurred as a result of acquiring right-to-use assets	-	-	-	-	-

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ (15,929)	\$ 257,143	\$ (18,993)

1,007	237,673	18,040
(30)	(10,127)	(5,496)
-	14,322	-
-	(289)	-
-	(1,157)	80
(2,734)	(2,734)	-
-	-	-
-	306	-
-	(98,339)	-
(40,713)	(41,488)	(239)
56,501	195,501	42,384
(1,814)	(21,620)	(7,152)
105	1,123	349
-	402	-
(185)	464	218
-	2,977	-
8,374	4,393	-
3,216	3,993	-
(908)	(16,143)	(2,580)
-	(2,496)	-
-	-	1,136
-	-	(53,931)
-	-	(1,020)
-	826	-
2,658	(45,061)	17,581
(3,509)	(3,614)	(1,855)
(821)	(5,319)	(1,415)
(11,246)	(86,920)	(26,796)
-	(13,081)	-
<u>9,901</u>	<u>113,592</u>	<u>(20,696)</u>
<u>(6,028)</u>	<u>370,735</u>	<u>(39,689)</u>

\$ 36,464	\$ 922,709	\$ 159,010
-	192,893	-
-	195,467	-
-	27,920	-
-	287,012	-
-	66,108	-
-	5,000	-
-	14,847	-
-	59,645	-
<u>\$ 36,464</u>	<u>\$ 1,771,601</u>	<u>\$ 159,010</u>

\$ -	\$ 39,618	\$ -
-	-	-
(258)	(34,109)	-
978	9,802	-
(8)	(11,070)	-
-	-	13,110
-	-	(13,110)

CITY OF DALLAS, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2024
(in thousands)

	Pension Trust Funds (1)	Custodial Funds
Assets		
Pooled cash and cash equivalents	-	\$ 9,370
Cash and cash equivalents	157,670	-
Invested securities lending collateral	237,524	-
Receivables:		
Accounts	615,382	-
Accrued interest	22,322	-
Notes Receivable-DC Member	29,225	-
Investments /Participants	888,661	-
Short-term investments	16,983	-
Equity securities	995,630	-
Domestic equities	1,372,894	-
U.S. and foreign government fixed income securities	682,437	-
Domestic corporate fixed income	731,923	-
International equities and fixed income	312,048	-
Commingled index funds	116,640	-
Real assets	618,478	-
Private equities and venture capital funds	590,412	-
Prepaid expenses	561	-
Capital assets, net	17,069	-
Total assets	7,405,859	9,370
Liabilities		
Accounts payable	11,575	28
Payable for securities purchased	41,645	-
Securities lending obligation	237,524	-
Other liabilities	589,838	-
Total liabilities	880,582	28
Deferred Inflows of resources		
Deferred inflows of resources related to pensions	2,137	-
Total deferred inflows of resources	2,137	-
Net Position		
Net investment in capital assets	5,614	-
Restricted for pensions	6,517,526	-
Net position restricted for other purposes	-	9,342
Total net position	\$ 6,523,140	\$ 9,342

(1) Information presented for the pension trust funds is as of December 31, 2023.

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

For the Year Ended September 30, 2024
(in thousands)

	Pension Trust Funds (1)	Custodial Funds
Additions:		
Contributions:		
Employer	\$ 249,566	\$ -
Employee	191,701	-
Total contributions	441,267	-
Net investment income:		
Interest and dividends	178,075	124
Net change in fair value of investments	537,555	-
Securities lending income	1,589	-
Less investment expenses:		
Investment management fees	(26,428)	-
Custody fees	(111)	-
Consultant fees	(597)	-
Securities lending management fees	(317)	-
Total investment expenses	(27,453)	-
Net investment income (loss)	689,766	124
Other receipts:		
Confiscated money receipts	-	1,554
Unclaimed property receipts	-	1,002
Municipal court receipts for other jurisdictions	-	170
Other income	47,192	-
Total other receipts	47,192	2,726
Total	1,178,225	2,850
Deductions:		
Benefit payments	669,273	-
Refund of contributions	18,010	-
Administrative expenses	14,852	-
Withdrawals - deferred compensation participants	67,397	-
Confiscated money payments	-	2,009
Unclaimed property payments	-	726
Municipal court payments to other jurisdictions	-	170
Total deductions	769,532	2,905
Increases (Decreases) in Net Position	408,693	(55)
Net position beginning of year	6,114,447	9,407
Net position end of year	\$ 6,523,140	\$ 9,352

(1) Information presented for the pension trust funds is for the year ended December 31, 2023.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, stormwater 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, 2023 and the Trinity River Corridor Local Government Corporation and Love Field Airport Modernization Corporation (LFAMC) is as of September 30, 2024.

- 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 157 and 158 of this report.
- Love Field Airport Modernization Corporation (LFAMC) – The City created the LFAMC, a Texas nonprofit local government corporation organized under Subchapter D of Chapter 431 of the Texas Transportation Code. The Corporation was formed to serve as a conduit financing entity for the purpose of issuing bonds to promote the development of the geographic area of the city included at or in the vicinity of Love Field Airport to promote, develop, and maintain the employment, commerce, aviation activity, tourism, and economic development in the City. This component unit is blended with the Airport Revenues Fund.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

- Trinity River Corridor Local Government Corporation – The Corporation was organized for aiding, assisting, and acting on behalf of the City in the performance of its governmental functions; namely, the design, planning, development, financing, operation, and maintenance of public recreation uses of City fee-owned property located in a portion of the Trinity River Corridor. This component unit is blended with the Stormwater Operations 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, 2023, and all others are as of September 30, 2024.

- 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 of the above entities by contacting the City Controller's Office, 1500 Marilla, Room 2BS, Dallas, TX 75201.

Related Organizations

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

The Stormwater 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 on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Cash, Cash Equivalents, and Investments

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

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2024 were 98.54 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 2024 was \$0.7357 per \$100 dollars of assessed valuation, \$0.5317 for general governmental services and \$0.204 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, 2024. 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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 \$5 thousand, infrastructure with a cost of at least \$25 thousand, and buildings with a cost of at least \$50 thousand and an estimated useful life of more than one year, are capitalized. Purchased or constructed capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Assets acquired by donation are recorded at acquisition value on the date received.

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

Depreciation is computed using the straight-line method over the estimated useful or service lives of the related assets beginning on the date of acquisition or the date placed in service. Information on leased assets is presented in Note 1L 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 Government Accounting Standards Board defines a lease as a contract that conveys control of the right to use another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The City has established a materiality threshold of \$500 thousand for purposes of recording leases as both a lessee and lessor.

City as Lessor

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

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 for 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 expense.

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 \$500 thousand 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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

N. Compensated Absences

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

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

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

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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

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

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Unavailable revenue – This item arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow is reclassified to revenue on the government-wide financial statements.
- Difference between estimated and actual experience related to pensions and other postemployment benefits (OPEB) - These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Changes in assumptions related to pensions and OPEB – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Deferred inflows of resources related to leases are reported when the City is the lessor. At the commencement of the lease, both a lease receivable and deferred inflow of resources are reported. The deferred inflow of resources is amortized and recognized as inflow of resources (revenue) over the term of the lease.
- 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 as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 \$49.6 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 \$0.2 million, \$120.3 million, \$1.7 million, \$74.2 million, \$52.8 million, \$6 million, \$56 million, respectively, due to the recognition of the net pension liability and the other postemployment benefit liability. The City's approach for addressing this deficit is to enhance revenues and to employ cost reduction measures.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

GASB Statement No. 99, "Omnibus 2022," the remaining portion of the Statement was implemented as required by GASB during fiscal year ending September 30, 2024. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain Statements and (2) accounting and financial reporting for financial guarantees. While certain portions of the Statement were implemented for fiscal years ended September 30, 2023 and 2022, the implementation for the requirements related to financial guarantees and the practice issues related to classification and reporting of derivative instruments within the scope of Statement 53, Accounting and Financial Reporting for Derivative Instruments, were implemented in fiscal year ending September 30, 2024. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 100 "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62", will be implemented as required by GASB during fiscal year ending September 30, 2024. The Statement will enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. The City is reporting a change in reporting entity for fiscal year 2024 and Note 22 provides information on the financial effects associated with the implementation of GASB Statement No. 100.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

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

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

GASB Statement No. 102, "Certain Risk Disclosures," will be 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 a 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 City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

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 its 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.

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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

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	\$ 46
Change in fair value of investments	11,358
Change in encumbrances	8,723
Funds not included in general fund budget	(396)
Revenue recognized for GAAP basis but not budgetary basis	1,241
Other items budgeted on a non-GAAP basis	<u>(15,396)</u>
Excess of revenues and other financing sources over expenditures and other financing uses--GAAP basis	<u>\$ 5,576</u>

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

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

Nature and Purpose of Classifications of Fund Balance

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

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

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

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

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

The table on the following page presents additional detail of fund balances as of September 30, 2024.

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

	General	Debt Service	Non-major Governmental Funds	Total
Fund Balances				
Nonspendable				
Inventory	\$ 25,746	\$ -	\$ -	\$ 25,746
Prepaid Items	8	-	12,045	12,053
Permanent Fund Principal	-	-	11,776	11,776
Total Nonspendable	25,754	-	23,821	49,575
Restricted for				
9 -1 -1	-	-	25,183	25,183
Debt Service	-	129,424	-	129,424
Fair Park Debt Service	-	-	6,619	6,619
Culture and Recreation:				
Culture and Recreation Services	-	-	166,365	166,365
Library Facilities	-	-	6,338	6,338
Parks and Recreation Facilities	-	-	3,004	3,004
Culture and Arts Facilities	-	-	1,960	1,960
Public Safety:				
Police Services	-	-	6,727	6,727
Homeland Security	-	-	2,139	2,139
Fire Station Facilities	-	-	130	130
Police Headquarters and Safety Facilities	-	-	7,361	7,361
Community Development	-	-	18,057	18,057
Health and Human Services	-	-	728	728
Public-Private Partnerships	-	-	55,532	55,532
Municipal Court Technology	-	-	3,158	3,158
Public Television Cable System	-	-	15,628	15,628
Grants and Other Purposes	-	-	201,721	201,721
Storm Water Operations	-	-	-	-
Streets and Transportation:				
Repairs	-	-	28,897	28,897
Improvements	-	-	207,026	207,026
Flood Protection	-	-	153,191	153,191
Trinity River Project	-	-	15,389	15,389
Capital Reserve and Assessments	-	-	30,843	30,843
Long-term Notes Receivable	-	-	4,161	4,161
Neighborhood Projects:				
Tax Increment Financing	-	-	316,726	316,726
Economic Development Incentives	-	-	69,441	69,441
City-wide Capital Improvements	-	-	448,956	448,956
Farmers' Market Improvements	-	-	409	409
City Animal Shelter Facilities	-	-	-	-
Municipal Court Facilities	-	-	299	299
Homeless Facilities	-	-	2,804	2,804
Total Restricted	-	129,424	1,798,792	1,928,216
Committed to				
Risk Reserve	6,600	-	-	6,600
Culture and Recreation Services	-	-	48,842	48,842
Streets and Transportation Maintenance	-	-	-	-
Total Committed	6,600	-	48,842	55,442
Assigned to				
Code Enforcement Services	1,914	-	-	1,914
Communication and Information Technology Services	-	-	-	-
Community Development Services	1,196	-	-	1,196
Cultural Affairs Services	832	-	-	832
Fire Safety Services	2,918	-	-	2,918
Library Services	956	-	-	956
Municipal Court Services	634	-	-	634
Parks and Recreation Services	523	-	-	523
Police Safety Services	7,032	-	-	7,032
Streets, Public Works and Transportation Maintenance	14,519	-	-	14,519
General Government Services	11,693	-	-	11,693
Total Assigned	42,217	-	-	42,217
Unassigned	398,270	-	(218)	398,052
Total Fund Balance	<u>\$ 472,841</u>	<u>\$ 129,424</u>	<u>\$ 1,871,237</u>	<u>\$ 2,473,502</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2024, was approximately \$15.8 million from this agreement. Financial statements of the Airport are not included in the City's financial statements because the Airport is not under the sole control of the Dallas City Council and the City has no ongoing financial interest or responsibility for the airport. Separate audited financial statements, which are publicly available, may be obtained by contacting the D/FW Airport at 2400 Aviation Drive, P.O. Box 619428, DFW Airport, Texas 75261-9428 or at www.dfwairport.com.

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 4. Tax Abatements

As of September 30, 2024, the City provides tax abatements through three programs: the Historic Preservation Program, the Public Private Partnership Program, and the Tax Increment Financing Program. The table below describes each of these programs:

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 4. Tax Abatements (continued)

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 4. Tax Abatements (continued)

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: \$616 thousand	Property tax: \$7,566 Sales tax: N/A (1) Hotel occupancy tax: \$4,555 Total: \$12,121 (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: \$27,030

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.

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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

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 \$10.9 million held in custodial funds is presented below. Balances are presented as of September 30, 2024 or December 31, 2023, 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	\$ 2,132,611	\$ -	\$ 157,670	\$ 2,290,281
Other investments	3,235	11,776	5,974,969	5,989,980
Restricted cash and investments	2,710,193	-	-	2,710,193
Total	<u>\$ 4,846,039</u>	<u>\$ 11,776</u>	<u>\$ 6,132,639</u>	<u>\$ 10,990,454</u>

A summary of the carrying amount of cash on hand, deposits, and investments at September 30, 2024, 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	\$ 45,229	\$ -	\$ 157,670	\$ 202,899
Investments	4,800,810	11,776	5,974,969	10,787,555
Total	<u>\$ 4,846,039</u>	<u>\$ 11,776</u>	<u>\$ 6,132,639</u>	<u>\$ 10,990,454</u>

Primary Government	Carrying Value	Bank Balance
Pooled Demand Deposits	\$ 45,229	\$ 56,717
Cash and cash equivalents - Pension Trust Funds	157,670	157,670
Total	<u>\$ 202,899</u>	<u>\$ 214,387</u>

B. City of Dallas

The City of Dallas categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

The City has the following recurring fair value measurements as of September 30, 2024:

	Total	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<u>Investments by Fair Value Level</u>			
Federal Agricultural Mortgage Corporation Notes	\$ 73,360	\$ -	\$ 73,360
Federal Farm Credit Bank Notes	953,450	-	953,450
Federal Home Loan Bank Notes	624,311	-	624,311
Federal Home Loan Mortgage Corporation Notes	23,523	-	23,523
Private Export Funding Corporation	75,400	-	75,400
Commercial Paper	595,430	-	595,430
Municipal Bonds	9,938	-	9,938
Treasury Bonds	1,058,350	1,058,350	-
Tennessee Valley Authority Bond	18,878	-	18,878
Exchange-Traded Funds - Equities	9,085	9,085	-
Exchange-Traded Funds - Fixed Income	2,350	2,350	-
<u>Total Investments by Fair Value Level</u>	<u>3,444,075</u>	<u>\$ 1,069,785</u>	<u>\$ 2,374,290</u>
<u>Investments Measured at Fair Value</u>			
Local Government Investment Pools	265,709		
<u>Investments Measured at Net Asset Value (NAV)</u>			
Money Market Mutual Funds	604,209		
<u>Investments Measured at Amortized Cost</u>			
Local Government Investment Pools	479,364		
<u>Other Investments Measured at Purchase Cost</u>			
Repurchase Agreements	19,229		
<u>Total Investments</u>	<u>\$ 4,812,586</u>		

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

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.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

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, 2024, 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. At September 30, 2024, all deposits were either insured or collateralized.

Fully collateralized and insured deposits held by custodian banks:

Demand Deposits	\$ 7.53 million
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Safekeeping of investment securities is provided by the City's depository and trust institutions. Securities are held in street name with the bank as nominee. As of September 30, 2024, 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	\$ 3,432,640

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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	\$ 73,360	2.14%
Federal Farm Credit Bank Notes	953,450	27.77%
Federal Home Loan Bank Notes	624,311	18.19%
Federal Home Loan Mortgage Corporation Notes	23,523	0.69%
Private Export Funding Corporation	75,400	2.20%
Commercial Paper	595,430	17.35%
Municipal Bond	9,938	0.29%
Treasury Bond	195,726	5.70%
Treasury Note	862,624	25.12%
Tennessee Valley Authority Bond	18,878	0.55%
Total Agency Securities	\$ 3,432,640	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	\$ 1,349,282	25.81%	AAAm/Aaa
Federal Agricultural Mortgage Corporation Notes	73,360	2.98%	Not Rated
Other U.S. Agency Securities and Treasury Bond	3,359,280	71.21%	AA+/Aaa
Total Portfolio	\$ 4,781,922	100.00%	
Repurchase Agreements and Investment Portfolios Held by Various Trusts	30,664		
Total Investments	\$ 4,812,586		

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 at September 30, 2024 are shown on the following page.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Security Type	Fair Value	Weighted Average Maturity (days)
Money Market Mutual Funds	\$ 604,209	1
Local Government Investment Pools	745,073	35
U.S. Agency Securities and Treasury Bond	3,432,639	771
Total Portfolio	4,781,921	564
Repurchase Agreements and Investment Portfolios Held by Various Trusts	60,665	
Total Investments	\$ 4,842,586	

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 (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.

At December 31, 2023, the Plan had the following recurring fair value measurements.

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Cash and Short Term Investment:				
Short-Term Investment Fund	\$ 95,324	\$ 95,324	\$ -	\$ -
Fixed Income:				
Domestic Asset and Mortgage Backed Securities	71,789	-	71,789	-
Government and US Agency Obligations	316,367	-	316,367	-
Corporate and Taxable Municipal Bonds	541,785	-	541,785	-
Index Commingled	90,679	17,428	73,251	-
Total Fixed Income	1,020,620	17,428	1,003,192	-
Equity:				
Domestic Common and Preferred Stock	979,942	979,665	121	156
International Common and Preferred Stock	416,834	416,510	324	-
Total Equity	1,396,776	1,396,175	445	156
Total Investments by Fair Value Level	2,512,720	\$ 1,508,927	\$ 1,003,637	\$ 156
Investments Measured at Net Asset Value				
Commingled Funds	432,737			
Alternative Investments - Private Equity	711,479			
Total Investments Measured at Net Asset Value	\$ 1,144,216			

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Custodial Credit Risk

As of December 31, 2023, the Employees' Retirement Fund had \$2.7 million, or 0.1 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	\$2.7 million
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Concentration of Credit Risk

The Employees' Retirement Fund board has contracted with investment managers to manage the investment portfolio of the Plan, subject to the policies and guidelines established by the board. Northern Trust Company, as the Plan's custodian bank, had responsibility for the safekeeping of certain investments, handling of transactions based on the instructions of investment managers, and accounting for the investment transactions. The Plan had no investments that individually represented 5 percent or more of the net position available for benefits at December 31, 2023. 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, 2023 are shown on the following page.

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Quality Rating	Fair Value	Percent of Bond Portfolio
AAA	\$ 108,738	10.37%
AA+	19,402	1.85%
AA	605	0.06%
AA-	47	0.00%
A+	417	0.04%
A	828	0.08%
A-	17,137	1.63%
BBB+	23,956	2.28%
BBB	8,931	0.85%
BBB-	15,259	1.46%
BB+	14,160	1.35%
BB	37,950	3.62%
BB-	53,556	5.11%
B+	51,370	4.90%
B	50,844	4.85%
B-	37,874	3.61%
CC	988	0.09%
CCC+	12,170	1.16%
CCC	5,672	0.54%
CCC-	2,146	0.20%
D	913	0.09%
Not Rated	453,438	43.25%
U.S. Government fixed income securities - NR	132,150	12.61%
Total	<u>\$ 1,048,551</u>	<u>100.00%</u>

Interest Rate Risk

In the Employees' Retirement Fund, Government Mortgage-Backed Securities are most sensitive to changes in interest rates as their payments can vary significantly with interest rate changes. This change in prepayments will generally cause the duration, or interest rate risk, of these securities to increase when interest rates rise and decrease when interest rates fall. These securities represent 16 percent of the total fixed income portfolio with a fair value of \$162,483 million at December 31, 2023. The Employees' Retirement Fund communicates its policy for interest rate risk to the Fixed Income managers through the Fixed Income Asset Policy and each manager's guidelines.

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

As of December 31, 2023, 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	\$ 42,656	14.79
Bank Loans	21,304	4.75
Commercial Mortgage-Backed	21,483	20.34
Corporate Bonds	613,403	38.74
Government Agencies	6,829	9.47
Government Bonds	161,687	15.29
Government Mortgage-Backed Securities	162,483	52.77
Index Lined Government Bonds	4,392	12.06
Municipal/Provincial Bonds	1,176	9.64
Non-Government Backed CMOs	12,665	31.60
Unassigned	473	27.46
Total	<u>\$ 1,048,551</u>	

Portfolio weighted average maturity in years: 13.90

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 12.04 percent of invested assets at December 31, 2023. The Fund's positions in Global Fixed income assets invested were 29.44 percent of invested assets at December 31, 2023. Employees' Retirement Fund non-US Dollar denominated investments at December 31, 2023 were as shown on the following page.

Currency	Investment Type	Balances (U.S. Dollars)
Various Foreign Currencies	Equity	\$ 546,190
Various Foreign Currencies	Fixed Income	15,146
Various Foreign Currencies	Currency Forward	286,766
Total non-US denominated instruments		<u>\$ 848,102</u>

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2023, 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, 2023 was \$237.5 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, 2023. 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, 2023. The Supplemental Plan's interest in the Group Trust was approximately 1 percent at December 31, 2023. The allocation of investment income between the Combined Plan and the Supplemental Plan is based on the number of units owned of the Group Trust. Benefits, contributions, and administrative expenses are allocated to each plan directly.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

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

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

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

The table below presents a summary of the Group Trust's investments by type as of December 31, 2023, at fair value.

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Short-term investment funds	\$ 16,982	\$ 16,982	\$ -	\$ -
Fixed income securities				
US Treasury bonds	48,856	-	48,856	-
US Government Agencies	20,085	-	20,085	-
Corporate bonds	162,551	-	162,551	-
Municipal bonds	4,891	-	4,891	-
Equity securities				
Domestic	328,071	328,071	-	-
Foreign	185,696	185,696	-	-
Real assets				
Real estate	60,374	-	-	60,374
Farmland	-	-	-	-
Private equity	80,095	-	-	80,095
Forward currency contracts	18,974	-	-	18,974
Total Investments by Fair Value Level	926,575	\$ 530,749	\$ 236,383	\$ 159,443
Investments Measured at Net Asset Value				
Equity - commingled funds	481,863			
Fixed income - commingled funds	129,426			
Real assets	138,086			
Private Equity	199,883			
Total Investments Measured at Net Asset Value	949,258			
Total Investments Measured at Fair Value	\$ 1,875,833			

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2023 is shown below.

Quality Rating	Corporate Bonds	Municipal Bonds	U.S.		Grand Total Book Value	Percentage of Holdings
			Government Securities			
AAA	\$ 20,796	\$ 200	\$ 838		\$ 21,834	9.24%
AA+	2,171	413	49,538		52,122	22.06%
AA	1,589	547	110		2,246	0.94%
AA-	4,563	1,432	-		5,995	2.54%
A+	5,884	1,755	-		7,639	3.23%
A	7,422	280	-		7,702	3.26%
A-	13,497	153	-		13,650	5.77%
BBB+	11,926	-	-		11,926	5.04%
BBB	10,587	-	-		10,587	4.48%
BBB-	6,120	-	-		6,120	2.59%
BB+	7,720	-	-		7,720	3.26%
BB	7,271	-	-		7,271	3.07%
BB-	9,363	-	-		9,363	3.96%
B+	10,631	-	-		10,631	4.50%
B	8,679	-	-		8,679	3.67%
B-	6,166	-	-		6,166	2.61%
Below B-	7,955	-	-		7,955	3.36%
Not Rated	20,211	111	18,455		38,777	16.42%
Subtotal	<u>\$ 162,551</u>	<u>\$ 4,891</u>	<u>\$ 68,941</u>		<u>\$ 236,383</u>	<u>100.00%</u>
Total credit risk debt securities					\$ 236,383	12.60%
Other investments					1,639,450	87.40%
Total investments					<u>\$ 1,875,833</u>	<u>100.00%</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Interest Rate Risk

As of December 31, 2023, the Dallas Police and Fire Pension Plans had the following investments and maturities:

Investment Type	Total	Investment Maturity in Years			
		Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Fixed maturity domestic:					
U.S. Treasury Bonds	\$ 48,856	\$ -	\$ 38,763	\$ 4,588	\$ 5,505
U.S. Government Agencies	20,085	-	1,549	2,523	16,013
Corporate Bonds	162,551	4,564	109,780	22,625	25,582
Municipal Bonds	4,891	280	1,374	581	2,656
Total	<u>\$ 236,383</u>	<u>\$ 4,844</u>	<u>\$ 151,466</u>	<u>\$ 30,317</u>	<u>\$ 49,756</u>

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

Foreign Currency Risk

Police and Fire Pension Plans do not have specific policy guidelines other than the constraints included in the individual investment manager contracts. Police and Fire Pension Plans non-US Dollar denominated investments at December 31, 2023 is shown below.

Currency	Investment Type	Balance of Investment (U.S. Dollars)
Various Foreign Currencies	Equity	\$ 185,696
Various Foreign Currencies	Real Assets	15,969
Total non-US denominated instruments		<u>\$ 201,665</u>

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

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

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

At December 31, 2023, the Plan had the following recurring fair value measurements.

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Mutual Funds	\$ 350,610	\$ 350,610	\$ -	\$ -
Brokerage Accounts	32,053	32,053	-	-
Total Investments by Fair Value Level	<u>\$ 382,663</u>	<u>\$ 382,663</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Measured at Net Asset Value (NAV)				
Stable Value Fund	42,267			
Total Investments	<u>\$ 424,930</u>			

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Custodial Credit Risk

The 401(k) Retirement Savings Plan has no formal policy for custodial credit risk. At December 31, 2023, there were no investments subject to custodial credit risk.

Concentration of Credit Risk

The 401(k) Retirement Savings Plan has no formal policy for concentration of credit risk credit risk. At December 31, 2023, there were no investments subject to concentration of credit risk.

Credit Risk

The 401(k) Retirement Savings Plan has no formal policy for credit risk credit risk. Information on the credit ratings associated with the Stable Value Fund at December 31, 2023, is shown in the table below:

<u>Security Type</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>	<u>S&P Rating</u>
Corporate Bond	\$ 13,839	32.74%	AA to Not Rated
Bankers Acceptance	155	0.37%	A+ to Not Rated
FHLMC	780	1.85%	AAA to Not Rated
FNMA	1,746	4.13%	Not Rated
GNMA2	34	0.08%	Not Rated
Municipal Bond	178	0.42%	AAA to AA-
Mutual Fund	420	0.99%	Not Rated
Mortgage Related	7,518	17.79%	AAA to Not Rated
Common Stock	54	0.13%	Not Rated
Treasury Note	17,543	41.51%	Not Rated
Total	<u>\$ 42,267</u>	<u>100.00%</u>	

Interest Rate Risk

As of December 31, 2023, City of Dallas 401(k) Retirement Savings Plan weighted-average maturities of the fixed income securities in the stable value fund are as follows:

<u>Security Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Corporate Bond	\$ 13,839	0.89
Bankers Acceptance	155	-
FHLMC	780	0.16
FNMA	1,746	0.46
GNMA2	34	0.02
Municipal Bond	178	0.01
Mutual Fund	420	1.23
Mortgage Related	7,518	1.77
Common Stock	54	-
Treasury Note	17,543	1.76
Total	<u>\$ 42,267</u>	

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Foreign Currency Risk

The 401(k) Retirement Savings Plan has no formal policy for foreign currency risk. There were no investments subject to foreign currency risk at December 31, 2023.

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

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

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

At December 31, 2023, the Plan had the following recurring fair value measurements.

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Mutual Funds	\$ 373,492	\$ 373,492	-	-
Brokerage Accounts	48,035	48,035	-	-
Total Investments by Fair Value Level	<u>\$ 421,527</u>	<u>\$ 421,527</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Investments Measured at Net Asset Value (NAV)</u>				
Stable Value Fund	37,218			
Total Investments	<u>\$ 458,745</u>			

Custodial Credit Risk

The 457 Deferred Compensation Plan has no formal policy for custodial credit risk. At December 31, 2023, there were no investments subject to custodial credit risk.

Concentration of Credit Risk

The 457 Deferred Compensation Plan has no formal policy for concentration of credit risk. At December 31, 2023, there were no investments subject to concentration of credit risk.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Credit Risk

The 457 Deferred Compensation Plan has no formal policy for credit risk credit risk. Information on the credit ratings associated with the Stable Value Fund at December 31, 2023, is shown in the table below:

<u>Security Type</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>	<u>S&P Rating</u>
Corporate Bond	\$ 12,186	32.74%	A to Not Rated
Bankers Acceptance	136	0.37%	Not Rated
FHLMC	687	1.85%	Not Rated
FNMA	1,537	4.13%	Not Rated
GNMA2	30	0.08%	Not Rated
Municipal Bond	157	0.42%	AAA to AA-
Mutual Fund	370	0.99%	Not Rated
Mortgage Related	6,620	17.79%	AAA to Not Rated
Common Stock	47	0.13%	Not Rated
Treasury Note	15,448	41.51%	AAA to Not Rated
Total	<u>\$ 37,218</u>	<u>100.00%</u>	

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Interest Rate Risk

As of December 31, 2023, the City of Dallas 457 Deferred Compensation Plan for City Employees weighted-average maturities of the fixed income securities are as follows:

Security Type	Fair Value	Weighted Average Maturity (Years)
Corporate Bond	\$ 12,186	0.89
Bankers Acceptance	136	-
FHLMC	687	0.16
FNMA	1,537	0.46
GNMA2	30	0.02
Municipal Bond	157	0.01
Mutual Fund	370	1.23
Mortgage Related	6,620	1.77
Common Stock	47	-
Treasury Note	15,448	1.76
Total	\$ 37,218	
Portfolio weighted average maturity in years:		1.37

Foreign Currency Risk

The 457 Deferred Compensation Plan has no formal policy for foreign currency risk. There were no investments subject to foreign currency risk at December 31, 2023.

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

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

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

At December 31, 2023, the Plan had the following recurring fair value measurements.

Investments Measured at Net Asset Value (NAV)	Total
Stable Value Fund	\$ 4,986

Custodial Credit Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for custodial credit risk. At December 31, 2023, there were no investments subject to custodial credit risk.

Concentration of Credit Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for concentration of credit risk. At December 31, 2023, there were no investments subject to concentration of credit risk.

Credit Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for credit risk. Information on the credit ratings associated with the Stable Value Fund at December 31, 2023, is shown in the table below:

Security Type	Fair Value	Percent of Total Portfolio	S&P Rating
Corporate Bond	\$ 1,633	32.75%	A to Not Rated
Bankers Acceptance	18	0.36%	Not Rated
FHLMC	92	1.85%	Not Rated
FNMA	206	4.13%	Not Rated
GNMA2	4	0.08%	Not Rated
Municipal Bond	21	0.42%	AAA to AA-
Mutual Fund	50	1.00%	Not Rated
Mortgage Related	887	17.79%	AAA to Not Rated
Common Stock	6	0.12%	Not Rated
Treasury Note	2,069	41.50%	AAA to Not Rated
Total	\$ 4,986	100.00%	

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Interest Rate Risk

As of December 31, 2023, the City of Dallas 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers weighted-average maturities of the fixed income securities are as follows:

Security Type	Fair Value	Weighted Average Maturity (Years)
Corporate Bond	\$ 1,633	0.89
Bankers Acceptance	18	0.00
FHLMC	92	0.16
FNMA	206	0.46
GNMA2	4	0.01
Municipal Bond	21	1.23
Mutual Fund	50	1.77
Mortgage Related	887	-
Common Stock	6	1.76
Treasury Note	2,069	1.70
Total	\$ 4,986	

Portfolio weighted average maturity in years: 1.37

Foreign Currency Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for foreign currency risk. There were no investments subject to foreign currency risk at December 31, 2023.

Note 6. Receivables

Receivables on September 30, 2024 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	\$ 42,171	\$ 16,200	\$ -	\$ -	\$ 58,371
Sales tax	71,877	-	-	-	71,877
Notes	580	-	64,037	-	64,617
Special assessments - paving notes	-	-	6,112	-	6,112
Accounts	80,733	-	27,218	8,190	116,141
Accrued interest	3,713	620	11,489	617	16,439
Leases	77,047	-	27,105	-	104,152
Due from other governments	6,180	119	44,395	-	50,694
Gross receivables	282,301	16,939	180,356	8,807	488,403
Less allowance for uncollectible accounts	(72,015)	(14,257)	(45,204)	-	(131,476)
Net total receivables	\$ 210,286	\$ 2,682	\$ 135,152	\$ 8,807	\$ 356,927

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 6. Receivables (continued)

Receivables on September 30, 2024 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	\$ 137,403	\$ 10,396	\$ 18,088	\$ 29,910	\$ 16,167	\$ 242	\$ 212,206
Taxes	-	2,933	-	-	-	-	2,933
Accrued interest	4,791	2,772	1,863	420	191	208	10,245
Leases	219	26,908	22,270	-	-	-	49,397
Due from other governments	123	-	14,766	44	-	-	14,933
Gross receivables	<u>142,536</u>	<u>43,009</u>	<u>56,987</u>	<u>30,374</u>	<u>16,358</u>	<u>450</u>	<u>289,714</u>
Less allowance for uncollectible accounts	(24,452)	-	(71)	(13,675)	(8,594)	-	(46,792)
Net total receivables	<u>\$ 118,084</u>	<u>\$ 43,009</u>	<u>\$ 56,916</u>	<u>\$ 16,699</u>	<u>\$ 7,764</u>	<u>\$ 450</u>	<u>\$ 242,922</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Intergovernmental revenues and related receivables arise through funding received from federal and state grants. These revenues and receivables are earned through expenditures of monies for grant purposes. On September 30, 2024, 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	\$ -	\$ 564
Accounts	4,047	35,075
Intergovernmental	51,996	49,888
Leases	-	99,729
Total	<u>\$ 56,043</u>	<u>\$ 185,256</u>

Note 7. Restricted Assets

The primary government's governmental and business-type restricted assets of \$1.6 billion and \$1.4 billion, respectively, are composed of the following at September 30, 2024:

	Governmental Activities	Business-Type Activities
Cash and investments:		
Pooled cash and cash equivalents	\$ 1,587,923	\$ 848,892
Other investments	-	273,378
Future pipeline reserve capacity rights	-	234,181
Customer assessments	-	921
Total	<u>\$ 1,587,923</u>	<u>\$ 1,357,372</u>

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 8. Capital Assets

Capital asset activity for the year ended September 30, 2024 is as follows:

	Restated Balance, September 30, 2023*	Additions	Deletions	Balance, September 30, 2024
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 597,117	\$ 6,305	\$ (762)	\$ 602,660
Artwork	50,670	595	-	51,265
Construction in progress	504,297	201,441	(164,791)	540,947
Total capital assets, not being depreciated/amortized	<u>1,152,084</u>	<u>208,341</u>	<u>(165,553)</u>	<u>1,194,872</u>
Capital assets, being depreciated/amortized:				
Buildings	1,638,757	36,608	-	1,675,365
Improvements other than buildings	806,090	69,058	-	875,148
Equipment	1,039,576	100,561	(20,752)	1,119,385
Infrastructure assets	3,344,592	95,635	-	3,440,227
Intangible Assets:				
Land (leased)	4,009	237	-	4,246
Buildings (leased)	30,706	795	-	31,501
Equipment (leased)	125,224	-	-	125,224
SBITAs	42,358	14,700	-	57,058
Total capital assets, being depreciated/amortized	<u>7,031,312</u>	<u>317,594</u>	<u>(20,752)</u>	<u>7,328,154</u>
Less accumulated depreciation/amortization for				
Buildings	(724,199)	(33,845)	129	(757,915)
Improvements other than buildings	(326,901)	(20,373)	96	(347,178)
Equipment	(672,439)	(57,767)	20,578	(709,628)
Infrastructure assets	(1,285,502)	(62,609)	304	(1,347,807)
Intangible Assets				
Land (leased)	(392)	(2,036)	-	(2,428)
Buildings (leased)	(4,909)	(3,355)	-	(8,264)
Equipment (leased)	(12,441)	(13,194)	-	(25,635)
SBITAs	(11,986)	(11,341)	-	(23,327)
Total accumulated depreciation/amortization	<u>(3,038,769)</u>	<u>(204,520)</u>	<u>21,107</u>	<u>(3,222,182)</u>
Total capital assets being depreciated/amortized, net	<u>3,992,543</u>	<u>113,074</u>	<u>355</u>	<u>4,105,972</u>
Governmental activities capital assets, net	<u>\$ 5,144,627</u>	<u>\$ 321,415</u>	<u>\$ (165,198)</u>	<u>\$ 5,300,844</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 8. Capital Assets (continued)

Depreciation and amortization expense charged to functions:

	Depreciation	Amortization	Total
General government	\$ 23,023	\$ 28,096	\$ 51,119
Public safety	19,358	-	19,358
Code enforcement	957	-	957
Environment and health services	224	-	224
Streets, public works, and transportation	76,948	570	77,518
Equipment and building services	23,740	-	23,740
Culture and recreation	29,661	-	29,661
Housing	683	1,260	1,943
Total depreciation and amortization expense governmental activities*	<u>\$ 174,594</u>	<u>\$ 29,926</u>	<u>\$ 204,520</u>

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

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 8. Capital Assets (continued)

	Restated Balance, September 30, 2023*	Additions	Deletions	Balance, September 30, 2024
Business-Type Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 276,408	\$ 3,249	\$ -	\$ 279,657
Artwork	5,574	597	-	6,171
Construction in progress	1,659,271	546,614	(325,713)	1,880,172
Total capital assets, not being depreciated/amortized	<u>1,941,253</u>	<u>550,460</u>	<u>(325,713)</u>	<u>2,166,000</u>
Capital assets, being depreciated/amortized:				
Water rights	353,910	-	-	353,910
Buildings	2,079,514	8,747	-	2,088,261
Improvements other than buildings	673,440	151	-	673,591
Equipment	982,417	35,046	(4,710)	1,012,753
Infrastructure assets	644,833	127,551	-	772,384
Utility property	5,169,072	217,565	(1,354)	5,385,283
Intangible assets:				
Land (leased)	62,464	-	-	62,464
Buildings (leased)	18,119	-	-	18,119
SBITAs	5,385	-	-	5,385
Total capital assets, being depreciated/amortized	<u>9,989,154</u>	<u>389,060</u>	<u>(6,064)</u>	<u>10,372,150</u>
Less accumulated depreciation/amortization for:				
Water rights	(141,687)	(3,542)	-	(145,229)
Buildings	(913,915)	(44,738)	-	(958,653)
Improvements other than buildings	(280,823)	(23,624)	-	(304,447)
Equipment	(683,586)	(38,953)	4,695	(717,844)
Infrastructure assets	(320,128)	(16,640)	-	(336,768)
Utility property	(1,675,950)	(106,912)	1,245	(1,781,617)
Intangible assets:				
Land (leased)	(366)	(183)	-	(549)
Buildings (leased)	(3,332)	(1,670)	-	(5,002)
SBITAs	(1,411)	(1,411)	-	(2,822)
Total accumulated depreciation/amortization	<u>(4,021,198)</u>	<u>(237,673)</u>	<u>5,940</u>	<u>(4,252,931)</u>
Total capital assets being depreciated/amortized net	<u>5,967,956</u>	<u>151,387</u>	<u>(124)</u>	<u>6,119,219</u>
Business-type activities capital assets, net	<u>\$ 7,909,209</u>	<u>\$ 701,847</u>	<u>\$ (325,837)</u>	<u>\$ 8,285,219</u>

* See Note 22

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 8. Capital Assets (continued)

Depreciation and amortization expense charged to business-type activities:

	Depreciation	Amortization	Total
Dallas Water Utilities	\$ 153,956	\$ 1,576	\$ 155,532
Convention Center	17,996	-	17,996
Airport Revenues	46,703	723	47,426
Sanitation	12,519	380	12,899
StormWater	2,813	-	2,813
Nonmajor Enterprise Funds	422	585	1,007
Total depreciation expense - business-type activities	<u>\$ 234,409</u>	<u>\$ 3,264</u>	<u>\$ 237,673</u>

Note 9. Interfund Receivables, Payables, and Transfers

Due to Other Funds/From Other Funds

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

Amounts due from and due to other funds on September 30, 2024 were as follows:

Due From Other Funds	Amount	Due to Other Funds	
		General	Nonmajor Governmental
General	\$ 10,101	\$ -	\$ 10,101
Dallas Water Utilities	268	268	-
Storm Water Operations	98,339	-	98,339
Total	<u>\$ 108,708</u>	<u>\$ 268</u>	<u>\$ 108,440</u>

Interfund Notes Receivable and Payable

Interfund notes receivable and payable balances at September 30, 2024 were as follows:

Note receivable	Note Payable
	Nonmajor Governmental
Nonmajor governmental	\$ 4,161
Dallas Water Utilities	4,963
Total	<u>\$ 9,124</u>

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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

Transfers In/Out

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

Transfers Out	Amount Transferred	Transfers In						
		General	Debt Service	Nonmajor Governmental	Sanitation	Storm Water	Nonmajor Enterprise	Internal Service
General	\$ 265,702	\$ -	\$ -	\$ 211,759	\$ -	\$ -	\$ -	\$ 53,943
Nonmajor Governmental	34,258	-	1,669	16,730	10,227	97	-	5,535
Dallas Water Utilities	26,922	17,919	-	9,000	-	3	-	-
Convention Center	23,638	1,300	-	22,338	-	-	-	-
Sanitation	18,359	4,444	9,748	4,167	-	-	-	-
Stormwater Drainage	1,748	-	1,658	90	-	-	-	-
Internal Service	15,505	9,681	2,798	-	-	-	158	2,868
Total	<u>\$ 386,132</u>	<u>\$ 33,344</u>	<u>\$ 15,873</u>	<u>\$ 264,084</u>	<u>\$ 10,227</u>	<u>\$ 100</u>	<u>\$ 158</u>	<u>\$ 62,346</u>

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 \$14,269 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 at September 30, 2024 are as follows:

	General	Debt Service	Nonmajor Governmental	Internal Service	Total Governmental Activities
					Total Governmental Activities
Accrued payroll	\$ 26,882	\$ -	\$ 957	\$ 2,192	\$ 30,031
Accounts payable	54,700	3,437	19,734	12,211	90,082
Due to other governments	3,571	-	-	-	3,571
Contracts payable	-	-	74,622	-	74,622
Other liabilities	5,648	-	1,114	5,069	11,831
Construction accounts payable	-	-	20,413	-	20,413
Total	<u>\$ 90,801</u>	<u>\$ 3,437</u>	<u>\$ 116,840</u>	<u>\$ 19,472</u>	<u>\$ 230,550</u>

	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Storm Water Operations	Nonmajor	Total Business-type Activities
							Total Business-type Activities
Accrued payroll	\$ 3,971	\$ 290	\$ 966	\$ 1,434	\$ 622	\$ 891	\$ 8,174
Accounts payable	16,953	3,544	27,664	5,950	921	1,031	56,063
Due to other governments	-	5	657	1,515	-	-	2,177
Other liabilities	-	-	-	-	-	3,219	3,219
Construction accounts payable	77,168	4,977	21,655	-	2,022	-	105,822
Total	<u>\$ 98,092</u>	<u>\$ 8,816</u>	<u>\$ 50,942</u>	<u>\$ 8,899</u>	<u>\$ 3,565</u>	<u>\$ 5,141</u>	<u>\$ 175,455</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt

A. Governmental Activities

The changes in the governmental activities long-term liabilities for the year ended September 30, 2024 are as follows:

General Obligation Bonds	Restated Balance, September 30, 2023*	Additions	Deletions	Balance, September 30, 2024	Due Within One Year
Building America Bonds Series 2010B	\$ 53,740	\$ -	\$ 6,930	\$ 46,810	\$ 7,160
Refunding Bonds Series 2013A	30,700	-	20,470	10,230	-
Refunding Bonds Series 2014	305,875	-	305,875	-	-
Refunding Bonds Series 2015	119,195	-	10,840	108,355	10,840
Refunding Bonds Series 2017	212,600	-	17,100	195,500	17,100
Refunding Bonds Series 2018	50,105	-	2,435	47,670	2,560
Refunding Bonds Series 2019A	188,475	-	11,780	176,695	11,780
Refunding Bonds Series 2019B	123,150	-	7,700	115,450	7,700
Refunding Bonds Series 2020A	146,204	-	8,125	138,079	8,125
Refunding Bonds Series 2021A	201,570	-	35,525	166,045	26,955
Refunding Bonds Series 2021B	2,820	-	315	2,505	315
Refunding Bonds Series 2023A	381,135	-	16,240	364,895	16,240
Refunding Bonds Series 2024B	-	371,935	-	371,935	60,835
Refunding Bonds Series 2024A	-	48,970	-	48,970	2,580
Tax and Revenue Certificates					
Series 2020	11,200	-	1,600	9,600	1,600
Series 2021	40,815	-	5,105	35,710	5,105
Series 2023	55,185	-	5,520	49,665	5,520
Series 2024A	-	151,985	-	151,985	16,890
Series 2023B	-	170,280	-	170,280	18,920
Revenue Bonds					
Fair Park Bonds	-	43,360	-	43,360	960
Contractual Obligations					
Equipment Acquisition Series 2020	11,860	-	5,930	5,930	5,930
Equipment Acquisition Series 2020B	14,735	-	4,915	9,820	4,910
Equipment Acquisition Series 2021	21,500	-	5,375	16,125	5,375
Equipment Acquisition Series 2023	57,280	-	14,320	42,960	14,320
Equipment Acquisition Series 2023A	-	76,270	15,255	61,015	15,255
Pension Obligation Bonds					
Taxable Series 2005A	32,865	-	-	32,865	1,555
Series 2005B	29,787	-	-	29,787	3,736
Taxable Refunding Bonds Series 2020B	24,580	-	24,580	-	-
Total Bonds, Obligations, and Certificates	2,115,376	862,800	525,935	2,452,241	272,266
Add: Unamortized Premium/Discount	215,109	66,636	52,750	228,995	-
Add: Accretion	138,607	18,790	-	157,397	-
Total Bonds, Obligations, and Certificates	2,469,092	948,226	578,685	2,838,633	272,266
Direct borrowings and placements					
Notes payable	13,727	-	2,466	11,261	2,519
Financed purchases-equipment master lease	91,224	-	23,853	67,371	20,921
Leases payable	139,303	1,032	14,426	125,909	13,810
SBITA payable	26,705	14,699	12,160	29,244	12,571
Total direct borrowings and placements	270,959	15,731	52,905	233,785	49,821
Other liabilities:					
Compensated absences	119,170	75,983	69,376	125,777	60,173
Other postemployment benefits	156,596	38,635	15,144	180,087	9,314
Pollution remediation	1,039	522	808	753	728
Developer payable	61,147	1,020	31,857	30,310	10,960
Estimated unpaid claims	140,779	154,768	208,583	86,964	26,675
Net pension liability	5,387,694	788,246	808,054	5,367,886	-
Arbitrage rebate	-	20,610	-	20,610	-
Total other liabilities	5,866,425	1,079,784	1,133,822	5,812,387	107,850
Total governmental long-term liabilities	\$ 8,606,476	\$ 2,043,741	\$ 1,765,412	\$ 8,884,805	\$ 429,937

* See Note 22

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

The liabilities for the compensated absences, net pension liability, and other postemployment benefits will be liquidated by General Fund, Community Development Fund, Health and Human Services Fund, Library Fund, Police Fund, Recreation Fund, Management Improvement Fund, 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 \$87 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 2024 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 are payable from taxes levied on all taxable property located within the City. Events of default include nonpayment events and covenant noncompliance. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

In fiscal year 2024, 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 the 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.

In October of 2023, the City issued Senior Lien Special Tax Revenue Bonds (Fair Park Venue Project), Series 2023, of \$43.4 million with a premium of \$.12 million, a stated interest rate of 6.25 percent, and a final maturity of August 15, 2053. The bonds were issued to finance the initial planning and development work associated with the Fair Park renovations and improvements and for paying the related issuance costs.

In December 2023, the City issued Equipment Acquisition Contractual Obligations, Series 2023A, of \$76.3 million, stated interest rate of 4.425 percent, and a final maturity of August 15, 2028. These Contractual Obligations were issued to purchase property for the fire department and various other departments of the City and for paying the related issuance costs.

In January 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024A, of \$132.5 million with a premium of \$15.1 million, a stated interest rate of 5 percent, and a final maturity of February 15, 2033. The certificates were issued for the purpose of financing capital projects related to infrastructure improvements, improvements to Fair Park, and paying the costs incurred in connection with the issuance of the certificates.

In March of 2024, the City issued General Obligation Refunding Bonds, Series 2024A, of \$49 million with a premium of \$5.2 million, stated interest rates ranging from 4 percent to 5 percent, and a final maturity of February 15, 2043. The bonds were issued for the purpose of refunding a final judgement in a lawsuit and paying the costs incurred in connection with issuance of the bonds.

In April of 2024, the City issued General Obligation Refunding and Improvement Bonds, Series 2024B, of \$371.9 million with a premium of \$28.5 million, stated interest rates ranging from 4 percent to 5 percent, and a final maturity of February 15, 2043. The bonds were issued for the purpose of refunding General Obligation Refunding and Improvement Bonds, Series 2013A, General Obligation Refunding and Improvement Bonds, Series 2014, financing capital construction projects, economic development programs and infrastructure, and pay costs of issuance of the bonds. Proceeds of \$270 million, along with a cash contribution of \$2.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$270.4 million of the refunded bonds are considered defeased and the liability for these bonds have been removed from the financial statements. Total debt service payments decreased by \$20.6 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$15.2 million.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

In April of 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024B, of \$170.3 million with a premium of 15.5 million, with a stated interest rate of 5 percent, and a final maturity of February 15, 2033. The Certificates were issued for the purpose of paying contractual obligations to be incurred for street and park improvements and for paying the costs incurred in connection with the issuance of the Certificates. The General Obligation Bonds outstanding as of September 30, 2024 are as follows:

	Final	Interest Rates	Amount
Series 628	2030	4.39% to 5.61%	\$ 46,810
Series 638	2032	0.76% to 5.0%	10,230
Series 1700	2034	5.00%	108,355
Series 1843	2037	3.0% to 5.0%	195,500
Series W257	2038	3.0% to 5.0%	47,670
Series 1886	2039	3.0% to 5.0%	176,695
Series 1887	2039	3.0% to 5.0%	115,450
Series 640	2041	2.0% to 5.0%	138,079
Series 3483TE	2042	2.25% to 5.0%	166,045
Series 3483TX	2032	1.35% to 2.0%	2,505
Series W974	2043	5.00%	364,895
Series X048	2043	4.0% to 5.0%	371,935
Series X067	2043	4.0% to 5.0%	48,970
Total			<u>\$ 1,793,139</u>

The Certificates of Obligation outstanding as of September 30, 2024 are as follows:

	Final	Interest Rates	Amount
Series 644	2030	2.00% to 5.00%	\$ 9,600
Series 3481	2031	5.00%	35,710
Series W975	2033	5.00%	49,665
Series X053	2033	5.00%	151,985
Series X069	2033	5.00%	170,280
Total			<u>\$ 417,240</u>

The Senior Lien Special Tax Revenue Bonds outstanding as of September 30, 2024 are as follows:

	Final	Interest Rates	Amount
X006	2053	6.25%	<u>\$ 43,360</u>

The Equipment Acquisition Contractual Obligations outstanding as of September 30, 2024 are as follows:

	Final	Interest Rates	Amount
Series 643	2025	3.00% to 4.00%	\$ 5,930
Series 649	2026	5.00%	9,820
Series 3482	2027	5.00%	16,125
Series 2395	2027	3.60%	42,960
Series X047	2028	4.425%	61,015
Total			<u>\$ 135,850</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

The Pension Obligation Bonds outstanding as of September 30, 2024 are as follows:

	Final	Interest Rates	Amount
Series 600	2035	3.24% to 5.19%	\$ 32,865
Series 601	2035	4.10% to 5.48%	29,787
Total			\$ 62,652

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, 2024 are as follows:

	Final	Payments Due	Interest	Amount
	Maturity		Rates	
State Energy Conservation Office CL247	2026	Quarterly	2.50%	\$ 396
State Energy Conservation Office CL272	2026	Quarterly	2.00%	1,879
State Energy Conservation Office CL273	2027	Quarterly	2.00%	1,876
Section 108 B-12-MC-48-0009	2027	Semi-Annually	2.75%	7,110
Total				\$ 11,261

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2024 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 20,921	\$ 1,793	\$ 22,714
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
2030-2032	4,260	216	4,476
Total	<u>\$ 67,371</u>	<u>\$ 4,791</u>	<u>\$ 72,162</u>

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 at September 30, 2024 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 272,266	\$ 129,991	\$ 402,257
2026	256,515	118,326	374,841
2027	242,123	107,445	349,568
2028	201,206	97,604	298,810
2029	174,599	89,224	263,823
2030-2034	760,483	345,752	1,106,235
2035-2039	375,536	101,330	476,866
2040-2044	146,610	19,185	165,795
2045-2049	10,760	5,916	16,676
2050 and after	12,143	1,971	14,114
Total	<u>\$ 2,452,241</u>	<u>\$ 1,016,744</u>	<u>\$ 3,468,985</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 2,519	\$ 295	\$ 2,814
2026	2,412	258	2,670
2027	6,330	210	6,540
Total	\$ 11,261	\$ 763	\$ 12,024

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

F. Business-Type Activities

The changes in the business-type activities long-term liabilities for the year ended September 30, 2024 are as follows:

	Restated Balance, September 30, 2023*	Additions	Deletions	Balance, September 30, 2024	Due Within One Year
<u>Dallas Water Utilities</u>					
City of Dallas Waterworks and Sewer System					
Revenue Refunding and Improvement Bonds					
Series 2012	\$ 103,035	\$ -	\$ 16,490	\$ 86,545	\$ 17,215
Series 2013	21,310	-	3,845	17,465	4,045
Series 2015	438,925	-	39,765	399,160	41,640
Series 2016	418,015	-	13,615	404,400	6,980
Series 2017	156,095	-	3,580	152,515	3,765
Series 2018C	141,830	-	3,150	138,680	3,315
Series 2020C	265,440	-	5,795	259,645	6,095
Series 2020D	341,300	-	16,755	324,545	11,580
Series 2021C	123,870	-	2,375	121,495	2,500
Series 2023A	166,330	-	-	166,330	2,690
City of Dallas Waterworks and Sewer System					
Revenue Refunding and Improvement Bonds					
(Direct Placements)					
Series 2018A	19,290	-	685	18,605	685
Series 2018B	38,785	-	1,320	37,465	1,335
Series 2019A	19,840	-	720	19,120	720
Series 2019B	39,835	-	1,395	38,440	1,400
Series 2020A	20,490	-	755	19,735	755
Series 2020B	41,020	-	1,490	39,530	1,490
Series 2021A	21,240	-	760	20,480	760
Series 2021B	42,485	-	1,515	40,970	1,515
Series 2022A	22,000	-	695	21,305	695
Series 2022B	44,000	-	1,335	42,665	1,340
Series 2022C	114,800	-	3,340	111,460	3,400
Series 2023C	-	34,000	-	34,000	930
Total Revenue Bonds Payable	2,599,935	34,000	119,380	2,514,555	114,850
Add: Unamortized Premium	179,112	-	19,011	160,101	-
Total Revenue Bonds of Water Utilities	2,779,047	34,000	138,391	2,674,656	114,850
Pension Obligation Bonds	24,929	-	7,023	17,906	1,514
Add: Net premium/discount	16,156	-	1,419	14,737	-
Add: Accretion	39,602	5,369	-	44,971	-
Total Water Utilities Bonds	2,859,734	39,369	146,833	2,752,270	116,364
Direct borrowings					
Commercial paper notes payable	56,600	154,300	-	210,900	-
Leases	2,833	-	593	2,240	607
SBITAs	2,637	-	941	1,696	1,043
Water transmission facilities financing agreement	888,816	-	27,226	861,590	27,840
Total direct borrowings	950,886	154,300	28,760	1,076,426	29,490
Other liabilities:					
Compensated absences payable	10,420	6,365	6,166	10,619	4,935
Pollution remediation	265	-	2	263	263
Other postemployment benefits	29,147	2,480	10,546	21,081	1,090
Net pension liability	563,633	93,797	146,381	511,049	-
Arbitrage rebate	6,442	8,298	-	14,740	-
Total other liabilities	609,907	110,940	163,095	557,752	6,288
Total long-term liabilities for Dallas Water Utilities	4,420,527	304,609	338,688	4,386,448	152,142

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

	Restated Balance, September 30, 2023*	Additions	Deletions	Balance, September 30, 2024	Due Within One Year
<u>Convention Center</u>					
Civic Center Refunding and Improvement					
Revenue Bonds, Series 2021	\$ 214,365	\$ -	\$ 10,430	\$ 203,935	\$ 10,955
Special Tax Revenue Bonds, Series 2023	-	170,600	-	170,600	-
Add: Net premium/discount	21,134	971	3,140	18,965	-
Total Convention Center Revenue Bonds	<u>235,499</u>	<u>171,571</u>	<u>13,570</u>	<u>393,500</u>	<u>10,955</u>
Pension Obligation Bonds	1,767	-	501	1,266	96
Add: Net premium/discount	1,152	-	101	1,051	-
Add: Accretion	2,826	383	-	3,209	-
Total Convention Center Bonds	<u>241,244</u>	<u>171,954</u>	<u>14,172</u>	<u>399,026</u>	<u>11,051</u>
Other liabilities:					
Compensated absences	292	200	122	370	172
Pollution remediation	106	363	78	391	391
Other postemployment benefits	4,004	55	3,585	474	25
Net pension liability	28,781	1,739	21,467	9,053	-
Arbitrage rebate	-	1,244	-	1,244	-
Total Other Liabilities	<u>33,183</u>	<u>3,601</u>	<u>25,252</u>	<u>11,532</u>	<u>588</u>
Total long-term liabilities for Convention Center	<u>\$ 274,427</u>	<u>\$ 175,555</u>	<u>\$ 39,424</u>	<u>\$ 410,558</u>	<u>\$ 11,639</u>
<u>Airport Revenues</u>					
General Airport Revenue Bonds 2015	87,780	-	4,955	82,825	5,205
General Airport Revenue Bonds 2017	98,945	-	5,050	93,895	5,300
General Airport Revenue Bonds 2021	247,855	-	8,735	239,120	9,175
Add: Net Premium/Discount	54,063	-	7,972	46,091	-
Total Revenue Bonds Payable	<u>488,643</u>	<u>-</u>	<u>26,712</u>	<u>461,931</u>	<u>19,680</u>
Pension Obligation Bonds	2,334	-	658	1,676	141
Add: Net Premium/Discount	1,515	-	133	1,382	-
Add: Accretion	3,711	503	-	4,214	-
Total Airport Bonds	<u>496,203</u>	<u>503</u>	<u>27,503</u>	<u>469,203</u>	<u>19,821</u>
Direct borrowings					
Commercial paper notes payable	-	-	-	-	-
Leases	68,842	-	1,778	67,064	1,869
SBITAs	489	-	65	424	66
Obligation for revenue credit agreement	69,595	-	10,230	59,365	10,745
Revenue credit agreement					
Net premium/discount	1,209	-	344	865	-
Total direct borrowing	<u>140,135</u>	<u>-</u>	<u>12,417</u>	<u>127,718</u>	<u>12,680</u>
Other Liabilities:					
Compensated absences	1,994	1,471	1,225	2,240	1,041
Pollution remediation	73	658	565	166	140
Other postemployment benefits	3,344	366	600	3,110	161
Net pension liability	91,174	20,395	1,285	110,284	-
Arbitrage rebate	-	429	-	429	-
Total other liabilities	<u>96,585</u>	<u>23,319</u>	<u>3,675</u>	<u>116,229</u>	<u>1,342</u>
Total long-term liabilities for Airport Revenues	<u>732,923</u>	<u>23,822</u>	<u>43,595</u>	<u>713,150</u>	<u>33,843</u>

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

	Restated Balance, September 30, 2023*	Additions	Deletions	Balance, September 30, 2024	Due Within One Year
Sanitation					
Pension Obligation Bonds	\$ 8,148	\$ -	\$ 2,296	\$ 5,852	\$ 493
Add: Net premium/discount	5,282	-	464	4,818	-
Add: Accretion	12,948	1,755	-	14,703	-
Total Sanitation Bonds	26,378	1,755	2,760	25,373	493
Direct borrowing					
Financed purchases	4,422	-	2,396	2,026	1,604
SBITAs	961	-	377	584	387
Other liabilities:					
Compensated absences	2,790	1,765	1,728	2,827	1,314
Landfill closure/postclosure	53,540	1,034	208	54,366	372
Pollution remediation	481	4	148	337	15
Other postemployment benefits	8,978	615	4,374	5,219	270
Net pension liability	194,852	30,532	23,086	202,298	-
Total other liabilities	260,641	33,950	29,544	265,047	1,971
Total long-term liabilities for Sanitation	292,402	35,705	35,077	293,030	4,455
Storm Water Operations					
Tax and Revenue Certificates					
Series 2024A	-	61,695	-	61,695	6,855
Series 2024B	-	27,570	-	27,570	3,065
Add: Net premium/discount	-	9,541	839	8,702	-
Total Tax and Revenue Certificates	-	98,806	839	97,967	9,920
City of Dallas Drainage Utility System					
Revenue Bonds (Direct Placements)					
Series 2024A	-	14,175	-	14,175	475
Series 2024B	-	90,090	-	90,090	3,005
Total Revenue Bonds Payable	-	104,265	-	104,265	3,480
Pension Obligation Bonds	3,756	-	1,059	2,697	227
Add: Net premium/discount	2,435	-	214	2,221	-
Add: Accretion	5,968	809	-	6,777	-
Total Storm Water Operations Bonds	12,159	203,880	2,112	213,927	13,627
Other liabilities:					
Compensated absences	1,654	1,112	1,023	1,743	810
Pollution remediation	1,376	94	336	1,134	1,125
Other postemployment benefits	2,177	566	213	2,530	131
Net pension liability	79,141	14,195	16,158	77,178	-
Arbitrage rebate	-	3,239	-	3,239	-
Total other liabilities	84,348	19,206	17,730	85,824	2,066
Total long-term liabilities for Storm Water Operations	96,507	223,086	19,842	299,751	15,693

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

	Restated Balance, September 30, 2023*	Additions	Deletions	Balance, September 30, 2024	Due Within One Year
<u>Non-Major Business-Type</u>					
Pension Obligation Bonds	\$ 4,545	\$ -	\$ 1,279	\$ 3,266	\$ 275
Add: Net premium/discount	2,941	-	258	2,683	-
Add: Accretion	7,212	978	-	8,190	-
Total Non-Major Business-Type Bonds	14,698	978	1,537	14,139	275
Direct borrowing					
Leases	2,986	-	554	2,432	474
Other liabilities:					
Compensated absences	2,326	1,164	1,349	2,141	995
Other postemployment benefits	4,175	372	1,385	3,162	164
Net pension liability	115,646	21,569	18,911	118,304	-
Total other liabilities	122,147	23,105	21,645	123,607	1,159
Total long-term liabilities for Non-Major Business-type Activities	139,831	24,083	23,736	140,178	1,908
Total Business-Type Activities - Long-Term Liabilities	<u>\$ 5,956,617</u>	<u>\$ 786,860</u>	<u>\$ 500,362</u>	<u>\$ 6,243,115</u>	<u>\$ 219,680</u>

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

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

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

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

In fiscal year 2024 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.

In December 2023, the City issued Waterworks and Sewer System Revenue Bonds, Series 2023C, of \$34 million with interest rates ranging from 2.9 percent to 4.04 percent. Final maturity will occur on October 1, 2048. The bonds were issued for the purpose of planning, acquisition, designing, and constructing extensions and improvements to the system.

I. 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, 2024 are as follows:

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

Series Description	Final Maturity	Interest Rates	Amount
636 Rev Bonds	2033	0.595% - 5.000%	86,545
639 Rev Bonds	2028	2.00% - 5.00%	17,465
9712 Rev Bonds	2045	1.00%-5.00%	399,160
1727 Rev Bonds	2046	3.00%-5.00%	404,400
W208 Rev Bonds	2047	4.00%-5.00%	152,515
W339 Rev Bonds	2048	4.00%-5.00%	138,680
637 Rev Bonds	2050	1.730%-5.000%	584,190
W309 Rev Bonds	2048	0.02%-1.70%	56,070
FS40 Rev Bonds	2051	0.02%-1.70%	142,285
FW40 Rev Bonds	2051	0.03%-1.34%	99,960
W931 Rev Bonds	2051	3.00%-5.00%	121,495
8360/8361/8362 Rev Bonds	2048	4.00%-5.00%	111,460
X007 Rev Bonds	2053	4.00%-5.00%	166,330
8363 Rev Bonds	2049	2.89%-4.04%	34,000
Total Revenue Bonds			2,514,555
Pension Obligation Bonds	2035	0.8% - 5.48%	17,906
Total Outstanding			\$ 2,532,461

Utility Revenues Pledged

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$2.5 billion in water and wastewater system revenue bonds, of which \$34 million was issued during the current fiscal year and the remaining balance in prior fiscal years. Proceeds from the bonds provided financing for capital assets. The bonds are payable solely from water customer net revenues and are payable through fiscal year 2052. Net revenues, as defined in the bond documents, for each year are expected to be at least equal to 1.25 times the principal and interest requirements of all outstanding previously issued bonds and additional bonds for the year. The total principal and interest remaining to be paid on the bonds at September 30, 2024 is \$3.0 billion. Principal and interest paid during fiscal year 2024 were \$119 million and \$93 million, respectively.

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

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

In fiscal year 2024, the City issued Senior Lien Special Tax Revenue Bonds. These bonds are secured by 80 percent of the revenues received by the City from the levy of the 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.

In October 2023, the City issued Senior Lien Special Tax Revenue Bonds (Kay Bailey Hutchison Convention Center Dallas Venue Project), Series 2023, of \$170.6 million with a premium of approximately \$1 million and a stated interest rate of 6 percent. Final maturity will occur on August 15, 2053. The bonds were issued for the planning, acquisition, establishment, development, construction, renovation, and financing of the expansion of the Convention Center and related infrastructure.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

The Convention Center bonds outstanding as of September 30, 2024 are as follows:

<u>Series Description</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
Texas Hotel Occupancy Tax Revenue	2038	3.00% - 5.25%	\$ 203,935
Senior Lien Special Tax Revenue	2053	6.00%	170,600
Pension Obligation Bonds	2035	0.295% - 5.48%	1,266
Total Outstanding			<u>\$ 375,801</u>

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

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

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

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

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

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

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

Airport revenue and pension obligation bonds outstanding as of September 30, 2024 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
General Airport Revenue Bonds 2015	2036	5.00%	\$ 82,825
General Airport Revenue Bonds 2017	2036	5.00%	93,895
General Airport Revenue Bonds 2021	2040	5.00%	239,120
Pension Obligation Bonds	2035	0.295% - 5.48%	1,676
Total			<u>\$ 417,516</u>

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

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

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

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

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

All of the assets ultimately acquired by the bonds belong to the City at the time of acquisition pursuant to an Agreement for Donation and Assignment entered into between the City and the airline carrier. The bonds are a special obligation for which the airline carrier has guaranteed the principal and interest payments on the bonds, payable solely from the facilities payments to be made pursuant to the terms of the Special Facilities Agreement and other funds constituting the trust estate under the indenture, including any amounts received under the guaranty. The bonds do not constitute a debt or pledge of the faith and credit of the LFAMC, the City, the County, or the State of Texas, and accordingly have not been reported in the accompanying financial statements. In September 2021, the Special Facilities Revenue Bonds, Series 2010, were refunded with General Airport Revenue Bonds, Series 2021. As a result, the revenue credit agreement decreased approximately \$310 million. The new General Airport Revenue Bonds are described in note 11N. As of September 30, 2024, the Special Facilities Revenue Bonds or conduit debt obligation outstanding was \$59.4 million, and the conduit debt obligation will mature on November 1, 2028.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

M. 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 \$59.4 million with the premium of \$865 thousand for a total balance of \$60.3 million, on September 30, 2024. The schedule of principal and interest payments required for the obligation is provided on the following page (in thousands):

Fiscal Year	Airport Revenue - LFAMC		
	Obligation for Revenue Credit Agreement		
	Principal	Interest	Total
2025	\$ 10,745	\$ 2,699	\$ 13,444
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	\$ 59,365	\$ 7,710	\$ 67,075

The balance of the deferred inflows of resources related to the Airport Revenues Fund – LFAMC conduit debt obligation was \$37,788 as of September 30, 2024.

Deferred Inflows of Resources	Balance, September 30, 2024
Airport Revenues Fund - LFAMC	\$ 37,788

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

Equipment Master Lease

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

The future debt service principal and interest payment requirements for the Sanitation fund in the business-type activities Master Lease Agreement at September 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 1,604	\$ 22	\$ 1,626
2026	366	6	372
2027	56	1	57
Total	\$ 2,026	\$ 29	\$ 2,055

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

O. Sanitation Enterprise Fund (Pension Obligation Bonds)

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, 2024 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Pension Obligation Bonds	2035	0.295% to 5.48%	\$ 5,852

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

In fiscal year 2024, 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 2024, 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 January 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024A, of \$61.7 million with a premium of \$7 million, a stated interest rate of 5 percent, and a final maturity of February 15, 2033. The certificates were issued for the purpose of financing capital projects related to flood protection and storm drainage facilities and improvements and paying the costs incurred in connection with the issuance of the certificates.

In April of 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024B, of \$27.6 million with a premium of \$2.5 million, with a stated interest rate of 5 percent, and a final maturity of February 15, 2033. The Certificates were issued for the purpose of paying contractual obligations to be incurred for flood protection and storm drainage facilities and improvements, erosion control, and for paying the costs incurred in connection with the issuance of the Certificates.

In August 2024, the City issued Drainage Utility System Revenue Bonds, Series 2024A, of \$14.2 million with a stated interest rate of zero percent, with a final maturity of October 1, 2053. These bonds were issued for the purpose of planning, acquisition, designing, and constructing extensions and improvements to the system.

In August 2024, the City issued Drainage Utility System Revenue Bonds, Series 2024B, of \$90.1 million with a stated interest rate of zero percent, with a final maturity of October 1, 2053. These bonds were issued for the purpose of planning, acquisition, designing, and constructing extensions and improvements to the system.

The Storm Water Operations Certificates of Obligation outstanding as of September 30, 2024 is as follows:

	Final Maturity	Interest Rates	Amount
Series 2024A	2033	5.00%	\$ 61,695
Series 2024B	2033	5.00%	27,570
Total			\$ 89,265

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

The Drainage Utility System Revenue Bonds and pension obligation bonds outstanding as of September 30, 2024 are as follows:

	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2024A	2053	Zero Interest	\$ 14,175
Series 2024B	2053	Zero Interest	90,090
Pension Obligation Bonds	2035	0.295% - 5.48%	2,697
Total			<u>\$ 106,962</u>

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

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

The non-major enterprise funds provide for the payment of principal and interest on a portion of Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2024 are as follows:

<u>Series Description</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
Pension Obligation Bonds	2035	0.295% - 5.48%	\$ 3,266

R. Business-Type Activities Debt Service Requirements

The debt service principal and interest payment requirement to maturity at September 30, 2024 for the business-type activities Revenue Bonds and Pension Obligation Bonds are as follows:

<u>Fiscal Year</u>	<u>Dallas Water Utilities</u>					
	<u>Revenue Bonds</u>			<u>Revenue Bonds-Direct Placements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 99,825	\$ 82,179	\$ 182,004	\$ 15,025	\$ 7,025	\$ 22,050
2026	89,630	78,235	167,865	15,150	6,874	22,024
2027	93,670	74,423	168,093	15,285	6,714	21,999
2028	97,520	70,558	168,078	15,430	6,547	21,977
2029	101,220	66,849	168,069	15,575	6,374	21,949
2030-2034	470,260	274,613	744,873	80,360	28,939	109,299
2035-2039	480,010	174,291	654,301	85,845	22,816	108,661
2040-2044	355,330	93,305	448,635	93,295	14,636	107,931
2045-2049	220,115	30,991	251,106	93,075	4,769	97,844
2050-2053	63,200	3,742	66,942	14,735	151	14,886
Total	<u>\$ 2,070,780</u>	<u>\$ 949,186</u>	<u>\$ 3,019,966</u>	<u>\$ 443,775</u>	<u>\$ 104,845</u>	<u>\$ 548,620</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

Fiscal Year	Dallas Water Utilities		
	Pension Obligation Bonds		
	Principal	Interest	Total
2025	\$ 1,514	\$ 6,909	\$ 8,423
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
2030-2034	7,548	44,510	52,058
2035	2,806	8,563	11,369
Total	\$ 17,906	\$ 90,298	\$ 108,204

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

Convention Center						
Fiscal Year	Revenue Bonds			Pension Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 10,955	\$ 18,618	\$ 29,573	\$ 96	\$ 493	\$ 589
2026	11,505	18,070	29,575	108	511	619
2027	12,080	17,495	29,575	108	531	639
2028	12,560	17,012	29,572	107	550	657
2029	15,400	19,921	35,321	107	571	678
2030-2034	88,365	88,221	176,586	539	3,175	3,714
2035-2040	91,920	65,337	157,257	201	611	812
2040-2044	31,920	47,986	79,906	-	-	-
2045-2049	46,900	33,004	79,904	-	-	-
2050-2053	52,930	10,993	63,923	-	-	-
Total	<u>\$ 374,535</u>	<u>\$ 336,657</u>	<u>\$ 711,192</u>	<u>\$ 1,266</u>	<u>\$ 6,442</u>	<u>\$ 7,708</u>

Airport Revenues						
Fiscal Year	General Airport Revenue Bonds			Pension Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 19,680	\$ 19,173	\$ 38,853	\$ 141	\$ 647	\$ 788
2026	20,660	18,165	38,825	142	672	814
2027	21,695	17,106	38,801	141	697	838
2028	22,780	15,994	38,774	141	723	864
2029	23,920	14,826	38,746	141	749	890
2030-2034	149,815	53,145	202,960	707	4,171	4,878
2035-2040	157,290	18,029	175,319	263	803	1,066
Total	<u>\$ 415,840</u>	<u>\$ 156,438</u>	<u>\$ 572,278</u>	<u>\$ 1,676</u>	<u>\$ 8,462</u>	<u>\$ 10,138</u>

Sanitation			
Fiscal Year	Pension Obligation Bonds		
	Principal	Interest	Total
2025	\$ 493	\$ 2,259	\$ 2,752
2026	494	2,343	2,837
2027	493	2,431	2,924
2028	493	2,522	3,015
2029	494	2,615	3,109
2030-2034	2,468	14,551	17,019
2035-2040	917	2,799	3,716
Total	<u>\$ 5,852</u>	<u>\$ 29,520</u>	<u>\$ 35,372</u>

Storm Water Operations						
Fiscal Year	Revenue Bonds			Certificates Obligations		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 3,480	\$ -	\$ 3,480	\$ 9,920	\$ 4,215	\$ 14,135
2026	3,480	-	3,480	9,920	3,719	13,639
2027	3,480	-	3,480	9,920	3,223	13,143
2028	3,480	-	3,480	9,920	2,727	12,647
2029	3,480	-	3,480	9,920	2,231	12,151
2030-2034	17,400	-	17,400	39,665	3,967	43,632
2035-2040	17,400	-	17,400	-	-	-
2040-2044	17,365	-	17,365	-	-	-
2045-2049	17,350	-	17,350	-	-	-
2050-2054	17,350	-	17,350	-	-	-
Total	<u>\$ 104,265</u>	<u>\$ -</u>	<u>\$ 104,265</u>	<u>\$ 89,265</u>	<u>\$ 20,082</u>	<u>\$ 109,347</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

Storm Water Operations				Non-Major Enterprise Funds			
Pension Obligation Bonds				Pension Obligation Bonds			
Fiscal Year	Principal	Interest	Total	Fiscal Year	Principal	Interest	Total
2025	\$ 227	\$ 1,041	\$ 1,268	2025	\$ 275	\$ 1,258	\$ 1,533
2026	228	1,080	1,308	2026	275	1,305	1,580
2027	227	1,121	1,348	2027	275	1,354	1,629
2028	227	1,162	1,389	2028	275	1,405	1,680
2029	227	1,205	1,432	2029	275	1,456	1,731
2030-2034	1,138	6,707	7,845	2030-2034	1,375	8,105	9,480
2035	423	1,290	1,713	2035	516	1,559	2,075
Total	<u>\$ 2,697</u>	<u>\$ 13,606</u>	<u>\$ 16,303</u>	Total	<u>\$ 3,266</u>	<u>\$ 16,442</u>	<u>\$ 19,708</u>

S. Discretely Presented Component Unit Debt Service Requirements

The changes in the DDDA discretely presented component unit's long-term liabilities for the year ended September 30, 2024 are as follows:

	Balance, September 30, 2023	Additions	Deletions	Balance, September 30, 2024	Due Within One Year
Tax Increment Revenue Bonds					
Series 2006	\$ 23,050	\$ -	\$ 2,443	\$ 20,607	\$ 2,308
Series 2007	20,780	-	645	20,135	435
Total Bonds	43,830	-	3,088	40,742	2,743
Accretion	37,905	3,436	4,287	37,054	-
Total Bonds	<u>\$ 81,735</u>	<u>\$ 3,436</u>	<u>\$ 7,375</u>	<u>\$ 77,796</u>	<u>\$ 2,743</u>

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

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2023 are as shown below:

	Balance, December 31, 2022	Additions	Deletions	Balance, December 31, 2023	Due Within One Year
2009A Current Interest Bonds	\$ 24,025	\$ -	\$ 11,555	\$ 12,470	\$ 12,470
2009A Capital Appreciation Bonds	7,139	-	-	7,139	-
2009B Taxable Build America Bonds	388,175	-	-	388,175	-
Total Revenue Bonds	<u>419,339</u>	<u>-</u>	<u>11,555</u>	<u>407,784</u>	<u>12,470</u>
Add: Unamortized Premium	-	-	-	-	-
Less: Unamortized Discount	(24)	-	(24)	-	-
Add: Accretion on Capital Appreciation Bonds	9,370	1,072	-	10,442	-
Total Long-Term Debt	<u>\$ 428,685</u>	<u>\$ 1,072</u>	<u>\$ 11,531</u>	<u>\$ 418,226</u>	<u>\$ 12,470</u>

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

The tax increment bonds outstanding as of September 30, 2024 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Series DDDA - Series 2006	2036	5.25% - 5.66%	\$ 20,607
Series DDDA - Series 2007	2036	5.49% - 6.28%	20,135
Total Outstanding			<u>\$ 40,742</u>

The Dallas Convention Center Hotel Development Corporation discretely presented component unit bonds outstanding as of December 31, 2023 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
2009A Current Interest Bonds	2024	4.25% - 5.25%	\$ 12,470
2009A Capital Appreciation Bonds	2026	5.43% - 6.46%	7,139
2009B Taxable Build America Bonds	2042	7.09%	388,175
Total Outstanding			<u>\$ 407,784</u>

The debt service principal and interest payment requirement to maturity on September 30, 2024 for the DDDA discretely presented component unit activities tax increment financing bonds and at December 31, 2023 for the Dallas Convention Center Hotel Development Corporation bonds are as shown on the following page.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

Fiscal Year	DDDA			Calendar Year	Dallas Convention Center Hotel Development Corporation		
	Principal	Interest	Total		Principal	Interest	Total
2025	\$ 2,743	\$ 5,673	\$ 8,416	2024	\$ 12,470	\$ 27,826	\$ 40,296
2026	2,239	5,774	8,013	2025	5,133	35,786	40,919
2027	2,378	5,892	8,270	2026	10,052	30,892	40,944
2028	2,813	5,987	8,800	2027	14,400	26,433	40,833
2029	3,043	6,043	9,086	2028	15,385	25,378	40,763
2030-2034	19,190	29,965	49,155	2029-2033	93,450	108,428	201,878
2035-2036	8,336	11,465	19,801	2034-2038	126,324	69,705	196,029
Total	<u>\$ 40,742</u>	<u>\$ 70,799</u>	<u>\$ 111,541</u>	2039-2042	130,570	19,155	149,725
				Total	<u>\$ 407,784</u>	<u>\$ 343,603</u>	<u>\$ 751,387</u>

T. Bonds Authorized and Unissued

The following is a schedule of authorized but unissued bonds at September 30, 2024:

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

U. Compliance with Debt Covenants

For the year ended September 30, 2024, management of the City believes that it was in compliance with all financial bond covenants on outstanding revenue and general obligation bonded debt.

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

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

The commercial paper notes, Series F, effective July 8, 2024, are supported by a liquidity agreement with JPMorgan Chase Bank, N.A. and extend to July 8, 2027. The Series F notes previously consisted of Sub-Series F-1 and Sub-Series F-2, supported by liquidity agreements with JPMorgan Chase Bank, N.A. and Bank of America N.A., respectively. As of July 8, 2024, the liquidity agreement with Bank of America, N.A. supporting the Sub-Series F-2 notes was terminated. Currently, 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 July 8, 2021, renewed in June and September 2024, and supported by a liquidity agreement with State Street Bank and Trust Company, terminated on January 2, 2025. 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. Following the issuance of a Request for Competitive Sealed Proposals, a replacement Series G notes liquidity provider agreement is planned for City Council approval in April 2025.

Events of default include nonpayment of fees, incorrect or untrue statement made by the City the agreements, breach of covenant, unsatisfied judgements over \$10 million, acceleration of other debt in an amount greater than \$5 million, filing of bankruptcy, validity of agreement invalidated by any governmental authority, debt moratorium, bond ratings downgraded below Baa3/BBB-, material adverse effects as a result of State law repeal or any event of default as defined in 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 2024, \$154.3 million was issued. 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 \$389.1 million at September 30, 2024.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 11. Long-Term Debt (continued)

W. 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), and in December 2022 in the amount of \$255 million (2022 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 2027. The City's share of the total cost of the Project is estimated to be \$1 billion. Upon completion of the Project, DWU will have reserved capacity rights in the amount of 150 million gallons per day. Depending on the timing of construction, additional bonds are expected to be issued throughout the construction period.

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

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

At September 30, 2024, the TRWD Water Facilities Contract Revenue Bonds outstanding were \$862 million.

The City has determined the obligation under the Agreement to be a liability to the extent that such obligations are for the payment of bonds issued to fund Dallas Water Utilities' share of costs for the Project. The City has capitalized the development of an intangible asset, Pipeline Reserve Capacity Rights, in Construction in Progress for the actual Project costs incurred by TRWD. The unspent proceeds held by TRWD for future construction costs have been recorded in Restricted Assets: Other Noncurrent Assets – Future Pipeline Reserve Capacity Rights. The interest rates for the obligation range from 0.45 percent to 6.0 percent. The obligation will be amortized over a period of 30 years. The balance of the obligation for the Agreement was \$862 million at September 30, 2024.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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
2025	\$ 27,840	\$ 23,113	\$ 50,953
2026	28,305	22,571	50,876
2027	28,905	21,992	50,897
2028	29,605	21,348	50,953
2029	30,360	20,665	51,025
2030-2034	163,040	91,712	254,752
2035-2039	184,520	70,902	255,422
2040-2044	194,630	44,611	239,241
2045-2049	113,670	20,810	134,480
2050-2055	60,715	3,964	64,679
Total	<u>\$ 861,590</u>	<u>\$ 341,688</u>	<u>\$ 1,203,278</u>

Note 12. Leases

A. As Lessor

The City leases some of its land and buildings, office space and airport hangars (disclosed separately under the "Business-Type Activities" section). Most leases have initial terms, but not greater than 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, 2024, the City's governmental activities leases receivable balance of \$104,152 was comprised of the amounts below:

Various land leases with revenue totaling \$2,544 during fiscal year 2024, at interest rates ranging from 0.67 to 3 percent, with remaining lease terms ranging from 13.25 to 64.25 years.	\$ 102,824
Various building leases with revenue totaling \$333 during fiscal year 2024, at interest rates ranging from 0.98 to 2.34 percent, with remaining lease terms ranging from 4 to 25.6 years.	1,328
Total lease receivable for governmental activities	<u>\$ 104,152</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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	Interest
2025	\$ 1,723	\$ 1,092
2026	1,798	1,059
2027	1,851	1,025
2028	2,053	989
2029	2,046	951
2030-2034	11,894	4,124
2035-2039	12,249	2,882
2040-2044	2,897	2,341
2045-2049	3,248	2,236
2050-2054	5,470	2,086
2055-2059	5,976	1,899
2060-2064	8,337	1,663
2065-2069	8,620	1,379
2070-2074	8,913	1,087
2075-2079	9,216	784
2080-2084	9,529	472
2085-2089	8,332	168
Total	<u>\$ 104,152</u>	<u>\$ 26,237</u>

The balance of deferred inflows of resources related to the governmental activities lease payments receivable was \$99,729 as of September 30, 2024. The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follow:

Inflows of Resources	Governmental Activities
Lease Revenue	\$ 2,878
Interest Revenue	1,121

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

As of September 30, 2024, the City's business-type activities leases receivable balance of \$49,397 was comprised of the following:

Various land leases with revenue totaling \$23 during fiscal year 2024, at interest rates of 2.06 percent, with remaining lease terms ranging to 49.44 years. \$ 697

Various building leases with revenue totaling \$15,042 during fiscal year 2024, at interest rates ranging from 0.57 to 2.06 percent, with remaining lease terms ranging from 1.08 to 33.11 48,700

Total lease receivable for business-type activities \$ 49,397

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 12. Leases (continued)

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

Fiscal Year	Dallas Water Utilities			Convention Center		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 17	\$ 3	\$ 20	\$ 3,125	\$ 395	\$ 3,520
2026	17	3	20	3,176	343	3,519
2027	17	3	20	3,228	290	3,518
2028	18	3	21	3,281	236	3,517
2029	18	2	20	3,334	182	3,516
2030-2034	93	8	101	7,754	364	8,118
2035-2039	39	1	40	1,636	175	1,811
2040-2044	-	-	-	1,132	54	1,186
2045-Thereafter	-	-	-	242	17	259
Total	\$ 219	\$ 23	\$ 242	\$ 26,908	\$ 2,056	\$ 28,964

Fiscal Year	Airport Revenues			Total Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 11,308	\$ 191	\$ 11,499	\$ 14,450	\$ 589	\$ 15,039
2026	3,697	133	3,830	6,890	479	7,369
2027	2,475	104	2,579	5,720	397	6,117
2028	415	87	502	3,714	326	4,040
2029	333	83	416	3,685	267	3,952
2030-2034	1,262	339	1,601	9,109	711	9,820
2035-2039	472	259	731	2,147	435	2,582
2040-2044	482	212	694	1,614	266	1,880
2045-Thereafter	1,826	346	2,172	2,068	363	2,431
Total	\$ 22,270	\$ 1,754	\$ 24,024	\$ 49,397	\$ 3,833	\$ 53,230

The balance of the deferred inflows resources related to the business-type activities lease payments receivable was \$53,330 as of September 30, 2024.

Deferred Inflows of Resources	Balance, September 30, 2024
Dallas Water Utilities	\$ 214
Convention Center	31,133
Airport Revenues	21,983
Total	\$ 53,330

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 12. Leases (continued)

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

Inflows of Resources	Dallas Water Utilities	Convention Center	Airport Revenues	Total Business- Type Activities
Lease Revenue	\$ 18	\$ 1,797	\$ 11,266	\$ 13,081
Interest Revenue	4	442	261	707

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 2024, inflows of resources for percentage of variable rents totaled \$6,820 and were comprised of the following:

Concession Categories	Inflows of Resources
Retail	\$ 236
Food & Beverage	5,520
Misc. Concessions	1,064
	\$ 6,820

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 36 years and generally expire between 2025 and 2058, 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					Total Love Field Airport
	American Airlines	United	Southwest	Delta	
Ticket Areas	2,294 sq. ft.	2,100 sq. ft.	13,025 sq. ft.	346 sq. ft.	17,765 sq. ft.
Concourse Areas	2,755 sq. ft.	1,455 sq. ft.	68,968 sq. ft.	- sq. ft.	73,178 sq. ft.
Baggage Areas	7,888 sq. ft.	7,210 sq. ft.	46,235 sq. ft.	1,782 sq. ft.	63,115 sq. ft.
Gate Holdrooms	4,632 sq. ft.	5,998 sq. ft.	41,912 sq. ft.	- sq. ft.	52,542 sq. ft.
Aprons - leasable airline spaces	2	2	16	-	20
Dallas Executive Airport and Love Field Airport (DEA)					Total DEA
Regulated Areas					8,646,531 sq. ft.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2024 are as follows:

Fiscal Year Ending September 30,	Future Expected Minimum Rentals
2025	\$ 74,403
2026	73,953
2027	73,953
2028	71,825
2029	9,410
2030-2034	45,605
2035-2039	43,951
2040-2044	38,763
2045-Thereafter	76,651
Total minimum lease rentals	\$ 508,514

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, 2024, the City's governmental activities leases payable balance of \$125,909 was comprised of the following:

Various land leases with principal and interest payments totaling \$820 during fiscal year 2024, at interest rates ranging from 0.32 to 2.34 percent, with remaining lease terms ranging from 5 to 29.27 years.	\$ 1,902
Various building leases with principal and interest payments totaling \$3,097 during fiscal year 2024, at interest rates ranging from 0.25 to 2.89 percent, with remaining lease terms ranging from 1 to 101 years.	23,510
Various equipment leases with principal and interest payments totaling \$12,636 during fiscal year 2024, at interest rates ranging from 0.32 to 2.65 percent, with remaining lease terms ranging from 3.6 to 8.21 years.	100,497
Total leases payable for governmental activities	\$ 125,909

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 12. Leases (continued)

Fiscal Year	Governmental Activities		Total
	Principal	Interest	
2025	\$ 13,810	\$ 2,911	\$ 16,721
2026	13,556	2,592	16,148
2027	12,872	2,274	15,146
2028	13,442	1,933	15,375
2029	13,719	1,581	15,300
2030-2034	42,495	3,308	45,803
2035-2039	329	1,858	2,187
2040-2044	370	1,818	2,188
2045-2049	416	1,772	2,188
2050-2054	458	1,721	2,179
2055-2059	459	1,668	2,127
2060-2064	516	1,612	2,128
2065-2069	579	1,549	2,128
2070-2074	650	1,478	2,128
2075-2079	730	1,398	2,128
2080-2084	819	1,309	2,128
2085-2089	920	1,208	2,128
2090-2094	1,032	1,096	2,128
2095-2099	1,159	969	2,128
2100-2104	1,301	827	2,128
2105-2109	1,461	667	2,128
2110-2114	1,640	488	2,128
2115-2119	1,841	287	2,128
2120-2123	1,335	155	1,490
Total	\$ 125,909	\$ 36,479	\$ 162,388

Business-Type Activities Leases - City as Lessee

As of September 30, 2024, the City's business-type activities leases payable balance of \$71,736 was comprised of the following:

Various land leases with expenditure totaling \$4,748 during fiscal year 2024, at interest rates ranging from 1.12 to 2.06 percent, with remaining lease terms ranging from 5.75 to 22.1 years.	\$ 57,975
Various building leases with expenditure totaling \$2,010 during fiscal year 2024, at interest rates ranging from 0.07 to 5.65 percent, with remaining lease terms ranging from .17 to 22.10 years.	13,761
	<u>\$ 71,736</u>

The annual payment requirements to amortize the long-term leases payable for the business-type activities as of September 30, 2024, including principal and interest payments to maturity are shown on the following page.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 12. Leases (continued)

Fiscal Year	Dallas Water Utilities			Airport Revenues		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 607	\$ 45	\$ 652	\$ 1,869	\$ 3,646	\$ 5,515
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	3,226	5,544
2030-2034	-	-	-	12,544	14,217	26,761
2035-2039	-	-	-	15,530	10,388	25,918
2040-2044	-	-	-	20,586	5,332	25,918
2045-Thereafter	-	-	-	7,927	431	8,358
Total	\$ 2,240	\$ 95	\$ 2,335	\$ 67,064	\$ 47,578	\$ 114,642

Nonmajor Enterprise Funds

Fiscal Year	Municipal Radio			Building Inspection		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 172	\$ 13	\$ 185	\$ 302	\$ 18	\$ 320
2026	181	10	191	234	15	249
2027	189	8	197	202	11	213
2028	199	6	205	210	6	216
2029	208	4	212	217	4	221
2030-2034	164	1	165	154	1	155
2035-2039	-	-	-	-	-	-
2040-2044	-	-	-	-	-	-
2045-Thereafter	-	-	-	-	-	-
Total	\$ 1,113	\$ 42	\$ 1,155	\$ 1,319	\$ 55	\$ 1,374

Total Business-Type Activities

Fiscal Year	Principal	Interest	Total
2025	\$ 2,950	\$ 3,722	\$ 6,672
2026	3,024	3,606	6,630
2027	3,123	3,483	6,606
2028	2,991	3,355	6,346
2029	2,743	3,234	5,977
2030-2034	12,862	14,219	27,081
2035-2039	15,530	10,388	25,918
2040-2044	20,586	5,332	25,918
2045-Thereafter	7,927	431	8,358
Total	\$ 71,736	\$ 47,770	\$ 119,506

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 November 30, 2024. 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, 2024 was \$27.1 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 6 years. Most SBITA contracts have initial terms of up to five 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, 2024, the SBITA payable for governmental activities and business-type activities totaled \$29,244 and \$2,704, respectively.

<u>SBITA Payable</u>	<u>Interest Rates</u>	<u>Remaining Term</u>	<u>Principal and Interest Payments 9/30/2024</u>
Governmental Activities	2.6 to 3.25	.48 to 3.62 years	\$ 12,537
Business-Type Activities	2.29 to 2.72	1.25 to 5.65 years	1,475
Total			<u>\$ 14,012</u>

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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
2025	\$ 10,049	\$ 454
2026	7,895	226
2027	4,934	73
Total	\$ 22,878	\$ 753

Fiscal Year	Other Governmental Activities Principal	Other Governmental Activities Interest
2025	\$ 2,522	\$ 118
2026	2,519	49
2027	1,325	8
Total	\$ 6,366	\$ 175

Fiscal Year	Total Governmental Activities Principal	Total Governmental Activities Interest
2025	\$ 12,571	\$ 572
2026	10,414	275
2027	6,259	81
Total	\$ 29,244	\$ 928

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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				Airport Revenues			
Fiscal Year	Principal	Interest	Total	Fiscal Year	Principal	Interest	Total
2025	\$ 1,043	\$ 26	\$ 1,069	2025	\$ 66	\$ 10	\$ 76
2026	432	6	438	2026	67	8	75
2027	221	1	222	2027	70	5	75
2028	-	-	-	2028	72	4	76
2029	-	-	-	2029	74	2	76
2030-2034	-	-	-	2030-2034	75	-	75
Total	\$ 1,696	\$ 33	\$ 1,729	Total	\$ 424	\$ 29	\$ 453

Sanitation				Total Business-Type Activities			
Fiscal Year	Principal	Interest	Total	Fiscal Year	Principal	Interest	Total
2025	\$ 387	\$ 11	\$ 398	2025	\$ 1,496	\$ 47	\$ 1,543
2026	197	2	199	2026	696	16	712
2027	-	-	-	2027	291	6	297
2028	-	-	-	2028	72	4	76
2029	-	-	-	2029	74	2	76
2030-2034	-	-	-	2030-2034	75	-	75
Total	\$ 584	\$ 13	\$ 597	Total	\$ 2,704	\$ 75	\$ 2,779

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, 2024, the City had a total of \$474.4 million in defeased outstanding general obligation bonds, \$873.5 million in defeased outstanding water and sewer revenue bonds, and \$229.2 million in defeased convention center refunding and improvement bonds. The bonds defeased during the fiscal year are as follows:

	Balance, September 30, 2023	Additions	Deletions	Balance, September 30, 2024
General Obligation Bonds	\$ 305,035	\$ 270,400	\$ 101,065	\$ 474,370
Water and Sewer Revenue Bonds	933,193	-	59,705	873,488
Convention Center Refunding and Improvement Bonds	240,270	-	11,055	229,215
Total	\$ 1,478,498	\$ 270,400	\$ 171,825	\$ 1,577,073

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 2024; 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 \$58.7 million at September 30, 2024, is recorded in the risk funds. Of this amount, \$9.2 million is estimated to be payable in the next fiscal year.

The City maintains a group health insurance plan for employees and dependents which is self-insured by the City. The City also offers enrollment in one health maintenance organization as an alternative. Premiums are determined based on the annual budget. The City also maintains a group life insurance plan which offers term-life and accidental death and dismemberment for employees and dependents. The City is fully insured for employee term-life. Health claims and claims incurred but not reported that are probable and can be reasonably estimated are accrued in the accompanying basic financial statements at September 30, 2024, in the amount of \$12.7 million in the risk funds.

At September 30, 2024, the City estimates its general liability at \$15.6 million, of which \$4.8 million is estimated to be payable in the next fiscal year. The general liability includes \$10.7 million for automobile and general liability and \$4.9 million for probable claims and lawsuits.

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

	Workers'		Health		General	
	2024	2023	2024	2023	2024	2023
Unpaid claims, beginning of year	\$ 59,746	\$ 54,738	\$ 11,530	\$ 9,882	\$ 69,503	\$ 62,190
Incurred claims, including incurred but not reported claims (IBNRs) and changes in estimates	13,957	12,744	134,176	119,093	6,635	14,770
Claim payments	(13,036)	(12,096)	(144,358)	(131,679)	(60,606)	(5,528)
Changes to prior year estimates (IBNR)	(1,941)	4,360	11,318	14,234	40	(1,929)
Unpaid claims, end of year	<u>\$ 58,726</u>	<u>\$ 59,746</u>	<u>\$ 12,666</u>	<u>\$ 11,530</u>	<u>\$ 15,572</u>	<u>\$ 69,503</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 22 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 \$49.6 million liability for closure/post-closure care is based on 98.5 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 \$296 thousand for the transfer stations at September 30, 2024.

The estimated total liability of \$50.3 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 \$49.9 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 \$4.5 million during the next 12 years, of which \$372 thousand is due within one year.

The total closure and post-closure liability for both landfills and the three transfer stations at September 30, 2024 is \$54.4 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, 2024, the total environmental remediation liability is \$3.0 million, and the current portion of this liability is \$2.7 million. At this time, the City is unable to estimate any recoveries to reduce the liability.

Eighteen 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 \$1.8 million, and the current portion of this liability is \$1.7 million.

Five 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 \$438 thousand, and the current portion of this liability is \$438 thousand.

Two sites are also managed by testing and removal of asbestos in compliance with Texas Asbestos Health Protection Rules, TAC Ch 295 Occupational Safety. During the reporting period, the City completed remediation activities at two sites. No additional estimated costs are expected for these two project.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 18. Pollution Remediation (continued)

Three sites are also managed by testing and removal of asbestos in compliance with Texas Asbestos Health Protection Rules, TAC Ch 295 Occupational Safety and Health Administration (OSHA) Lead Exposure Rules 29 Code of Federal Regulations (CFR) 1926.62. During the reporting period, the City began remediation activities at two new sites. The total estimated cost is \$106 thousand, and the current portion of this liability is \$106 thousand.

One 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, Mold Rules. During the reporting period, the City began remediation activities at this new sites. The total estimated cost is \$363 thousand, and the current portion of this liability is \$363 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 \$337 thousand and \$15 thousand liability expected to be paid in fiscal year 2025.

The City's pollution remediation for the year ended September 30, 2024 are as follows:

Sites regulated by	Restated Balance, September 30, 2023*	Additions	Deletions	Balance, September 30, 2024	Due Within One Year
Governmental Activities:					
Texas Risk Reduction Program	\$ 919	\$ 122	\$ 569	\$ 472	\$ 447
Texas Risk Reduction Program and Texas Asbestos Health Protection Rules	99	145	69	175	175
Texas Asbestos Health Protection Rules	21	-	21	-	-
Texas Asbestos Health Protection Rules and OSHA Lead Exposure Rules	-	255	149	106	106
Total Governmental Activities	1,039	522	808	753	728
Business-type Activities					
Convention Center					
Texas Risk Reduction Program	106	-	78	28	28
OSHA Lead Exposure Rules and Mold Rules	-	363	-	363	363
Airport Revenues					
Texas Risk Reduction Program	73	658	565	166	140
Dallas Water Utilities					
Texas Risk Reduction Program and Texas Asbestos Health Protection Rules	265	-	2	263	263
Sanitation					
Texas Municipal Waste Rules	481	4	148	337	15
Stormwater Operation					
Texas Risk Reduction Program	1,377	94	336	1,135	1,125
Total Business-type Activities	2,302	1,119	1,129	2,292	1,934
Total Pollution Remediation	\$ 3,341	\$ 1,641	\$ 1,937	\$ 3,045	\$ 2,662

*See Note 22

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2023, are reported in the City's Pension Trust Funds. Descriptions of each plan are as follows:

Employees' Retirement Fund (ERF): The legal authority for this plan is Chapter 40A of the Dallas City Code. The fund is for the benefit of all eligible employees of the City, excluding firefighters and police officers. The fund is administered by a seven-member board of trustees consisting of three persons appointed by the City Council who may be council members, three employees from different departments of the City who are elected by members of the retirement fund and who are members of the retirement fund, and the City Auditor. The ERF issues a stand-alone financial report which is available at: www.dallaserf.org/publications-resources.

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.dfp.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.dfp.org/Financial/Financial-Reports.

B. Benefits provided

ERF: ERF provides retirement, disability, and death benefits to its members in accordance with Chapter 40A of the Dallas City Code. All employees of the City are members except police officers, firefighters, elected officers, non-salaried appointee members of boards or commissions, part-time employees working less than one-half time, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency. The plan consists of Tier A and Tier B members.

Members hired prior to January 1, 2017 (Tier A) have vested rights to retirement benefits after five years of service or to survivor benefits after two years of service. Benefits are based on credited service and the average monthly earnings for the three highest paid calendar years. Members of the Tier A are entitled to normal retirement pension at age 60; early retirement pension at age 55 if employed prior to May 9, 1972, or age 50 and age plus years of service total 78; service retirement pension at any age after 30 years of credited service and disability retirement pension as determined by the board of trustees. Cost of living adjustments for retirees are made each year on January 1 by adjusting the pension base by the percentage change of the consumer price index, not to exceed 5 percent.

Members hired after December 31, 2016 (Tier B) have vested rights to retirement benefits after five years of service or to survivor benefits after two years of service. Benefits are based on credited service and the average monthly earnings for the five highest paid calendar years. Members of Tier B are entitled to normal retirement pension at age 65; early retirement pension with a reduced benefit prior to age 65 and age plus years of service total 80 and; service retirement pension at any age after 40 years of credited service and disability retirement pension as determined by the board of trustees. Cost of living adjustments for retirees are made each year on January 1 by adjusting the pension base by the percentage change of the consumer price index, not to exceed 3 percent.

Amendments to Chapter 40A of the Dallas City Code, other than provisions required to comply with federal law, may only be made by a proposal initiated by either the board of trustees of the ERF or the City Council which results in an ordinance approved by the board, adopted by the City Council, and approved by a majority of the voters voting at a general or special election.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 \$902.7 million on December 31, 2023.

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 \$6 million at December 31, 2023.

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

C. Employees covered by benefit terms

At December 31, 2023, the following numbers of employees were covered by the benefit terms:

	ERF	Combined Plan	Supplemental Plan
Retirees and beneficiaries currently receiving benefits	7,914	5,372	152
Inactive members entitled to benefits but not yet receiving them	2,107	254	1
Current members	7,894	5,131	56
Total	<u>17,915</u>	<u>10,757</u>	<u>209</u>

D. Contributions

ERF: Chapter 40A of the Dallas City Code establishes contribution requirements. Changes to the contribution formula may only be made by a proposal initiated by either the board of trustees of the ERF or the City Council which results in an ordinance approved by the board, adopted by the City Council, and approved by a majority of the voters voting at a general or special election.

The City contributes 63 percent of the required contribution and the membership contributes 37 percent. The City’s contribution rate covers both the debt service tied to the pension obligation bonds and the contributions to the Employees’ Retirement Fund. Although the total contribution is actuarially determined each year, it is adjusted based on the following requirements of Chapter 40A: (1) the maximum contribution percentage of covered wages is 36 percent; (2) the maximum increase or decrease from one year to the next is 10 percent; and (3) the contribution rate changes only if the actuarial valuation develops a rate which differs from the prior rate by more than 300 basis points. The adjusted contribution as a result of Chapter 40A is the Current Adjusted Total Obligation Rate (CATOR). Contribution rates are 13.32 percent of covered wages for employees and 22.68 percent for the City for the City’s fiscal year ended September 30, 2024. The City’s contribution of 22.68 percent is divided into 14.46 percent cash to the Plan and 8.22 percent for debt service payments on the pension obligation bonds. For fiscal year 2024, the City contribution was \$74 million.

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

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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. For fiscal year 2024, the City contribution was \$175 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 2024, the City contribution was \$4.2 million.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date.

F. Actuarial Assumptions

The total pension liabilities in the December 31, 2023 actuarial valuations were determined using the following actuarial assumptions for each of the plans, applied to all periods included in the measurement:

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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	2.5% to 7.25%, including inflation	2.5% to 7.25%, including inflation
Investment Rate of Return	7.25%	6.50%	6.50%
Mortality	<p>For actives: Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019).</p> <p>For healthy retirees: 2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019).</p> <p>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).</p>	<p>For actives: Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.</p> <p>For healthy retirees: Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.</p> <p>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.</p>	<p>For actives: Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.</p> <p>For healthy retirees: Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.</p> <p>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.</p>
Cost of Living Adjustments	<p>The percentage of change in the price index for October of the current year over October of the previous year, or the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment. The maximum COLA for Tier A retirees is 5%, and the maximum for Tier B retirees is 3%.</p>	<p>Ad hoc granted by the Board when the Combined Plan is 70 percent funded after accounting for the COLA. 1.5% of original benefit, beginning October 1, 2073.</p>	<p>Ad hoc granted by the Board when the Combined Plan is 70 percent funded after accounting for the COLA. 1.5% of original benefit, beginning October 1, 2073.</p>
Long-term expected rate of return	<p>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.</p>	<p>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.</p>	<p>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.</p>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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:

Asset Class	ERF	
	Target Allocation	Long-term RROR
Domestic equity	12.00%	5.00%
International equity	11.50%	6.00%
Global equity	5.00%	5.60%
Global low volatility equity	10.00%	6.21%
Fixed income	17.50%	4.75%
High yield fixed income	10.00%	0.00%
Opportunities credit	6.50%	7.70%
REITs	2.50%	5.60%
Private real estate-value add	5.00%	7.40%
Private real estate-core	2.50%	5.35%
Private equity	10.00%	8.65%
Global public infrastructure	5.00%	7.36%
Marketable alternatives	2.50%	6.47%
Total	100.00%	

Asset Class	Combined Plan		Supplemental Plan	
	Target Allocation	Long-term RROR	Target Allocation	Long-term RROR
Global equity	55%	6.80%	55%	6.80%
Emerging markets equity	5%	8.00%	5%	8.00%
Private equity	5%	9.90%	5%	9.90%
Cash	3%	1.00%	3%	1.00%
Short-term investment grade bonds	6%	1.25%	6%	1.25%
Investment grade bonds	4%	1.80%	4%	1.80%
High yield bonds	4%	3.60%	4%	3.60%
Bank loans	4%	3.20%	4%	3.20%
Emerging markets debt	4%	3.70%	4%	3.70%
Real estate	5%	3.40%	5%	3.40%
Natural resources	5%	4.85%	5%	4.85%
Total	100%		100%	

G. Discount Rate

ERF: The discount rate used to measure the total pension liability was 5.54 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 3.77 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 5.54 percent.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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. The fiduciary net position of the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Supplemental Plan: The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Supplemental Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

On May 31, 2017, Texas Governor Greg Abbott signed into law House Bill 3158, affecting the Dallas Police and Fire Pension System ("Pension System"). House Bill 3158 primarily amends 6243a-1, Texas Revised Statutes, including amendments to provisions concerning benefits, contributions, and governance, among other things. These changes took effect September 1, 2017 for both the Combined and Supplemental Plans.

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 19. Pension Plans (continued)

H. Changes in the Net Pension Liability

The following table shows the net pension liabilities as of December 31, 2023.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<u>Employees' Retirement Fund</u>			
Balances at 12/31/22	\$ 6,502,685	\$ 3,516,279	\$ 2,986,406
Changes for the year:			
Service cost	152,774	-	152,774
Interest	346,704	-	346,704
Changes of assumptions	(103,487)	-	(103,487)
Differences between expected and actual experience	89,578	-	89,578
Contributions - City	-	73,939	(73,939)
Contributions - Employee	-	70,025	(70,025)
Net investment income	-	339,879	(339,879)
Benefit payments, including refunds of employee contributions	(340,997)	(340,997)	-
Administrative expense	-	(9,184)	9,184
Other changes	-	(841)	841
Net Changes	144,572	132,821	11,751
Balances at 12/31/23	<u>\$ 6,647,257</u>	<u>\$ 3,649,100</u>	<u>\$ 2,998,157</u>
<u>Combined Plan</u>			
Balances at 12/31/22	\$ 5,254,658	\$ 1,806,565	\$ 3,448,093
Changes for the year:			
Service cost	80,051	-	80,051
Interest	335,597	-	335,597
Changes of assumptions	-	-	-
Differences between expected and actual experience	(19,708)	-	(19,708)
Contributions - City	-	171,961	(171,961)
Contributions - Employee	-	62,510	(62,510)
Net investment income	-	243,098	(243,098)
Benefit payments, including refunds of employee contributions	(343,346)	(343,346)	-
Administrative expense	-	(5,974)	5,974
Net Changes	52,594	128,249	(75,655)
Balances at 12/31/23	<u>\$ 5,307,252</u>	<u>\$ 1,934,814</u>	<u>\$ 3,372,438</u>
<u>Supplemental Plan</u>			
Balances at 12/31/22	\$ 43,066	\$ 16,641	\$ 26,425
Changes for the year:			
Service cost	1,261	-	1,261
Interest	2,786	-	2,786
Changes of assumptions	-	-	-
Differences between expected and actual experience	1,092	-	1,092
Contributions - City	-	3,665	(3,665)
Contributions - Employee	-	278	(278)
Net investment income	-	2,225	(2,225)
Benefit payments, including refunds of employee contributions	(2,940)	(2,940)	-
Administrative expense	-	(61)	61
Net Changes	2,199	3,167	(968)
Balances at 12/31/23	<u>\$ 45,265</u>	<u>\$ 19,808</u>	<u>\$ 25,457</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 \$5,367,886 and for business-type activities, \$1,028,166. The amount of the ERF net pension liability allocated by business-type activity is \$511,049 to Dallas Water Utilities, \$9,053 to Convention Center, \$110,284 to Airport Revenues, \$202,298 to Sanitation, \$77,178 to Stormwater and \$118,304 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 5.54 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 (4.54 percent for ERF, 5.50 percent for the Combined Plan and 5.50 percent for the Supplemental Plan) or 1-percentage-point higher (6.54 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	\$ 3,875,545	\$ 2,998,157	\$ 2,273,343
Combined Plan	\$ 4,012,208	\$ 3,372,438	\$ 2,841,778
Supplemental Plan	\$ 30,026	\$ 25,457	\$ 21,592

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, 2024, the City recognized total pension expense of \$635,575, \$287,871 of which was for the ERF, \$343,841 for the Combined Plan, and \$3,863 for the Supplemental Plan. At September 30, 2024, 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
Differences between expected and actual experience	\$ 107,640	\$ 5,689	\$ 35,013	\$ 62,465	\$ 546
Changes of assumptions	673,804	486,855	201,916	2,422	-
Net difference between projected and actual earnings on pension plan investments	200,586	-	73,595	-	724
Contributions subsequent to the measurement date	60,699	-	139,447	-	4,257
Total deferred outflows/inflows	\$ 1,042,729	\$ 492,544	\$ 449,971	\$ 64,887	\$ 5,527

Deferred outflows of resources reported in the amounts of \$60,699, \$139,448 and \$4,257 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 outflows of resources reported in the amount of \$736,393 related to pensions will be recognized in pension expense as shown on the following page.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 19. Pension Plans (continued)

	ERF	Combined Plan	Supplemental Plan
Year ending 09/30:			
2025	94,468	107,454	921
2026	246,410	77,595	114
2027	167,880	92,621	458
2028	(19,272)	(29,758)	(223)
2029	-	540	-
Thereafter	-	(2,815)	-
Total	\$ 489,486	\$ 245,637	\$ 1,270

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, 2024, approximately \$4.9 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 \$10.5 million as of September 30, 2024.

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, 2024. These projects are evidenced by contractual commitments and include the following: \$480 million for General Purpose Capital Improvements and \$601.3 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, 2024, the amount of encumbrances expected to be honored upon performance by the vendor in a subsequent year were as follows:

	Encumbrance Amount
General fund	\$ 42,217
Nonmajor governmental funds	610,149
Total	\$ 652,366

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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 \$712 (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 827 pre-65 retired participants in the health plan at September 30, 2024, 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, 2024, membership was as follows:

Pre-65 Retirees	827
Part A Retirees	285
Active employees	4,009
Total participants	5,121

D. Total OPEB Liability

The City's total OPEB liability of \$215,663 was measured as of September 30, 2024 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 \$172,130 and for business-type activities, \$35,575, with allocations of \$21,081 to Dallas Water Utilities, \$474 to Convention Center, \$3,110 to Airport Revenues, \$5,218 to Sanitation, \$2,530 to Stormwater, and \$3,162 to nonmajor enterprise funds.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 21. Other Postemployment Benefits (continued)

E. Actuarial Assumptions

The total OPEB liability in the September 30, 2024 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	3.88%, 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: 7.73% for fiscal year 2024 and trending down to an ultimate 3.94% using the Getzen model. Post-65 Trend: 4.90% for fiscal year 2024 and trending down to an ultimate 3.94% using the Getzen model.

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CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 21. Other Postemployment Benefits (continued)

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of an experience study on the healthcare-specific participation assumptions, plus assumption changes included in the September 30, 2024 valuation.

F. Changes to the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2023	\$ 208,422
Changes for the year:	
Service cost	4,454
Interest	9,570
Differences between expected and actual experience	(5,530)
Change of assumptions	11,353
Benefit payments	(12,606)
Net Changes	7,241
Balance at September 30, 2024	\$ 215,663

Changes of assumptions reflect a decrease in the discount rate from 4.63% to 3.88% 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 3.88 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 (2.88 percent) or 1-percentage-point higher (4.88 percent) than the current rates:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 234,608	\$ 215,663	\$ 201,715

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	\$ 198,772	\$ 215,663	\$ 238,704

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

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, 2024, the City recognized total OPEB expense of (\$6,568). At September 30, 2024, the City also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ 31,866
Changes of assumptions	15,246	25,590
Total deferred outflows/inflows	<u>\$ 15,246</u>	<u>\$ 57,456</u>

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

<u>Year ending 9/30:</u>	<u>OPEB Expense</u>
2025	\$ (10,978)
2026	(10,980)
2027	(10,979)
2028	(8,435)
2029	(1,670)
Thereafter	832
Total	<u>\$ (42,210)</u>

Note 22. Change to or Within the Financial Reporting Entity

The Storm Water Operations fund was previously reported as a special revenue fund, a governmental fund type. During FY24, the Storm Water Operations fund issued revenue bonds that are backed by fees and charges. As a result of issuing the revenue bonds, the Storm Water Operations fund met the criteria to be reported as an enterprise fund and in the business-type activities. This change resulted in restatement of the beginning fund balance and net position at the fund level and government-wide level, respectively.

	<u>Reporting Units Affected by Restatement of Beginning Balances</u>			
	<u>Funds</u>		<u>Government-Wide</u>	
	<u>Storm Water Operations Special Revenue Fund</u>	<u>Storm Water Operations Enterprise Fund</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Fund balance/net position, as previously reported 9/30/2023	\$ 98,436	\$ -	\$ (331,824)	\$ 4,068,191
Change in reporting entity (Governmental fund to enterprise fund)	(98,436)	82,245	(82,245)	82,245
Fund balance/net position, as restated, 9/30/2023	<u>\$ -</u>	<u>\$ 82,245</u>	<u>\$ (414,069)</u>	<u>\$ 4,150,436</u>

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 23. Changes in Estimates for Net Pension and Other Post-Employment Benefits Liabilities, Deferred Inflows of Resources, and Deferred Outflows of Resources

During fiscal year 2024, the City reviewed the allocation estimates related to the net pension and other post-employment benefits (OPEB) liabilities. The City determined that an adjustment to the estimates was necessary to more precisely align the net pension and other post-employment benefits liabilities, deferred inflows, deferred outflows, and pension and OPEB expenses with the contributions made to the plans by participating funds and departments. In the year the City implemented GASB Statement No. 68, allocations were determined based on contributions in the year of implementation. In subsequent years, changes in these balances were recorded annually using each new year's contribution percentages and previously recorded balances were not adjusted. Under the revised estimate methodology, the City now reverses the prior year's recorded balances and records the new balances each year based on the most recent contribution percentages. This change resulted in a full reallocation of net pension and OPEB balances across funds and departments based on updated contribution-based proportions. These adjustments better reflect staffing changes, departmental reorganizations, and other workforce shifts since implementing GASB Statement No. 68.

The overall total net pension and OPEB liabilities, deferred inflows, deferred outflows, and pension and OPEB expenses for the City remains unchanged; however, the amounts reported in the financial statements for individual funds have been updated accordingly. The effect of this change is reflected in the accompanying financial statements and notes. Comparative amounts for prior periods have not been restated, as the change is considered a refinement in the estimate for the allocation rather than a correction of an error. Management believes this revision provides more precise and transparent financial reporting for stakeholders.

This change in estimate resulted in negative personnel costs reported on the fund financial statements for the Convention Center and Municipal Radio enterprise funds.

Note 24. 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 total contribution rate maximum.

On September 11, 2024, the City Council approved a funding soundness plan for the Dallas Police and Fire Pension System (DPFPS). In general, the City will voluntarily increase contributions to DPFPS biweekly beginning in fiscal year 2024-25, subject to the governance provisions in the plan including a five-year step-up in contributions followed by implementation of an Actuarially Determined Contribution rate model with minimum and maximum contribution corridors. The contributions will be sufficient to amortize the unfunded actuarially accrued liability of DPFPS within 30 years.

On November 1, 2024, Kroll Bond Rating Agency (KBRA) affirmed the 'AA+' rating and changed the outlook from positive to stable on the outstanding General Obligation debt as part of an annual review of the City.

On November 7, 2024, S&P Global Ratings (S&P) assigned a rating of 'AA-' and a stable outlook to the General Obligation Refunding and Improvement Bonds, Series 2024C. A rating of 'AA-' and a stable outlook was assigned to the Combination Tax and Revenue Certificate of Obligation, Series 2025A. A rating of 'AA-' and a stable outlook was assigned to the Equipment Acquisition Contractual Obligations, Series 2024A. S&P affirmed the 'AA-' rating and a stable outlook on the City's outstanding General Obligation debt and Certificates of Obligation. S&P affirmed the 'A' rating and a stable outlook on the Dallas Convention Center Hotel Development Corporation, Series 2009A and 2009B hotel revenue bonds.

On November 8, 2024, Fitch Ratings (Fitch) assigned a 'AA' rating with a stable outlook to the General Obligation Refunding and Improvement Bonds, Series 2024C, Equipment Acquisition Contractual Obligations, Series 2024A, and Combination Tax and Revenue Certificates of Obligation, Series 2025A. In addition, Fitch affirmed a 'AA' rating with a stable outlook on the City's outstanding General Obligation debt, Certifications of Obligations, and Hotel Occupancy Tax Bonds.

CITY OF DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2024

Note 24. Subsequent Events (continued)

On November 12, 2024, S&P Global Ratings (S&P) assigned a rating of 'AAA' with a stable outlook on the City's Waterworks and Sewer System Revenue Refunding Bonds, Series 2024, and S&P affirmed the 'AAA' rating with a stable outlook on the City's previously issued Waterworks and Sewer System Revenue Bonds.

On November 14, 2024, Moody's Ratings (Moody's) revised the City's outlook from stable to negative and affirmed an 'A1' issuer rating, 'A1' General Obligation Limited Tax rating, 'Aa2' rating on the Waterworks and Sewer System Bonds, 'A2' rating on the Tax Increment Contract Revenue Bonds issued by the Downtown Dallas Development Authority, and 'Baa1' rating on the Hotel Revenue Bonds issued by the Dallas Convention Center Hotel Development Corporation.

On November 18, 2024, Fitch Ratings (Fitch) has assigned a rating of 'AA' with a stable outlook on the City's Waterworks and Sewer System Revenue Refunding Bonds, Series 2024. Fitch also affirmed the rating of 'AA' with a stable outlook on the previously issued Waterworks and Sewer System Revenue Refunding Bonds and Waterworks and Sewer System Revenue Refunding Bonds (Taxable).

From October 1, 2024, through the date of the independent auditors' report, the City issued \$17.5 million of Dallas Water Utilities commercial paper notes, Series F with an average interest rate of 2.86.

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 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.

On December 19, 2024, the City issued Equipment Acquisition Contractual Obligations, Series 2024A in the amount of \$32.9 million, with a premium of \$1.8 million for a total of \$34.7 million. The interest rate on the obligations is 5 percent. The proceeds of the obligations will be used to purchase various personal property and pay for the cost of issuance. The obligations will mature on August 15, 2029.

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 of the City. The bonds will mature on October 1, 2054.

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.

On March 1, 2025, Tarrant Regional Water District issued new bonds for the integrated pipeline/water transmission financing agreement in the amount of \$463,285,000 with interest rates ranging from 3.72 percent to 4.78 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.

CITY OF DALLAS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
Last Nine Fiscal Years
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019
Employees' Retirement Fund						
Total Pension Liability						
Service cost	\$ 152,774	\$ 94,476	\$ 141,654	\$ 118,452	\$ 124,288	\$ 84,843
Interest	346,704	360,815	322,901	330,348	325,766	332,011
Changes of assumptions	(103,487)	1,226,214	(1,303,798)	479,292	(43,032)	1,020,969
Differences between expected and actual experience	89,578	56,503	30,791	(82,641)	(7,819)	4,783
Plan changes	-	-	-	-	-	-
Benefit payments, including refunds	(340,997)	(329,686)	(307,038)	(294,323)	(288,445)	(272,496)
Net change	144,572	1,408,322	(1,115,490)	551,128	110,758	1,170,120
Total Pension Liability, Beginning	6,502,685	5,094,363	6,209,853	5,658,725	5,547,967	4,377,847
Total Pension Liability, Ending ^(a)	6,647,257	6,502,685	5,094,363	6,209,853	5,658,725	5,547,967
Plan Fiduciary Net Position						
Contributions - City	73,939	67,288	63,583	61,615	62,177	60,924
Contributions - Employee	70,025	63,428	59,256	58,359	58,314	56,772
Net investment income	339,879	(368,929)	578,010	229,105	550,942	(167,783)
Benefit payments, including refunds	(340,995)	(329,686)	(307,038)	(294,322)	(288,443)	(272,486)
Administrative expense	(9,184)	(9,036)	(7,350)	(5,700)	(7,513)	(7,485)
Other changes	(841)	-	-	(393)	298	121
Net change	132,823	(576,935)	386,461	48,664	375,775	(329,947)
Plan Fiduciary Net Position, Beginning	3,516,279	4,093,214	3,706,753	3,658,089	3,282,314	3,612,261
Plan Fiduciary Net Position, Ending ^(b)	3,649,102	3,516,279	4,093,214	3,706,753	3,658,089	3,282,314
City's Net Pension Liability ^{(a) - (b)}	\$ 2,998,155	\$ 2,986,406	\$ 1,001,149	\$ 2,503,100	\$ 2,000,636	\$ 2,265,653
Plan Fiduciary Net Position as a percentage of Total Pension Liability	55%	54%	80%	60%	65%	59%
Covered payroll	530,702	\$ 476,601	\$ 442,863	\$ 428,824	\$ 433,890	\$ 423,723
City's Net Pension Liability as a percentage of covered payroll	565%	627%	226%	584%	461%	535%
Dallas Police and Fire Pension Combined Plan						
Total Pension Liability						
Service cost	\$ 80,051	\$ 71,625	\$ 69,963	\$ 56,244	\$ 49,156	\$ 44,792
Interest	335,597	329,455	326,949	324,046	318,703	318,536
Changes of assumptions	-	65,942	(4,238)	257,525	155,569	(31,460)
Differences between expected and actual experience	(19,708)	(42,456)	(26,683)	70,548	16,723	(46,556)
Plan changes	-	-	-	-	-	16,091
Benefit payments, including refunds	(343,346)	(333,638)	(324,633)	(317,951)	(309,859)	(297,081)
Net change	52,594	90,928	41,358	390,412	230,292	4,322
Total Pension Liability, Beginning	5,254,658	5,163,730	5,122,372	4,731,960	4,501,668	4,497,346
Total Pension Liability, Ending ^(a)	5,307,252	5,254,658	5,163,730	5,122,372	4,731,960	4,501,668
Plan Fiduciary Net Position						
Contributions - City	171,961	169,911	165,541	161,950	155,721	149,357
Contributions - Employee	62,510	59,707	58,560	57,305	52,268	49,332
Net investment income	243,098	(240,891)	321,063	(8,928)	124,260	42,822
Benefit payments, including refunds	(343,346)	(333,638)	(324,633)	(317,951)	(309,861)	(297,081)
Administrative expense	(5,974)	(6,363)	(6,391)	(6,534)	(6,445)	(5,861)
Other changes	-	-	-	-	-	-
Net change	128,249	(351,274)	214,140	(114,158)	15,943	(61,431)
Plan Fiduciary Net Position, Beginning	1,806,565	2,157,839	1,943,699	2,057,857	2,041,914	2,103,346
Plan Fiduciary Net Position, Ending ^(b)	1,934,814	1,806,565	2,157,839	1,943,699	2,057,857	2,041,914
City's Net Pension Liability ^{(a) - (b)}	\$ 3,372,438	\$ 3,448,093	\$ 3,005,891	\$ 3,178,673	\$ 2,674,103	\$ 2,459,754
Plan Fiduciary Net Position as a percentage of Total Pension Liability	36%	34%	42%	38%	43%	45%
Covered payroll	\$ 469,275	\$ 462,820	\$ 436,971	\$ 427,441	\$ 396,955	\$ 363,117
City's Net Pension Liability as a percentage of covered payroll	719%	745%	688%	744%	674%	677%
Dallas Police and Fire Pension Supplemental Plan						
Total Pension Liability						
Service cost	\$ 1,261	\$ 1,019	\$ 394	\$ 379	\$ 212	\$ 223
Interest	2,786	2,630	2,373	2,438	2,223	2,359
Changes of assumptions	-	891	(4)	1,559	1,332	28
Differences between expected and actual experience	1,092	501	3,371	47	3,007	(2,628)
Plan changes	-	-	-	-	-	889
Benefit payments, including refunds	(2,940)	(2,843)	(2,750)	(2,778)	(2,766)	(2,708)
Net change	2,199	2,198	3,384	1,645	4,008	(1,837)
Total Pension Liability, Beginning	43,066	40,868	37,484	35,839	31,831	33,668
Total Pension Liability, Ending ^(a)	45,265	43,066	40,868	37,484	35,839	31,831
Plan Fiduciary Net Position						
Contributions - City	3,665	2,807	2,099	1,778	1,530	1,980
Contributions - Employee	278	256	228	245	111	75
Net investment income	2,225	(2,181)	2,765	(123)	169	1,220
Benefit payments, including refunds	(2,940)	(2,843)	(2,750)	(2,778)	(2,766)	(2,708)
Administrative expense	(61)	(59)	(55)	(55)	(55)	(53)
Other changes	-	-	-	-	-	-
Net change	3,167	(2,020)	2,287	(933)	(1,011)	514
Plan Fiduciary Net Position, Beginning	16,641	18,661	16,374	17,307	18,318	17,804
Plan Fiduciary Net Position, Ending ^(b)	19,808	16,641	18,661	16,374	17,307	18,318
City's Net Pension Liability ^{(a) - (b)}	\$ 25,457	\$ 26,425	\$ 22,207	\$ 21,110	\$ 18,532	\$ 13,513
Plan Fiduciary Net Position as a percentage of Total Pension Liability	44%	39%	46%	44%	48%	58%
Covered payroll	1,922	\$ 1,800	\$ 1,631	\$ 626	\$ 584	\$ 622
City's Net Pension Liability as a percentage of covered payroll	1325%	1468%	1362%	3372%	3173%	2173%

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

2018	2017	2016*	2015*
\$ 81,178	\$ 133,457	\$ 78,020	\$ 62,065
325,620	305,826	313,850	290,948
-	(1,227,079)	1,238,431	292,137
(59,066)	(38,327)	(26,829)	(21,967)
-	-	-	-
(261,690)	(249,639)	(239,960)	(230,243)
86,042	(1,075,762)	1,363,512	392,940
4,291,805	5,367,567	4,004,055	3,611,115
4,377,847	4,291,805	5,367,567	4,004,055
58,966	56,130	50,721	45,833
55,175	53,436	50,742	46,536
413,511	294,918	(53,344)	207,592
(261,690)	(249,639)	(239,960)	(230,243)
(5,951)	(5,343)	(4,598)	(4,150)
207	333	162	157
260,218	149,835	(196,277)	66,125
3,352,043	3,202,208	3,398,485	3,332,360
3,612,261	3,352,043	3,202,208	3,398,485
\$ 765,586	\$ 939,762	\$ 2,165,359	\$ 605,570
83%	78%	60%	85%
\$ 421,269	\$ 409,433	\$ 393,186	\$ 353,650
182%	230%	551%	171%
\$ 148,552	\$ 167,432	\$ 125,441	\$ 131,312
348,171	360,567	359,023	369,408
(2,851,241)	(712,004)	908,988	-
(134,665)	(77,463)	379,461	(4,453)
(1,167,597)	-	-	(329,794)
(296,154)	(825,092)	(285,003)	(245,932)
(3,952,934)	(1,086,560)	1,487,910	(79,459)
8,450,280	9,536,840	8,048,930	8,128,389
4,497,346	8,450,280	9,536,840	8,048,930
126,318	119,345	114,886	109,792
32,977	25,518	25,676	29,333
98,911	164,791	(235,338)	(138,893)
(296,154)	(825,092)	(285,003)	(245,932)
(8,089)	(9,492)	(8,417)	(8,003)
(1,280)	(4,532)	(5,875)	(7,361)
(47,317)	(529,462)	(394,071)	(261,064)
2,150,662	2,680,124	3,074,195	3,335,259
2,103,345	2,150,662	2,680,124	3,074,195
\$ 2,394,001	\$ 6,299,618	\$ 6,856,716	\$ 4,974,735
47%	25%	28%	38%
\$ 346,037	\$ 357,414	\$ 365,210	\$ 383,006
692%	1763%	1877%	1299%
\$ 111	\$ 70	\$ 36	\$ 28
2,799	2,911	2,953	2,969
(479)	(917)	(601)	-
(1,435)	1,106	929	336
(5,306)	-	-	(526)
(2,669)	(5,912)	(2,640)	(3,415)
(6,979)	(2,742)	677	(608)
40,647	43,389	42,712	43,320
33,668	40,647	43,389	42,712
2,077	3,064	2,443	1,817
66	35	43	49
740	1,141	(1,690)	(517)
(2,669)	(5,912)	(2,640)	(3,415)
(69)	(78)	(61)	(56)
(11)	(37)	(43)	(51)
134	(1,787)	(1,948)	(2,173)
17,670	19,457	21,405	23,578
17,804	17,670	19,457	21,405
\$ 15,864	\$ 22,977	\$ 23,932	\$ 21,307
53%	43%	45%	50%
\$ 916	\$ 525	\$ 725	\$ 557
1732%	4377%	3301%	3825%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employees Retirement Fund					
Actuarially determined contribution	\$ 124,996	\$ 109,527	\$ 107,167	\$ 96,558	\$ 92,567
Contributions in relation to the actuarially determined contribution	\$ 79,830	\$ 72,640	\$ 68,492	\$ 61,892	\$ 61,798
Contribution deficiency (excess)	\$ 45,168	\$ 36,887	\$ 38,676	\$ 34,666	\$ 30,769
Covered payroll	\$ 552,836	\$ 514,451	\$ 497,758	\$ 437,707	\$ 435,198
Contributions as a percentage of covered payroll	14%	14%	14%	14%	14%
Dallas Police and Fire Pension - Combined Plan					
Actuarially determined contribution	\$ 266,810	\$ 248,327	\$ 228,658	\$ 223,152	\$ 193,748
Contributions in relation to the actuarially determined contribution	\$ 182,333	\$ 171,671	\$ 169,910	\$ 165,330	\$ 161,928
Contribution deficiency (excess)	\$ 84,477	\$ 76,656	\$ 58,748	\$ 57,822	\$ 31,820
Statutorily required contribution	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the statutorily required contribution	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$ 490,821	\$ 456,820	\$ 437,204	\$ 431,045	\$ 414,790
Contributions as a percentage of covered payroll	37%	38%	39%	38%	39%
Dallas Police and Fire Pension - Supplemental Plan					
Actuarially determined contribution	\$ 4,256	\$ 3,666	\$ 2,807	\$ 2,099	\$ 1,777
Contributions in relation to the actuarially determined contribution	\$ 4,256	\$ 3,666	\$ 2,807	\$ 2,099	\$ 1,777
Covered payroll	\$ 1,980	\$ 1,854	\$ 1,680	\$ 646	\$ 584
Contributions as a percentage of covered payroll	215%	198%	167%	325%	304%

(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.

2019	2018	2017	2016	2015
\$ 85,945	\$ 91,977	\$ 88,547	\$ 81,838	\$ 68,100
\$ 62,462	\$ 60,589	\$ 58,045	\$ 56,987	\$ 49,135
\$ 23,483	\$ 31,388	\$ 30,502	\$ 24,851	\$ 18,965
\$ 434,064	\$ 420,754	\$ 405,062	\$ 389,706	\$ 376,421
14%	14%	14%	15%	13%
\$ 157,368	\$ 157,997	\$ 202,167	N/A	N/A
\$ 151,850	\$ 151,850	\$ 120,351	N/A	N/A
\$ 5,518	\$ 6,147	\$ 81,816	N/A	N/A
N/A	N/A	N/A	\$ 118,508	\$ 113,026
N/A	N/A	N/A	\$ 118,508	\$ 113,026
N/A	N/A	N/A	\$ -	\$ -
\$ 375,759	\$ 348,011 (1)	\$ 427,867	\$ 432,082	\$ 414,373
40%	44%	28%	27%	27%
\$ 1,881	\$ 2,274	\$ 2,087	\$ 3,064	\$ 2,443
\$ 1,881	\$ 2,274	\$ 2,087	\$ 3,064	\$ 2,443
\$ 723	\$ 916	\$ 525	\$ 725	\$ 556
260%	248%	398%	423%	439%

CITY OF DALLAS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS
Last 10 Fiscal Years

	12/31/2023	12/31/2022	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Employees' Retirement Fund										
Valuation date	The actuarially determined contribution rate is effective October 1 after the valuation date.									
Actuarial cost 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.									
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%									
Salary increases	3.0% to 6.25%, including inflation									
Discount rate	5.54%	5.41%	7.25%	5.27%	5.93%	5.98%	7.75%	8.00%	8.25%	8.25%
Cost of Living Adjustment	The greater of (a) the percentage of change in the price index for October of the current year over October of the previous year, or (b) the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment. The maximum change per year is 3% for Tier A and 3% for Tier B members.									
Mortality	<p>For actives: RP-2000 Healthy Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019).</p> <p>For healthy retirees: 2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019).</p> <p>For 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).</p>									
	<p>For actives: RP-2000 Employee Mortality Table for male employees, set forward 4 years.</p> <p>For healthy retirees: RP-2000 Employee Mortality Table for female employees, set back 5 years.</p> <p>For all disabled lives: RP-2000 Combined with Blue Collar adjustment for male annuitants, with a 103% multiplier and fully generational mortality using improvement scale BB.</p> <p>For all disabled lives: RP-2000 Disabled Mortality Table for male annuitants, set forward one year.</p>									
	<p>For actives: RP-2000 Healthy Mortality Table for male employees, set forward 4 years.</p> <p>For healthy retirees: RP-2000 Healthy Mortality Table for female employees, set back 5 years.</p> <p>For all disabled lives: RP-2000 Disabled Mortality Table for male annuitants, set forward one year.</p>									
	<p>For actives: RP-2000 Healthy Mortality Table for male employees, set forward 4 years.</p> <p>For healthy retirees: RP-2000 Healthy Mortality Table for female employees, set back 5 years.</p> <p>For all disabled lives: RP-2000 Disabled Mortality Table for male annuitants, set forward one year.</p>									
	<p>For actives: RP-2000 Healthy Mortality Table for male employees, set forward 4 years.</p> <p>For healthy retirees: RP-2000 Healthy Mortality Table for female employees, set back 5 years.</p> <p>For all disabled lives: RP-2000 Disabled Mortality Table for male annuitants, set forward one year.</p>									

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

	2024	2023	2022	2021	2020	2019	2018 ⁽²⁾
Total OPEB Liability							
Service cost	\$ 4,454	\$ 4,959	\$ 7,912	\$ 14,023	\$ 16,491	\$ 14,006	\$ 14,817
Interest	9,570	9,666	5,867	12,940	15,775	19,813	18,420
Changes of assumptions	11,353	(4,846)	(38,723)	12,863	(47,877)	82,662	(26,244)
Differences between expected and actual experience	(5,530)	(12,666)	(8,639)	(30,661)	(198)	(42,693)	6,669
Changes in benefit terms	-	-	-	(255,621)	-	-	-
Benefit payments	(12,606)	(10,262)	(11,006)	(18,373)	(18,573)	(19,537)	(21,343)
Net change	7,241	(13,149)	(44,589)	(264,829)	(34,382)	54,251	(7,681)
Total OPEB Liability, Beginning	208,422	221,571	266,160	530,989	565,371	511,120	518,801
Total OPEB Liability, Ending	<u>\$ 215,663</u>	<u>\$ 208,422</u>	<u>\$ 221,571</u>	<u>\$ 266,160</u>	<u>\$ 530,989</u>	<u>\$ 565,371</u>	<u>\$ 511,120</u>
Covered employee payroll	\$ 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	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.



SERVICE
FIRST,
NOW!

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.

Grauwlyer Memorial – to account for the private donation by Mrs. Emma H. Grauwlyer. The income from the trust is to be used to improve and beautify Grauwlyer 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, 2024
(in thousands)

	Special Revenue				
	Community Development	Health and Human Services	Library	Police	Recreation
Assets					
Pooled cash and cash equivalents	\$ 10,469	\$ -	\$ 2,591	\$ 32,028	\$ 53,654
Other investments, at fair value	-	-	1,000	-	-
Receivables:					
Notes	39,393	-	-	-	862
Special assessments-paving notes	-	-	-	-	-
Accounts	19,571	-	-	567	37
Accrued interest	773	5	16	167	468
Leases	-	-	-	-	210
Allowance for uncollectible accounts	(33,494)	-	-	-	-
Due from other governments	12,815	6,035	-	3,719	32
Due from other funds	-	-	-	-	-
Prepaid items	749	-	-	1	-
Restricted cash and cash equivalents	-	-	-	-	-
Notes receivable from other funds	-	-	-	-	-
Total assets	<u>50,276</u>	<u>6,040</u>	<u>3,607</u>	<u>36,482</u>	<u>55,263</u>
Liabilities, deferred inflows, and fund balances					
Liabilities					
Accrued payroll	231	362	-	101	13
Accounts payable	4,859	252	99	1,492	348
Due to other governments	-	-	-	-	-
Due to other funds	-	4,698	-	-	-
Unearned revenue	-	-	-	630	231
Construction accounts payable	-	-	-	-	-
Notes payable to other funds	-	-	-	-	4,633
Customer deposits	-	-	-	-	-
Contracts payable	-	-	-	-	-
Other liabilities	211	-	-	79	1
Total liabilities	<u>5,301</u>	<u>5,312</u>	<u>99</u>	<u>2,302</u>	<u>5,226</u>
Deferred inflows of resources					
Unavailable revenue related to taxes, accounts receivable, and grants	26,169	-	-	-	991
Unavailable revenue related to leases	-	-	-	-	204
Total deferred inflows of resources	<u>26,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,195</u>
Fund balances					
Nonspendable	749	-	-	1	-
Restricted	18,057	728	3,508	34,179	-
Committed	-	-	-	-	48,842
Unassigned	-	-	-	-	-
Total fund balances	<u>18,806</u>	<u>728</u>	<u>3,508</u>	<u>34,180</u>	<u>48,842</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 50,276</u>	<u>\$ 6,040</u>	<u>\$ 3,607</u>	<u>\$ 36,482</u>	<u>\$ 55,263</u>

Transportation	Management Improvement	Public Improvement Districts	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
\$ 28,908	\$ 255,773	\$ 1,270	\$ 58,392	\$ 2,576	\$ 6,130	\$ 451,791
-	-	-	-	-	2,235	3,235
-	-	-	21,893	-	-	62,148
-	-	-	-	-	-	-
-	3,791	2,025	1,000	-	-	26,991
151	1,273	-	907	13	43	3,816
-	214	-	-	-	-	424
-	(3,496)	(223)	(3,118)	-	-	(40,331)
264	1,607	-	-	-	-	24,472
-	-	-	-	-	-	-
-	695	-	-	-	-	1,445
-	-	-	-	-	-	-
-	-	-	-	-	-	-
29,323	259,857	3,072	79,074	2,589	8,408	533,991
-	44	-	206	-	-	957
168	8,953	3,290	273	-	-	19,734
-	-	-	-	-	-	-
-	-	-	-	-	-	4,698
-	33,928	-	777	-	-	35,566
-	-	-	-	-	-	-
-	-	-	-	-	-	4,633
221	-	-	-	-	-	221
-	-	-	-	-	-	-
37	786	-	-	-	-	1,114
426	43,711	3,290	1,256	-	-	66,923
-	-	-	19,607	-	-	46,767
-	212	-	-	-	-	416
-	212	-	19,607	-	-	47,183
-	695	-	-	-	-	1,445
28,897	215,239	-	58,211	2,589	8,408	369,816
-	-	-	-	-	-	48,842
-	-	(218)	-	-	-	(218)
28,897	215,934	(218)	58,211	2,589	8,408	419,885
\$ 29,323	\$ 259,857	\$ 3,072	\$ 79,074	\$ 2,589	\$ 8,408	\$ 533,991

continued

CITY OF DALLAS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2024
(in thousands)

	Capital Projects					Total Nonmajor Capital Project Funds	Debt Service Fair Park
	Neighborhood Projects	Parks	Streets and Drainage	Building	Trans- portation		
Assets							
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,591
Other investments, at fair value	-	5	20,672	9	2	20,688	-
Receivables:							
Notes	1,602	-	-	287	-	1,889	-
Special assessments-paving notes	-	-	6,112	-	-	6,112	-
Accounts	-	-	-	227	-	227	-
Accrued interest	2,139	977	1,193	2,252	1,084	7,645	28
Leases	-	26,681	-	-	-	26,681	-
Allowance for uncollectible accounts	-	-	(4,585)	(288)	-	(4,873)	-
Due from other governments	-	4,730	-	4,798	10,395	19,923	-
Due from other funds	-	-	-	-	-	-	-
Prepaid items	-	10,600	-	-	-	10,600	-
Restricted cash and cash equivalents	408,838	156,183	235,262	591,926	195,714	1,587,923	-
Notes receivable from other funds	-	-	4,161	-	-	4,161	-
Total assets	<u>412,579</u>	<u>199,176</u>	<u>262,815</u>	<u>599,211</u>	<u>207,195</u>	<u>1,680,976</u>	<u>6,619</u>
Liabilities, deferred inflows, and fund balances							
Liabilities							
Accrued payroll	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	5,360	-	-	98,382	-	103,742	-
Unearned revenue	-	-	-	98	16,332	16,430	-
Construction accounts payable	227	1,813	6,646	4,939	6,788	20,413	-
Notes payable to other funds	4,491	-	-	-	-	4,491	-
Customer deposits	-	-	-	-	-	-	-
Contracts payable	14,732	7,114	13,961	24,661	14,154	74,622	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>24,810</u>	<u>8,927</u>	<u>20,607</u>	<u>128,080</u>	<u>37,274</u>	<u>219,698</u>	<u>-</u>
Deferred inflows of resources							
Unavailable revenue related to taxes, receivable, and grants	1,602	-	1,519	-	-	3,121	-
Unavailable revenue related to leases	-	25,200	-	-	-	25,200	-
Total deferred inflows of resources	<u>1,602</u>	<u>25,200</u>	<u>1,519</u>	<u>-</u>	<u>-</u>	<u>28,321</u>	<u>-</u>
Fund balances							
Nonspendable	-	10,600	-	-	-	10,600	-
Restricted	386,167	154,449	240,689	471,131	169,921	1,422,357	6,619
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>386,167</u>	<u>165,049</u>	<u>240,689</u>	<u>471,131</u>	<u>169,921</u>	<u>1,432,957</u>	<u>6,619</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 412,579</u>	<u>\$ 199,176</u>	<u>\$ 262,815</u>	<u>\$ 599,211</u>	<u>\$ 207,195</u>	<u>\$ 1,680,976</u>	<u>\$ 6,619</u>

CITY OF DALLAS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2024
(in thousands)

	Permanent Funds					Total Permanent Funds	Total Nonmajor Governmental Funds
	Samuell Park	Grauwylor Memorial	Craddock Park	Martin Weiss Park	Hale Davis		
Assets							
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458,382
Other investments, at fair value	9,444	170	1,568	151	443	11,776	35,699
Receivables:							
Notes	-	-	-	-	-	-	64,037
Special assessments-paving notes	-	-	-	-	-	-	6,112
Accounts	-	-	-	-	-	-	27,218
Accrued interest	-	-	-	-	-	-	11,489
Leases	-	-	-	-	-	-	27,105
Allowance for uncollectible accounts	-	-	-	-	-	-	(45,204)
Due from other governments	-	-	-	-	-	-	44,395
Due from other funds	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	12,045
Restricted cash and cash equivalents	-	-	-	-	-	-	1,587,923
Notes receivable from other funds	-	-	-	-	-	-	4,161
Total assets	<u>9,444</u>	<u>170</u>	<u>1,568</u>	<u>151</u>	<u>443</u>	<u>11,776</u>	<u>2,233,362</u>
Liabilities, deferred inflows, and fund balances							
Liabilities							
Accrued payroll	-	-	-	-	-	-	957
Accounts payable	-	-	-	-	-	-	19,734
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	108,440
Unearned revenue	-	-	-	-	-	-	51,996
Construction accounts payable	-	-	-	-	-	-	20,413
Notes payable to other funds	-	-	-	-	-	-	9,124
Customer deposits	-	-	-	-	-	-	221
Contracts payable	-	-	-	-	-	-	74,622
Other liabilities	-	-	-	-	-	-	1,114
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,621</u>
Deferred inflows of resources							
Unavailable revenue related to taxes, accounts receivable, and grants	-	-	-	-	-	-	49,888
Unavailable revenue related to leases	-	-	-	-	-	-	25,616
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,504</u>
Fund balances							
Nonspendable	9,444	170	1,568	151	443	11,776	23,821
Restricted	-	-	-	-	-	-	1,798,792
Committed	-	-	-	-	-	-	48,842
Unassigned	-	-	-	-	-	-	(218)
Total fund balances	<u>9,444</u>	<u>170</u>	<u>1,568</u>	<u>151</u>	<u>443</u>	<u>11,776</u>	<u>1,871,237</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 9,444</u>	<u>\$ 170</u>	<u>\$ 1,568</u>	<u>\$ 151</u>	<u>\$ 443</u>	<u>\$ 11,776</u>	<u>\$ 2,233,362</u>

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024
(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	-	-	-	-	3,135
Intergovernmental	38,257	18,511	33	21,694	241
Service to others	2,037	-	6	12,594	6,518
Fines and forfeitures	-	26	-	333	-
Investment income	903	49	216	1,530	3,667
Special assessments	-	-	-	-	-
Contributions and gifts	9,057	443	341	272	2,465
Confiscated money awards	-	-	-	2,774	-
Other revenues	671	-	-	15	7
Total revenues	<u>50,925</u>	<u>19,029</u>	<u>596</u>	<u>39,212</u>	<u>16,033</u>
Expenditures:					
Current					
General government	7,668	-	-	-	-
Public safety	-	-	-	21,832	-
Code enforcement	-	-	-	-	-
Environmental and health services	-	17,611	-	-	-
Streets, public works, and transportation	-	-	-	-	-
Equipment and building services	-	-	-	-	-
Culture and recreation	756	-	70	-	17,224
Human services	36,948	-	-	-	-
Debt service:					
Principal	640	1,227	-	667	-
Interest and fiscal charges	249	53	-	9	202
Capital outlay	288	886	340	3,217	498
Total expenditures	<u>46,549</u>	<u>19,777</u>	<u>410</u>	<u>25,725</u>	<u>17,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,376</u>	<u>(748)</u>	<u>186</u>	<u>13,487</u>	<u>(1,891)</u>
Other financing sources (uses):					
Transfers in	1,045	-	-	-	9,698
Transfers out	-	-	-	(438)	-
Premium on bonds issued	-	-	-	-	-
Issuance of certificates of obligation	-	-	-	-	-
Issuance of equipment acquisition notes	-	-	-	-	-
Issuance of general obligation bonds	-	-	-	-	-
Inception of leases	-	795	-	-	-
Inception of SBITAs	-	-	-	510	-
Proceeds of financed purchases	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	95	-
Inception of lease	-	-	-	-	-
Proceeds from repayment of notes receivable	-	-	-	-	-
Issuance of commercial paper notes	-	-	-	-	-
Total other financing sources (uses)	<u>1,045</u>	<u>795</u>	<u>-</u>	<u>167</u>	<u>9,698</u>
Net change in fund balances	<u>5,421</u>	<u>47</u>	<u>186</u>	<u>13,654</u>	<u>7,807</u>
Fund balances, beginning of year, as previously reported	13,385	681	3,322	20,526	41,035
Restatement for change in reporting entity (see Note 22)	-	-	-	-	-
Fund balances, beginning of year, restated	<u>13,385</u>	<u>681</u>	<u>3,322</u>	<u>20,526</u>	<u>41,035</u>
Fund balances, end of year	<u>\$ 18,806</u>	<u>\$ 728</u>	<u>\$ 3,508</u>	<u>\$ 34,180</u>	<u>\$ 48,842</u>

Transportation	Management Improvement	Public Improvement Districts	Storm Water Operations	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,135
6,032	225,806	-	-	1,507	-	-	312,081
912	1,499	-	-	6,312	296	332	30,506
-	786	-	-	-	-	-	1,145
1,983	16,517	1	-	3,318	155	532	28,871
-	-	44,531	-	-	-	-	44,531
792	589	-	-	1	68	-	14,028
-	-	-	-	-	-	-	2,774
-	1,813	-	-	-	-	-	2,506
<u>9,719</u>	<u>247,010</u>	<u>44,532</u>	<u>-</u>	<u>11,138</u>	<u>519</u>	<u>864</u>	<u>439,577</u>
-	28,877	44,751	-	8,053	256	-	89,605
-	185,758	-	-	-	-	-	207,590
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	17,611
16,291	2,036	-	-	-	-	-	18,327
-	3,449	-	-	-	-	-	3,449
-	30	-	-	-	-	8	18,088
-	4,571	-	-	-	-	-	41,519
-	-	-	-	-	-	-	-
-	678	-	-	-	-	-	3,212
-	56	-	-	334	-	-	903
821	42,563	-	-	28	16	-	48,657
<u>17,112</u>	<u>268,018</u>	<u>44,751</u>	<u>-</u>	<u>8,415</u>	<u>272</u>	<u>8</u>	<u>448,961</u>
<u>(7,393)</u>	<u>(21,008)</u>	<u>(219)</u>	<u>-</u>	<u>2,723</u>	<u>247</u>	<u>856</u>	<u>(9,384)</u>
2,141	188,027	-	-	9,017	15	-	209,943
(5)	(10,237)	-	-	(1,299)	-	-	(11,979)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	795
-	-	-	-	-	-	-	510
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	95
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,136</u>	<u>177,790</u>	<u>-</u>	<u>-</u>	<u>7,718</u>	<u>15</u>	<u>-</u>	<u>199,364</u>
<u>(5,257)</u>	<u>156,782</u>	<u>(219)</u>	<u>-</u>	<u>10,441</u>	<u>262</u>	<u>856</u>	<u>189,980</u>
34,154	59,152	1	98,436	47,770	2,327	7,552	328,341
-	-	-	(98,436)	-	-	-	(98,436)
<u>34,154</u>	<u>59,152</u>	<u>1</u>	<u>-</u>	<u>47,770</u>	<u>2,327</u>	<u>7,552</u>	<u>229,905</u>
<u>\$ 28,897</u>	<u>\$ 215,934</u>	<u>\$ (218)</u>	<u>\$ -</u>	<u>\$ 58,211</u>	<u>\$ 2,589</u>	<u>\$ 8,408</u>	<u>\$ 419,885</u>

continued

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2024
(in thousands)

	Capital Projects			
	Neighborhood Projects	Parks	Streets and Drainage	Building
Revenues:				
Ad valorem tax	\$ 122,967	\$ -	\$ -	\$ -
Tax increment financing, intergovernmental	12,150	-	-	-
Franchise fees	-	-	13,380	-
Licenses and permits	-	-	-	-
Intergovernmental	-	6,926	-	1,966
Service to others	628	3,231	302	-
Fines and forfeitures	-	-	-	-
Investment income	22,172	8,096	14,530	29,750
Special assessments	-	-	-	-
Contributions and gifts	34,556	13,706	11,825	-
Confiscated money awards	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>192,473</u>	<u>31,959</u>	<u>40,037</u>	<u>31,716</u>
Expenditures:				
Current				
General government	85,077	-	-	6,558
Public safety	-	-	-	339
Code enforcement	-	-	-	-
Environmental and health services	-	-	-	-
Streets, public works, and transportation	-	-	34,893	73,571
Equipment and building services	-	-	-	1,087
Culture and recreation	-	10,715	-	1,266
Human services	-	-	-	-
Debt service:				
Principal	-	-	537	537
Interest and fiscal charges	8	365	82	1,868
Capital outlay	2,080	51,579	54,014	80,453
Total expenditures	<u>87,165</u>	<u>62,659</u>	<u>89,526</u>	<u>165,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>105,308</u>	<u>(30,700)</u>	<u>(49,489)</u>	<u>(133,963)</u>
Other financing sources (uses):				
Transfers in	12,328	9,519	23,790	90
Transfers out	(6,713)	(109)	(3,874)	(10,767)
Premium on bonds issued	612	5,800	2,593	33,587
Issuance of certificates of obligation	-	-	-	322,266
Issuance of equipment acquisition notes	-	-	-	76,270
Issuance of general obligation bonds	6,884	107,301	29,195	9,388
Inception of leases	-	-	-	-
Inception of SBITAs	-	-	-	-
Proceeds of financed purchases	-	-	-	-
Proceeds from sale of capital assets	-	-	1,665	-
Inception of lease	-	-	-	-
Proceeds from repayment of notes receivable	-	-	-	-
Issuance of commercial paper notes	-	-	-	-
Total other financing sources (uses)	<u>13,111</u>	<u>122,511</u>	<u>53,369</u>	<u>430,834</u>
Net change in fund balance	<u>118,419</u>	<u>91,811</u>	<u>3,880</u>	<u>296,871</u>
Fund balances, beginning of year, as previously reported	267,748	73,238	236,809	174,260
Restatement for change in reporting entity (see Note 22)	-	-	-	-
Fund balances, beginning of year, restated	<u>267,748</u>	<u>73,238</u>	<u>236,809</u>	<u>174,260</u>
Fund balances, end of year	<u>\$ 386,167</u>	<u>\$ 165,049</u>	<u>\$ 240,689</u>	<u>\$ 471,131</u>

Trans- portation	Total Nonmajor Capital Project Funds
\$ -	\$ 122,967
-	12,150
-	13,380
-	-
6,904	15,796
-	4,161
-	-
13,564	88,112
-	-
-	60,087
-	-
-	-
20,468	316,653

-	91,635
-	339
-	-
-	-
1,884	110,348
-	1,087
-	11,981
-	-
-	1,074
11	2,334
46,689	234,815
48,584	453,613

(28,116)	(136,960)
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-	45,727
(420)	(21,883)
906	43,498
-	322,266
-	76,270
10,195	162,963
-	-
-	-
-	-
-	1,665
-	-
-	-
-	-
10,681	630,506

(17,435)	493,546
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187,356	939,411
-	-
187,356	939,411
\$ 169,921	\$ 1,432,957

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, 2024
(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	140
Special assessments	-
Contributions and gifts	-
Confiscated money awards	-
Other revenues	-
Total revenues	140
Expenditures:	
Current	
General government	-
Public safety	-
Code enforcement	-
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	1,935
Capital outlay	-
Total expenditures	1,935
Excess (deficiency) of revenues over (under) expenditures	(1,795)
Other financing sources (uses):	
Transfers in	8,414
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 of financed purchases	-
Proceeds from sale of capital assets	-
Issuance of commercial paper notes	-
Total other financing sources (uses)	8,414
Net change in fund balance	6,619
Fund balances, beginning of year, as previously reported	-
Restatement for change in reporting entity (see Note 22)	-
Fund balances, beginning of year, restated	-
Fund balances, end of year	\$ 6,619



City of Dallas

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CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2024
(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	1,903	30	277
Special assessments	-	-	-
Contributions and gifts	-	-	-
Confiscated money awards	-	-	-
Other revenues	-	-	-
Total revenues	<u>1,903</u>	<u>30</u>	<u>277</u>
Expenditures:			
Current			
General government	-	-	-
Public safety	-	-	-
Code enforcement	-	-	-
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	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,903</u>	<u>30</u>	<u>277</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(379)	-	-
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 of financed purchases	-	-	-
Proceeds from sale of capital assets	-	-	-
Capital lease	-	-	-
Proceeds from repayment of notes receivable	-	-	-
Issuance of commercial paper notes	-	-	-
Total other financing sources (uses)	<u>(379)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1,524</u>	<u>30</u>	<u>277</u>
Fund balances, beginning of year, as previously reported	7,920	140	1,291
Restatement for change in reporting entity (see Note 22)	-	-	-
Fund balances, beginning of year, restated	<u>7,920</u>	<u>140</u>	<u>1,291</u>
Fund balances, end of year	<u>\$ 9,444</u>	<u>\$ 170</u>	<u>\$ 1,568</u>

Martin Weiss Park	Hale Davis	Total Permanent Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 122,967
-	-	-	12,150
-	-	-	13,380
-	-	-	3,135
-	-	-	327,877
-	-	-	34,667
-	-	-	1,145
27	84	2,321	119,444
-	-	-	44,531
-	-	-	74,115
-	-	-	2,774
-	-	-	2,506
<u>27</u>	<u>84</u>	<u>2,321</u>	<u>758,691</u>
-	-	-	181,240
-	-	-	207,929
-	-	-	-
-	-	-	17,611
-	-	-	128,675
-	-	-	4,536
-	-	-	30,069
-	-	-	41,519
-	-	-	4,286
-	-	-	5,172
-	-	-	283,472
-	-	-	904,509
<u>27</u>	<u>84</u>	<u>2,321</u>	<u>(145,818)</u>
-	-	-	264,084
-	(17)	(396)	(34,258)
-	-	-	43,498
-	-	-	322,266
-	-	-	76,270
-	-	-	162,963
-	-	-	795
-	-	-	510
-	-	-	-
-	-	-	1,760
-	-	-	-
-	-	-	-
-	(17)	(396)	837,888
<u>27</u>	<u>67</u>	<u>1,925</u>	<u>692,070</u>
124	376	9,851	1,277,603
-	-	-	(98,436)
<u>124</u>	<u>376</u>	<u>9,851</u>	<u>1,179,167</u>
<u>\$ 151</u>	<u>\$ 443</u>	<u>\$ 11,776</u>	<u>\$ 1,871,237</u>

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, 2024
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Pooled cash and cash equivalents	\$ 130	\$ 36,334	\$ 36,464
Receivables:			
Accounts	145	97	242
Accrued interest	1	207	208
Prepaid Expense	-	3,826	3,826
Total current assets	<u>276</u>	<u>40,464</u>	<u>40,740</u>
Capital assets:			
Nondepreciable	-	11,340	11,340
Depreciable, net of accumulated depreciation/amortization	<u>1,446</u>	<u>11,668</u>	<u>13,114</u>
Total capital assets	<u>1,446</u>	<u>23,008</u>	<u>24,454</u>
Total assets	<u>1,722</u>	<u>63,472</u>	<u>65,194</u>
Deferred outflows of resources			
Deferred loss on refunding	-	-	-
Deferred outflows of resources related to pensions	219	40,785	41,004
Deferred outflows of resources related to other postemployment benefits	-	<u>224</u>	<u>224</u>
Total deferred outflows of resources	<u>219</u>	<u>41,009</u>	<u>41,228</u>
Liabilities			
Current liabilities:			
Accrued payroll	3	888	891
Accounts payable	16	1,015	1,031
Compensated absences	4	991	995
Other postemployment benefits	-	164	164
Pension obligation bonds - current	33	242	275
Other liabilities	3	3,216	3,219
Unearned revenue	-	16,743	16,743
Accrued bond interest payable	2	10	12
Leases	<u>172</u>	<u>302</u>	<u>474</u>
Total current liabilities	<u>233</u>	<u>23,571</u>	<u>23,804</u>
Noncurrent liabilities:			
Accreted interest on pension obligation bonds	982	7,208	8,190
Pension obligation bonds	731	4,943	5,674
Leases	<u>941</u>	<u>1,017</u>	<u>1,958</u>
Total long-term debt	<u>2,654</u>	<u>13,168</u>	<u>15,822</u>
Other noncurrent liabilities			
Compensated absences	5	1,141	1,146
Other postemployment benefits	-	2,998	2,998
Net pension liability	<u>647</u>	<u>117,657</u>	<u>118,304</u>
Total other noncurrent liabilities	<u>652</u>	<u>121,796</u>	<u>122,448</u>
Total long-term liabilities	<u>3,306</u>	<u>134,964</u>	<u>138,270</u>
Total liabilities	<u>3,539</u>	<u>158,535</u>	<u>162,074</u>
Deferred inflows of resources			
Deferred inflows of resources related to pensions	107	19,329	19,436
Deferred inflows of resources related to other postemployment benefits	-	<u>842</u>	<u>842</u>
Total deferred inflows of resources	<u>107</u>	<u>20,171</u>	<u>20,278</u>
Net position			
Net investment in capital assets	333	21,689	22,022
Unrestricted (deficit)	<u>(2,038)</u>	<u>(95,914)</u>	<u>(97,952)</u>
Total net position (deficit)	<u>\$ (1,705)</u>	<u>\$ (74,225)</u>	<u>\$ (75,930)</u>

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2024
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Operating revenues:			
Customer charges	\$ 462	\$ 35,953	\$ 36,415
Other revenues	-	2,033	2,033
Total operating revenues	<u>462</u>	<u>37,986</u>	<u>38,448</u>
Operating expenses:			
Personnel services	(5,364)	38,458	33,094
Supplies and materials	43	1,307	1,350
Contractual and other services	91	18,835	18,926
Depreciation and amortization	248	759	1,007
Total operating expenses	<u>(4,982)</u>	<u>59,359</u>	<u>54,377</u>
Operating income (loss)	<u>5,444</u>	<u>(21,373)</u>	<u>(15,929)</u>
Nonoperating revenues (expenses):			
Investment Income	7	2,573	2,580
Interest on bonds and notes	(112)	(818)	(930)
Total nonoperating revenues (expenses)	<u>(105)</u>	<u>1,755</u>	<u>1,650</u>
Loss before contributions and transfers	<u>5,339</u>	<u>(19,618)</u>	<u>(14,279)</u>
Transfers in	158	-	158
Transfers out	-	-	-
Change in net position	<u>5,497</u>	<u>(19,618)</u>	<u>(14,121)</u>
Net position (deficit), beginning of year	<u>(7,202)</u>	<u>(54,607)</u>	<u>(61,809)</u>
Net position (deficit), end of year	<u>\$ (1,705)</u>	<u>\$ (74,225)</u>	<u>\$ (75,930)</u>

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended September 30, 2024
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from customers	\$ 467	\$ 47,508	\$ 47,975
Cash payments to suppliers for goods and services	(44)	(1,307)	(1,351)
Cash payments to employees for services	(92)	(27,611)	(27,703)
Cash payments for contractual services	(91)	(26,891)	(26,982)
Other operating cash receipts (payments)	-	2,033	2,033
Net cash provided by (used in) operating activities	<u>240</u>	<u>(6,268)</u>	<u>(6,028)</u>
Cash flows from non capital financing activities:			
Principal paid on pension obligation bonds	(154)	(1,125)	(1,279)
Interest paid on pension obligation bonds	(11)	(82)	(93)
Transfers from other funds	158	-	158
Net cash provided by (used in) non capital financing activities	<u>(7)</u>	<u>(1,207)</u>	<u>(1,214)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(2,299)	(2,299)
Principal paid on notes payable and other obligations	(163)	(392)	(555)
Interest paid on bonds, notes and other obligations	(14)	(104)	(118)
Net cash provided by (used in) capital and related financing activities	<u>(177)</u>	<u>(2,795)</u>	<u>(2,972)</u>
Cash flows from investing activities:			
Investment Income	7	2,609	2,616
Net cash provided by (used in) investing activities	<u>7</u>	<u>2,609</u>	<u>2,616</u>
Net increase (decrease) in cash and cash equivalents	63	(7,661)	(7,598)
Cash and cash equivalents, beginning of year	67	43,995	44,062
Cash and cash equivalents, end of year	<u>\$ 130</u>	<u>\$ 36,334</u>	<u>\$ 36,464</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 5,444	\$ (21,373)	\$ (15,929)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	248	759	1,007
Change in assets and liabilities			
(Increase) Decrease in accounts and other receivables	5	(35)	(30)
(Increase) Decrease in prepaid expenses	-	(2,734)	(2,734)
(Increase) Decrease in deferred outflows for other postemployment benefits	6	(40,719)	(40,713)
(Increase) Decrease in deferred outflows for pension contributions	1,594	54,907	56,501
Increase (Decrease) in accounts payable	(1)	(1,813)	(1,814)
Increase (Decrease) in accrued payroll	-	105	105
Increase (Decrease) in compensated absences	2	(187)	(185)
Increase (Decrease) in unearned revenue	-	8,374	8,374
Increase (Decrease) in customer deposits	-	3,216	3,216
Increase (Decrease) in other post employment benefits	(117)	(791)	(908)
Increase (Decrease) in net pension liability	(5,934)	8,592	2,658
Increase (Decrease) in other liabilities	-	(3,509)	(3,509)
Increase (Decrease) in deferred inflows for other postemployment benefits	(43)	(778)	(821)
Increase (Decrease) in deferred inflows for pension contributions	(964)	(10,282)	(11,246)
Total adjustments	<u>(5,204)</u>	<u>15,105</u>	<u>9,901</u>
Net cash provided by (used in) operating activities	<u>\$ 240</u>	<u>\$ (6,268)</u>	<u>\$ (6,028)</u>
Current Assets:			
Pooled cash and cash equivalents	\$ 130	\$ 36,334	\$ 36,464
Total cash and cash equivalents end of year	<u>\$ 130</u>	<u>\$ 36,334</u>	<u>\$ 36,464</u>
Noncash investing, capital, and financing activities:			
Premium/discount amortization	\$ (30)	\$ (228)	\$ (258)
Accretion on capital appreciation bonds	117	861	978
Amortization of deferred gain/loss on refunding	-	(8)	(8)
Right-to-use assets acquired through lease and SBITA liabilities	-	-	-
Lease and SBITA liabilities incurred as a result of acquiring right-to-use assets	-	-	-

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, 2024

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
Assets							
Current assets:							
Pooled cash and cash equivalents	\$ 6,694	\$ 16,122	\$ 7,391	\$ 69,321	\$ 58,991	\$ 491	\$ 159,010
Receivables:							
Accounts	-	-	-	38	8,152	-	8,190
Accrued interest	10	71	38	240	258	-	617
Inventories, at cost	4,741	292	148	-	-	-	5,181
Prepaid expenses	-	-	-	5,215	-	-	5,215
Due from other funds	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total current assets	<u>11,445</u>	<u>16,485</u>	<u>7,577</u>	<u>74,814</u>	<u>67,401</u>	<u>491</u>	<u>178,213</u>
Capital assets:							
Nondepreciable	1,696	-	-	-	-	-	1,696
Depreciable, net of accumulated depreciation/amortization	8,257	31,754	676	34,124	-	83	74,894
Total capital assets	<u>9,953</u>	<u>31,754</u>	<u>676</u>	<u>34,124</u>	<u>-</u>	<u>83</u>	<u>76,590</u>
Total assets	<u>21,398</u>	<u>48,239</u>	<u>8,253</u>	<u>108,938</u>	<u>67,401</u>	<u>574</u>	<u>254,803</u>
Deferred outflows of resources							
Deferred outflows of resources related to pensions	27,725	4,002	922	32,981	9,009	22,398	97,037
Deferred outflows of resources related to other postemployment benefits	224	19	7	156	45	112	563
Total deferred outflows of resources	<u>27,949</u>	<u>4,021</u>	<u>929</u>	<u>33,137</u>	<u>9,054</u>	<u>22,510</u>	<u>97,600</u>
Liabilities							
Current liabilities:							
Accrued payroll	626	87	27	738	217	497	2,192
Accounts payable	3,161	100	199	6,360	2,287	104	12,211
Accrued interest payable	-	669	1	396	-	-	1,066
Compensated absences	704	94	33	1,204	301	716	3,052
Other postemployment benefits	164	14	5	114	33	82	412
Estimated unpaid health claims	-	-	-	-	12,666	-	12,666
Estimated unpaid claims - general	-	-	-	-	4,787	-	4,787
Workers' compensation	-	-	-	-	9,222	-	9,222
Leases payable	-	3,045	77	1,242	-	-	4,364
SBITA payable	-	-	-	10,049	-	-	10,049
Other liabilities	-	-	-	-	5,069	-	5,069
Total current liabilities	<u>4,655</u>	<u>4,009</u>	<u>342</u>	<u>20,103</u>	<u>34,582</u>	<u>1,399</u>	<u>65,090</u>
Noncurrent liabilities:							
Estimated unpaid claims - general	-	-	-	-	10,785	-	10,785
Workers' compensation	-	-	-	-	49,504	-	49,504
Compensated absences	810	108	38	1,386	347	825	3,514
Other postemployment benefits	2,999	250	100	2,099	600	1,499	7,547
Net pension liability	79,746	11,527	2,639	94,798	25,866	64,334	278,910
Leases	-	28,771	633	741	-	-	30,145
SBITA	-	-	-	12,829	-	-	12,829
Total noncurrent liabilities	<u>83,555</u>	<u>40,656</u>	<u>3,410</u>	<u>111,853</u>	<u>87,102</u>	<u>66,658</u>	<u>393,234</u>
Total liabilities	<u>88,210</u>	<u>44,665</u>	<u>3,752</u>	<u>131,956</u>	<u>121,684</u>	<u>68,057</u>	<u>458,324</u>
Deferred inflows of resources							
Deferred inflows of resources related to pensions	13,101	1,894	433	15,573	4,249	10,569	45,819
Deferred inflows of resources related to other postemployment benefits	842	70	29	590	168	422	2,121
Total deferred inflows of resources	<u>13,943</u>	<u>1,964</u>	<u>462</u>	<u>16,163</u>	<u>4,417</u>	<u>10,991</u>	<u>47,940</u>
Net position							
Net investment in capital assets	9,953	(62)	(34)	9,263	-	83	19,203
Unrestricted (deficit)	(62,759)	5,693	5,002	(15,307)	(49,646)	(56,047)	(173,064)
Total net position (deficit)	<u>\$ (52,806)</u>	<u>\$ 5,631</u>	<u>\$ 4,968</u>	<u>\$ (6,044)</u>	<u>\$ (49,646)</u>	<u>\$ (55,964)</u>	<u>\$ (153,861)</u>

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2024
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
Operating revenues							
Charges to other city departments	\$ 65,834	\$ 21,070	\$ 2,345	\$ 122,143	\$ 158,927	\$ 19,039	\$ 389,358
Charges to employees/retirees	-	-	-	-	82,019	-	82,019
Other revenues	1,083	-	189	1	6,763	422	8,458
Total operating revenues	<u>66,917</u>	<u>21,070</u>	<u>2,534</u>	<u>122,144</u>	<u>247,709</u>	<u>19,461</u>	<u>479,835</u>
Operating expenses							
Personnel services	14,111	3,969	399	28,423	28,581	35,426	110,909
Supplies and materials	32,417	499	528	2,204	12	339	35,999
Contractual and other services	17,255	2,911	515	81,644	227,919	3,636	333,880
Depreciation and amortization	3,268	3,905	89	10,767	-	11	18,040
Total operating expenses	<u>67,051</u>	<u>11,284</u>	<u>1,531</u>	<u>123,038</u>	<u>256,512</u>	<u>39,412</u>	<u>498,828</u>
Operating income (loss)	<u>(134)</u>	<u>9,786</u>	<u>1,003</u>	<u>(894)</u>	<u>(8,803)</u>	<u>(19,951)</u>	<u>(18,993)</u>
Nonoperating revenues (expenses):							
Investment income	103	697	426	3,345	3,667	-	8,238
Interest on bonds, notes, and leases	-	(840)	(10)	(541)	-	-	(1,391)
Gain (loss) on property disposals	684	-	-	-	-	-	684
Total nonoperating revenues (expenses)	<u>787</u>	<u>(143)</u>	<u>416</u>	<u>2,804</u>	<u>3,667</u>	<u>-</u>	<u>7,531</u>
Income (loss) before transfers	<u>653</u>	<u>9,643</u>	<u>1,419</u>	<u>1,910</u>	<u>(5,136)</u>	<u>(19,951)</u>	<u>(11,462)</u>
Transfers							
Transfers in	-	5,285	-	1,180	55,881	-	62,346
Transfers out	(762)	(7,426)	(41)	(4,752)	(2,524)	-	(15,505)
Total transfers	<u>(762)</u>	<u>(2,141)</u>	<u>(41)</u>	<u>(3,572)</u>	<u>53,357</u>	<u>-</u>	<u>46,841</u>
Change in net position	(109)	7,502	1,378	(1,662)	48,221	(19,951)	35,379
Net position (deficit), beginning of year	<u>(52,697)</u>	<u>(1,871)</u>	<u>3,590</u>	<u>(4,382)</u>	<u>(97,867)</u>	<u>(36,013)</u>	<u>(189,240)</u>
Net position (deficit), end of year	<u>\$ (52,806)</u>	<u>\$ 5,631</u>	<u>\$ 4,968</u>	<u>\$ (6,044)</u>	<u>\$ (49,646)</u>	<u>\$ (55,964)</u>	<u>\$ (153,861)</u>

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2024
(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	\$ 65,834	\$ 21,071	\$ 2,345	\$ 122,144	\$ 256,908	\$ 19,039	\$ 487,341
Cash payments to suppliers for goods and services	(34,980)	(531)	(792)	(2,204)	(12)	(339)	(38,858)
Cash payments to employees for services	(20,138)	(2,715)	(705)	(22,172)	(20,022)	(15,539)	(81,291)
Cash payments for contractual services	(17,255)	(2,858)	(517)	(82,385)	(308,540)	(3,784)	(415,339)
Other operating cash receipts (payments)	1,083	-	189	1	6,763	422	8,458
Net cash provided by (used in) operating activities	<u>(5,456)</u>	<u>14,967</u>	<u>520</u>	<u>15,384</u>	<u>(64,903)</u>	<u>(201)</u>	<u>(39,689)</u>
Cash flows from non capital financing activities:							
Transfers from other funds		5,285	-	1,180	55,881	-	62,346
Transfers to other funds	(762)	(7,426)	(41)	(4,752)	(2,524)	-	(15,505)
Net cash provided by (used in) non capital financing activities	<u>(762)</u>	<u>(2,141)</u>	<u>(41)</u>	<u>(3,572)</u>	<u>53,357</u>	<u>-</u>	<u>46,841</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(406)	(41)	-	(5,215)	-	20	(5,642)
Proceeds from sale of capital assets	684	-	-	-	-	-	684
Principal paid on notes payable and other obligations	-	(3,045)	(77)	(10,051)	-	-	(13,173)
Interest paid on bonds, notes and other obligations	-	(903)	(9)	(546)	-	-	(1,458)
Net cash provided by (used in) capital and related financing activities	<u>278</u>	<u>(3,989)</u>	<u>(86)</u>	<u>(15,812)</u>	<u>-</u>	<u>20</u>	<u>(19,589)</u>
Cash flows from investing activities:							
Investment Income	98	655	420	3,370	3,739	-	8,282
Net cash provided by (used in) investing activities	<u>98</u>	<u>655</u>	<u>420</u>	<u>3,370</u>	<u>3,739</u>	<u>-</u>	<u>8,282</u>
Net increase (decrease) in cash and cash equivalents	(5,842)	9,492	813	(630)	(7,807)	(181)	(4,155)
Cash and cash equivalents, beginning of year	12,536	6,630	6,578	69,951	66,798	672	163,165
Cash and cash equivalents, end of year	<u>\$ 6,694</u>	<u>\$ 16,122</u>	<u>\$ 7,391</u>	<u>\$ 69,321</u>	<u>\$ 58,991</u>	<u>\$ 491</u>	<u>\$ 159,010</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (134)	\$ 9,786	\$ 1,003	\$ (894)	\$ (8,803)	\$ (19,951)	\$ (18,993)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	3,268	3,905	89	10,767	-	11	18,040
Change in assets and liabilities							
(Increase) Decrease in accounts and other receivables	-	1	-	1	(5,498)	-	(5,496)
(Increase) Decrease in inventories	75	(32)	37	-	-	-	80
(Increase) Decrease in other asset	-	-	-	-	-	-	-
(Increase) Decrease in deferred outflows for other postemployment benefits	(93)	(28)	(4)	(67)	(24)	(23)	(239)
(Increase) Decrease in deferred outflows for pension contributions	10,748	1,340	334	14,170	3,642	12,150	42,384
Increase (Decrease) in accounts payable	(2,638)	53	(301)	(741)	(3,377)	(148)	(7,152)
Increase (Decrease) in accrued payroll	96	13	8	114	39	79	349
Increase (Decrease) in due to other governments	-	-	-	-	-	-	-
Increase (Decrease) in compensated absences	13	(4)	7	40	56	106	218
Increase (Decrease) in other post employment benefits	(1,436)	120	34	(793)	(178)	(327)	(2,580)
Increase (Decrease) in estimated unpaid health claims	-	-	-	-	1,136	-	1,136
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-	(53,931)	-	(53,931)
Increase (Decrease) in workers' compensation	-	-	-	-	(1,020)	-	(1,020)
Increase (Decrease) in net pension liability	(7,906)	729	(371)	3,551	6,728	14,850	17,581
Increase (Decrease) in other liabilities	-	-	(2)	-	(1,853)	-	(1,855)
Increase (Decrease) in deferred inflows for other postemployment benefits	(505)	(51)	(17)	(398)	(142)	(302)	(1,415)
Increase (Decrease) in deferred inflows for pension contributions	(6,944)	(865)	(297)	(10,366)	(1,678)	(6,646)	(26,796)
Total adjustments	<u>(5,322)</u>	<u>5,181</u>	<u>(483)</u>	<u>16,278</u>	<u>(56,100)</u>	<u>19,750</u>	<u>(20,696)</u>
Net cash provided by (used in) operating activities	<u>\$ (5,456)</u>	<u>\$ 14,967</u>	<u>\$ 520</u>	<u>\$ 15,384</u>	<u>\$ (64,903)</u>	<u>\$ (201)</u>	<u>\$ (39,689)</u>
Noncash investing, capital, and financing activities:							
Right-to-use assets acquired through lease and SBITA liabilities	\$ -	\$ 237	\$ -	\$ 12,873	\$ -	\$ -	\$ 13,110
Lease and SBITA liabilities incurred as a result of acquiring right-to-use assets	-	(237)	-	(12,873)	-	-	(13,110)

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, 2024 (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	\$ 95,324	\$ 61,713	\$ 633	\$ -	\$ -	\$ -	\$ 157,670
Invested securities lending collateral	237,524	-	-	-	-	-	237,524
Receivables:							
Accounts	603,174	10,641	39	716	805	7	615,382
Accrued interest and dividends	17,654	4,621	47	-	-	-	22,322
Notes Receivable-DC Member	-	-	-	13,944	15,281	-	29,225
Investments /Participants	-	-	-	424,930	458,745	4,986	888,661
Short-term investments	-	16,810	173	-	-	-	16,983
Equity securities	-	985,512	10,118	-	-	-	995,630
Domestic equities	1,372,894	-	-	-	-	-	1,372,894
U.S. and foreign government fixed income securities	316,628	362,092	3,717	-	-	-	682,437
Domestic corporate fixed income	731,923	-	-	-	-	-	731,923
International equities and fixed income	312,048	-	-	-	-	-	312,048
Commingled index funds	116,640	-	-	-	-	-	116,640
Real assets	339,923	275,724	2,831	-	-	-	618,478
Private equities and venture capital funds	371,556	216,632	2,224	-	-	-	590,412
Prepaid expenses	-	556	5	-	-	-	561
Capital assets, net	5,614	11,339	116	-	-	-	17,069
Total assets	<u>4,520,902</u>	<u>1,945,640</u>	<u>19,903</u>	<u>439,590</u>	<u>474,831</u>	<u>4,993</u>	<u>7,405,859</u>
Liabilities							
Accounts payable	7,269	4,277	29	-	-	-	11,575
Payable for securities purchased	37,169	4,431	45	-	-	-	41,645
Securities lending collateral	237,524	-	-	-	-	-	237,524
Other liabilities	589,838	-	-	-	-	-	589,838
Total liabilities	<u>871,800</u>	<u>8,708</u>	<u>74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>880,582</u>
Deferred inflows of resources							
Deferred inflows of resources related to pensions	-	2,116	21	-	-	-	2,137
Total Deferred inflows of resources	<u>-</u>	<u>2,116</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,137</u>
Net Position							
Net investment in capital assets	5,614	-	-	-	-	-	5,614
Restricted for pensions	3,643,488	1,934,816	19,808	439,590	474,831	4,993	6,517,526
Total net position	<u>\$ 3,649,102</u>	<u>\$ 1,934,816</u>	<u>\$ 19,808</u>	<u>\$ 439,590</u>	<u>\$ 474,831</u>	<u>\$ 4,993</u>	<u>\$ 6,523,140</u>

(1) Although the City has a fiscal year-end of September 30, 2024 the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2023.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Year Ended September 30, 2024
(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	\$ 73,939	\$ 171,961	\$ 3,666	\$ -	\$ -	\$ -	\$ 249,566
Employee	70,025	62,510	279	29,282	28,731	874	191,701
Total contributions	143,964	234,471	3,945	29,282	28,731	874	441,267
Net investment income:							
Interest and dividends	133,422	22,238	228	9,670	12,426	91	178,075
Net appreciation (depreciation) in fair value of investments	225,506	180,060	1,578	61,147	69,264	-	537,555
Securities lending income	1,589	-	-	-	-	-	1,589
Less investment expenses:							
Investment management fees	(19,899)	(6,463)	(66)	-	-	-	(26,428)
Custody fees	(111)	-	-	-	-	-	(111)
Consultant fees	(597)	-	-	-	-	-	(597)
Securities lending management fees	(317)	-	-	-	-	-	(317)
Total investment expenses	(20,924)	(6,463)	(66)	-	-	-	(27,453)
Net investment income	339,593	195,835	1,740	70,817	81,690	91	689,766
Other income(expense)	(556)	47,263	485	-	-	-	47,192
Total additions	483,001	477,569	6,170	100,099	110,421	965	1,178,225
Deductions:							
Benefit payments	328,296	338,036	2,941	-	-	-	669,273
Refund of contributions	12,700	5,310	-	-	-	-	18,010
Administrative expenses	9,183	5,974	61	(179)	(188)	1	14,852
Withdrawals-deferred compensation participants	-	-	-	33,844	33,038	515	67,397
Total deductions	350,179	349,320	3,002	33,665	32,850	516	769,532
Net increase (decrease) in net position available for benefits	132,822	128,249	3,168	66,434	77,571	449	408,693
Net position, beginning of year	3,516,280	1,806,567	16,640	373,156	397,260	4,544	6,114,447
Net position, end of year	\$ 3,649,102	\$ 1,934,816	\$ 19,808	\$ 439,590	\$ 474,831	\$ 4,993	\$ 6,523,140

(1) Although the City has a fiscal year-end of September 30, 2024, the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2023.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2024
(in thousands)

	Confiscated Money	Unclaimed Property	Municipal Court	Total
Assets				
Cash and cash equivalents	\$ 2,221	\$ 7,137	\$ 12	\$ 9,370
Receivables:				
Accrued interest and dividends	10	-	-	10
Total assets	<u>2,231</u>	<u>7,137</u>	<u>12</u>	<u>9,380</u>
Liabilities				
Accounts payable	21	-	7	28
Total liabilities	<u>21</u>	<u>-</u>	<u>7</u>	<u>28</u>
Net Position				
Restricted	2,210	7,137	5	9,352
Total net position	<u>\$ 2,210</u>	<u>\$ 7,137</u>	<u>\$ 5</u>	<u>\$ 9,352</u>

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

For the Year Ended September 30, 2024
(in thousands)

	Confiscated Money	Unclaimed Property	Municipal Court	Totals
Additions:				
Confiscated money receipts	\$ 1,554	\$ -	\$ -	\$ 1,554
Unclaimed property receipts	-	1,002	-	1,002
Municipal court receipts for other jurisdictions	-	-	170	170
Investment income	124	-	-	124
Other income	-	-	-	-
Total additions	<u>1,678</u>	<u>1,002</u>	<u>170</u>	<u>2,850</u>
Deductions:				
Confiscated money payments	2,009	-	-	2,009
Unclaimed property payments	-	726	-	726
Municipal court payments to other jurisdictions	-	-	170	170
Total deductions	<u>2,009</u>	<u>726</u>	<u>170</u>	<u>2,905</u>
Net increase (decrease) in net position	(331)	276	-	(55)
Net position, beginning of year	<u>2,541</u>	<u>6,861</u>	<u>5</u>	<u>9,407</u>
Net position, end of year	<u>\$ 2,210</u>	<u>\$ 7,137</u>	<u>\$ 5</u>	<u>\$ 9,352</u>

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.

The City maintains a second debt service fund, Debt Service, Fair Park to account for payments of long-term debt principal, interest, and related cost exclusively for the Fair Park venue project.

CITY OF DALLAS, TEXAS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND

Year Ended September 30, 2024
(in thousands)

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget-- Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 401,666	\$ 401,666	\$ 391,589	\$ (10,077)
Insurance recovery	8,000	8,000	-	(8,000)
"Build America Bonds" federal subsidy	875	875	883	8
Investment income	500	500	9,824	9,324
Total revenues	<u>411,041</u>	<u>411,041</u>	<u>402,296</u>	<u>(8,745)</u>
Expenditures:				
Principal	277,519	277,519	525,528	(248,009)
Interest and fiscal charges	108,705	108,705	100,500	8,205
Other	34,463	34,463	33,953	510
Total expenditures	<u>420,687</u>	<u>420,687</u>	<u>659,981</u>	<u>(239,294)</u>
Deficiency of revenues over expenditures	<u>(9,646)</u>	<u>(9,646)</u>	<u>(257,685)</u>	<u>(248,039)</u>
Other financing sources:				
Transfers	32,830	32,830	15,873	(16,957)
General obligation bonds and premium issued	-	-	270,264	270,264
Total other financing sources	<u>32,830</u>	<u>32,830</u>	<u>286,137</u>	<u>253,307</u>
Deficiency of revenues and other financing sources over expenditures	23,184	23,184	28,452	5,268
Fund balance, beginning of year	66,920	66,920	66,920	-
Fund balance, end of year	<u>\$ 90,104</u>	<u>\$ 90,104</u>	<u>\$ 95,372</u>	<u>\$ 5,268</u>

DISCRETELY PRESENTED COMPONENT UNITS

Downtown Dallas Development Authority – to account for tax increment financing revenue bonds issued to finance major improvements by developers on behalf of the City.

North Oak Cliff Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, and the arts, entertainment, economic development, safety, the public welfare in the district, and educational scholarships for college-bound students residing in or out of the District.

Cypress Waters Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the District.

Housing Finance Corporation – organized to issue tax-exempt mortgage revenue bonds to encourage low to moderate income citizen opportunities for single family residential home ownership.

Housing Acquisition and Development Corporation – organized solely and exclusively for the public purpose of providing safe, affordable housing facilities which are incidental thereto for the benefit of low and moderate-income persons.

Dallas Development Fund – organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities.

Dallas Convention Center Hotel Development Corporation – organized to promote the development of the geographic area of the City included at or in the vicinity of the Dallas Convention Center, in furtherance of the promotion, development, encouragement and maintenance of employment, commerce, convention and meeting activity, tourism, and economic development in the City, including specifically, without limitation, the development and financing of a convention center hotel to be located within 1,000 feet of the Dallas Convention Center.

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.



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CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
As of September 30, 2024
(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	\$ 17,958	\$ 10	\$ -	\$ 17,968	\$ 14,583	\$ 84	\$ 4,588	\$ 125,616	\$ 3,794	\$ 44	\$ 148,709
Investments, at fair value	-	-	-	-	2,501	-	10	-	-	-	2,511
Receivables	101	-	-	101	270	342	266	8,193	1,153	100	10,324
Inventory	-	-	-	-	-	-	-	642	-	-	642
Prepaid expenses	-	-	-	-	22	-	24	996	2	6	1,050
Land held for resale	-	-	-	-	-	951	-	-	-	-	951
Franchise fee (net of accumulated amortization)	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	1,169	-	-	-	1,169
Restricted assets:											
Cash and cash equivalents	9,044	-	-	9,044	-	-	57	43,550	-	-	43,607
Investments, at fair value	-	-	-	-	-	-	-	35,723	-	-	35,723
Capital assets:											
Non-depreciable	-	-	-	-	-	-	-	27,511	45,018	-	72,529
Depreciable, net of accumulated depreciation	-	-	-	-	58,538	-	-	250,099	-	-	308,637
Total assets	<u>27,103</u>	<u>10</u>	<u>-</u>	<u>27,113</u>	<u>75,914</u>	<u>1,377</u>	<u>6,114</u>	<u>492,330</u>	<u>49,967</u>	<u>150</u>	<u>625,852</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-
Liabilities:											
Accrued payroll	-	-	-	-	-	-	70	1,839	-	-	1,909
Accounts payable	-	64	-	64	-	-	-	1,840	28	140	2,008
Accrued expenses	-	-	-	-	-	-	-	1,913	-	4	1,917
Accrued taxes payable	-	-	-	-	-	-	-	985	-	-	985
Unearned revenue	-	-	-	-	1,160	-	55	11,465	-	-	12,680
Accrued interest payable	156	-	-	156	-	-	-	13,992	-	-	13,992
Accounts payable Omni	-	-	-	-	-	-	-	1,415	-	-	1,415
Other liabilities	-	-	339	339	-	-	504	568	-	-	1,072
Long-term liabilities:											
Due within one year	2,743	-	-	2,743	-	-	-	12,470	-	-	12,470
Due in more than one year	75,053	-	-	75,053	-	-	-	405,756	-	-	405,756
Total liabilities	<u>77,952</u>	<u>64</u>	<u>339</u>	<u>78,355</u>	<u>1,160</u>	<u>-</u>	<u>629</u>	<u>452,243</u>	<u>28</u>	<u>144</u>	<u>454,204</u>
Deferred inflows of resources	-	-	-	-	54,768	-	-	159	47,189	-	102,116
Net position:											
Net investment in capital assets	-	-	-	-	3,770	-	-	(57,333)	(2,171)	-	(55,734)
Restricted for debt service	8,921	-	-	8,921	-	-	-	-	-	-	-
Unrestricted	(59,770)	(54)	(339)	(60,163)	16,216	1,377	5,485	97,261	4,921	6	125,266
Total net position	<u>\$ (50,849)</u>	<u>\$ (54)</u>	<u>\$ (339)</u>	<u>\$ (51,242)</u>	<u>\$ 19,986</u>	<u>\$ 1,377</u>	<u>\$ 5,485</u>	<u>\$ 39,928</u>	<u>\$ 2,750</u>	<u>\$ 6</u>	<u>\$ 69,532</u>

* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2023.

CITY OF DALLAS, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended September 30, 2024
(in thousands)

Function/Program Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Downtown Dallas Development Authority
Component units:					
Governmental activities:					
Downtown Dallas Development Authority	\$ 39,283	\$ -	\$ -	\$ -	\$ (39,283)
North Oak Cliff Municipal Management District	1	-	-	-	-
Cypress Waters Municipal Management District	10	-	-	-	-
Total governmental activities	<u>39,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,283)</u>
Business-Type activities:					
Housing Finance Corporation *	309	3,872	-	-	-
Housing Acquisition and Development Corporation	100	-	-	-	-
Dallas Development Fund	721	298	-	-	-
Dallas Convention Center Hotel Development Corporation *	29,235	34,327	-	-	-
Dallas Public Facility Corporation	744	1,895	-	-	-
Dallas Economic Development Corporation	594	600	-	-	-
Total business-type activities	<u>31,703</u>	<u>40,992</u>	<u>-</u>	<u>-</u>	<u>-</u>
General revenues:					
Tax increment contributions					43,229
City tax revenues					-
Investment income					1,429
Other revenues					-
Total general revenues					<u>44,658</u>
Change in net position					5,375
Net position (deficit), beginning of year-restated (see Note 21)					<u>(56,224)</u>
Net position (deficit), end of year					<u>\$ (50,849)</u>

* 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, 2023.

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
\$ -	\$ -	\$ (39,283)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(1)	-	(1)	-	-	-	-	-	-	-
-	(10)	(10)	-	-	-	-	-	-	-
(1)	(10)	(39,294)	-	-	-	-	-	-	-
-	-	-	3,563	-	-	-	-	-	3,563
-	-	-	-	(100)	-	-	-	-	(100)
-	-	-	-	-	(423)	-	-	-	(423)
-	-	-	-	-	-	5,092	-	-	5,092
-	-	-	-	-	-	-	1,151	-	1,151
-	-	-	-	-	-	-	-	6	6
-	-	-	3,563	(100)	(423)	5,092	1,151	6	9,289
-	-	43,229	-	-	-	-	-	-	-
-	-	-	-	-	-	4,505	-	-	4,505
-	-	1,429	31	-	5	7,511	-	-	7,547
-	-	-	3	178	1,251	9,144	-	-	10,576
-	-	44,658	34	178	1,256	21,160	-	-	22,628
(1)	(10)	5,364	3,597	78	833	26,252	1,151	6	31,917
(53)	(329)	(56,606)	16,389	1,299	4,652	13,676	1,599	-	37,615
\$ (54)	\$ (339)	\$ (51,242)	\$ 19,986	\$ 1,377	\$ 5,485	\$ 39,928	\$ 2,750	\$ 6	\$ 69,532



City of Dallas

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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)

	2015	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾
Governmental Activities				
Net investment in capital assets	\$ 2,520,158	\$ 2,640,551	\$ 2,746,024	\$ 2,818,586
Restricted	195,210	169,538	180,303	263,184
Unrestricted	<u>(5,393,940)</u>	<u>(6,163,516)</u>	<u>(6,773,455)</u>	<u>(5,903,832)</u>
 Total Governmental Activities net position	 <u>(2,678,572)</u>	 <u>(3,353,427)</u>	 <u>(3,847,128)</u>	 <u>(2,822,062)</u>
Business-Type Activities				
Net investment in capital assets	2,778,732	2,917,498	3,009,285	3,200,152
Restricted for debt service	261,399	288,970	360,630	362,960
Unrestricted	<u>239,436</u>	<u>1,946</u>	<u>(50,473)</u>	<u>(142,755)</u>
 Total Business-Type Activities net position	 <u>3,279,567</u>	 <u>3,208,414</u>	 <u>3,319,442</u>	 <u>3,420,357</u>
Primary government				
Net investment in capital assets	5,298,890	5,558,049	5,755,309	6,018,738
Restricted	456,609	458,508	540,933	626,144
Unrestricted	<u>(5,154,504)</u>	<u>(6,161,570)</u>	<u>(6,823,928)</u>	<u>(6,046,587)</u>
 Total primary government net position	 <u>\$ 600,995</u>	 <u>\$ (145,013)</u>	 <u>\$ (527,686)</u>	 <u>\$ 598,295</u>

⁽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 position for the business-type activities have been updated to be consistent with the 2019 presentation.

⁽⁴⁾ The 2021 net position for governmental 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.

*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

2019	2020	2021 ⁽⁴⁾	2022 ⁽⁵⁾	2023 ⁽⁶⁾	2024
\$ 2,776,179	\$ 2,779,462	\$ 3,078,939	\$ 3,104,432	\$ 3,115,968	\$ 3,490,385
272,002	477,600	418,226	626,035	851,947	983,900
(5,752,159)	(5,560,832)	(4,941,789)	(4,552,599)	(4,381,984)	(4,650,319)
<u>(2,703,978)</u>	<u>(2,303,770)</u>	<u>(1,444,624)</u>	<u>(822,132)</u>	<u>(414,069)</u>	<u>(176,034)</u>
3,292,594	3,389,626	3,446,193	3,661,142	3,938,729	4,220,179
394,465	421,790	429,744	350,215	430,139	389,401
(224,444)	(285,914)	(265,533)	(211,929)	(218,432)	(83,403)
<u>3,462,615</u>	<u>3,525,502</u>	<u>3,610,404</u>	<u>3,799,428</u>	<u>4,150,436</u>	<u>4,526,177</u>
6,068,773	6,169,088	6,525,132	6,765,574	7,054,697	7,710,564
666,467	899,390	847,970	976,250	1,282,086	1,373,301
(5,976,603)	(5,846,746)	(5,207,322)	(4,764,528)	(4,600,416)	(4,733,722)
<u>\$ 758,637</u>	<u>\$ 1,221,732</u>	<u>\$ 2,165,780</u>	<u>\$ 2,977,296</u>	<u>\$ 3,736,367</u>	<u>\$ 4,350,143</u>

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

Expenses	2015	2016 (1)	2017 (2)	2018
Governmental Activities:				
General government	\$ 220,164	\$ 339,671	\$ 312,279	\$ 371,548
Public safety	594,747	1,345,492	1,284,942	(350,079)
Code enforcement	-	-	60,897	51,710
Environmental and health services	18,067	19,431	17,455	18,897
Streets, lighting, sanitation, code enforcement	213,665	195,187	222,444	-
Public works and transportation	74,130	88,141	-	202,815
Equipment and building services	36,917	50,829	46,620	50,980
Cultural and recreation	160,527	222,921	201,716	213,337
Housing	17,529	32,694	23,696	15,045
Human services	20,451	26,789	25,703	21,294
Interest on long-term debt	63,404	80,890	70,676	70,693
Total Governmental Activities	<u>1,419,601</u>	<u>2,402,045</u>	<u>2,266,428</u>	<u>666,240</u>
Business-Type Activities:				
Dallas water utilities	499,585	586,505	524,308	553,038
Convention center	92,661	105,869	105,864	106,487
Airport revenues	103,950	137,143	144,903	143,697
Sanitation	-	116,152	103,363	100,252
Storm Water	-	-	-	-
Municipal radio	2,254	3,009	2,290	2,187
Building inspection	28,704	45,988	38,338	36,729
Total Business-Type Activities	<u>727,154</u>	<u>994,666</u>	<u>919,066</u>	<u>942,390</u>
Total primary government expenses	<u>2,146,755</u>	<u>3,396,711</u>	<u>3,185,494</u>	<u>1,608,630</u>
Program revenues				
Governmental Activities:				
Charges for services				
General government	104,237	115,901	110,857	115,092
Public safety	74,126	102,308	116,033	100,658
Code enforcement	109,391	18,984	9,959	10,654
Environmental and health services	-	71	289	-
Streets, public works, and transportation	5,572	6,551	4,378	19,714
Equipment and building services	979	1,157	886	1,241
Cultural and recreation	19,972	21,467	21,831	21,853
Housing	1,994	2,973	1,646	2,782
Human Services	118	122	104	-
Operating grants and contributions	77,038	75,560	73,693	72,807
Capital grants and contributions	59,712	31,092	64,858	52,942
Total Governmental Activities	<u>453,139</u>	<u>376,186</u>	<u>404,534</u>	<u>397,743</u>
Business-Type Activities:				
Charges for services				
Dallas water utilities	573,327	607,329	632,469	668,624
Convention center	28,211	32,858	32,892	34,361
Airport revenues	109,777	123,757	133,677	156,167
Sanitation	-	102,283	106,618	110,918
Storm Water	-	-	-	-
Municipal radio	1,975	1,608	1,636	1,751
Building inspection	31,378	33,648	33,552	34,387
Operating grants and contributions	5,937	6,343	6,296	6,356
Capital grants and contributions	21,135	37,317	22,050	34,217
Total Business-Type Activities	<u>771,740</u>	<u>945,143</u>	<u>969,190</u>	<u>1,046,781</u>
Total primary government program revenues	<u>1,224,879</u>	<u>1,321,329</u>	<u>1,373,724</u>	<u>1,444,524</u>
Net (Expense) Revenue				
Governmental Activities	(966,462)	(2,025,859)	(1,861,894)	(268,497)
Business-Type Activities	44,586	(49,523)	50,124	104,391
Total primary government net expense	<u>(921,876)</u>	<u>(2,075,382)</u>	<u>(1,811,770)</u>	<u>(164,106)</u>
General Revenues:				
Taxes:				
Ad valorem tax	735,913	791,420	854,136	914,272
Sales taxes	275,250	285,669	295,361	307,149
Franchise taxes	132,719	140,184	144,205	151,793
Tax increment financing, intergovernmental	4,892	6,473	8,829	11,139
Special assessments	-	-	-	31,070
Investment income (loss)	7,550	10,089	9,567	16,601
Miscellaneous	43,588	16,771	13,792	19,372
Transfer	23,120	32,856	42,303	45,157
Total general revenues	<u>1,223,032</u>	<u>1,283,462</u>	<u>1,368,193</u>	<u>1,496,553</u>
Business-Type Activities:				
Hotel occupancy tax	53,931	59,225	59,746	65,307
Motor vehicle tax	-	-	-	-
Alcohol beverage tax	11,247	12,058	12,624	13,323
Investment income (loss)	5,901	6,786	6,505	13,279
Miscellaneous	314	699	24,332	1,343
Transfer	(23,120)	(32,856)	(42,303)	(45,157)
Special item	-	-	-	-
Total Business-Type Activities	<u>48,273</u>	<u>45,912</u>	<u>60,904</u>	<u>48,095</u>
Change in Net Position				
Governmental Activities	256,570	(742,397)	(493,701)	1,228,056
Business-Type Activities	92,859	(3,611)	111,028	152,486
Total primary government	<u>\$ 349,429</u>	<u>\$ (746,008)</u>	<u>\$ (382,673)</u>	<u>\$ 1,380,542</u>

(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 implementation 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.

*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

	2019	2020	2021	2022	2023 (3)	2024
\$	525,676	\$ 455,389	\$ 534,764	\$ 437,888	\$ 499,761	\$ 374,472
	672,991	674,112	306,796	618,090	798,664	1,363,854
	63,709	49,083	51,616	52,944	73,223	74,451
	16,978	16,281	16,660	15,949	18,171	19,001
	-	-	-	-	-	-
	219,484	205,933	216,691	279,743	320,738	400,055
	50,025	40,137	50,843	40,417	52,804	56,611
	224,008	188,982	179,249	198,455	253,224	269,240
	6,731	3,494	3,528	4,074	4,760	4,824
	22,908	23,493	32,214	33,906	33,839	40,972
	78,124	76,948	58,792	69,798	72,606	107,728
	<u>1,880,634</u>	<u>1,733,852</u>	<u>1,451,153</u>	<u>1,751,264</u>	<u>2,127,790</u>	<u>2,711,208</u>
	604,779	591,692	623,532	606,180	715,299	675,258
	115,311	84,969	86,849	106,758	128,809	102,687
	163,250	152,267	160,158	154,951	180,427	212,230
	132,349	116,743	125,350	131,315	161,095	163,684
	-	-	-	-	-	69,848
	2,784	2,870	2,013	2,054	1,554	(4,870)
	48,510	36,589	42,584	39,849	55,819	60,177
	<u>1,066,983</u>	<u>985,130</u>	<u>1,040,486</u>	<u>1,041,107</u>	<u>1,243,003</u>	<u>1,279,014</u>
	<u>2,947,617</u>	<u>2,718,982</u>	<u>2,491,639</u>	<u>2,792,371</u>	<u>3,370,793</u>	<u>3,990,222</u>
	126,722	128,650	130,523	131,682	137,373	59,263
	77,288	83,899	87,260	81,417	71,151	55,691
	9,719	8,044	12,638	13,237	12,958	13,591
	-	120	146	302	224	-
	6,337	7,117	9,451	17,393	16,555	13,559
	463	394	1,007	954	984	910
	22,367	11,859	15,016	23,139	23,696	24,408
	789	375	1,232	787	-	1,903
	-	-	-	419	-	-
	72,000	202,759	253,997	194,660	207,627	348,688
	78,769	48,349	54,979	71,662	65,108	131,722
	<u>394,454</u>	<u>491,566</u>	<u>566,249</u>	<u>535,652</u>	<u>535,676</u>	<u>649,735</u>
	617,510	635,940	675,180	775,576	816,678	828,121
	41,180	29,725	26,341	32,570	49,438	44,690
	182,475	146,976	166,997	195,140	215,970	238,112
	123,590	122,154	131,264	143,645	151,109	168,397
	-	-	-	-	-	79,943
	1,771	1,500	1,229	1,396	566	462
	36,871	32,866	35,669	42,205	38,488	35,953
	6,039	31,095	15,414	33,768	48,551	4,581
	29,050	22,003	56,880	24,260	58,093	55,847
	<u>1,038,486</u>	<u>1,022,259</u>	<u>1,108,974</u>	<u>1,248,560</u>	<u>1,378,893</u>	<u>1,456,106</u>
	<u>1,432,940</u>	<u>1,513,825</u>	<u>1,675,223</u>	<u>1,784,212</u>	<u>1,914,569</u>	<u>2,105,841</u>
	(1,486,180)	(1,242,286)	(884,904)	(1,215,612)	(1,592,114)	(2,061,473)
	(28,497)	37,129	68,488	207,453	135,890	177,092
	<u>(1,514,677)</u>	<u>(1,205,157)</u>	<u>(816,416)</u>	<u>(1,008,159)</u>	<u>(1,456,224)</u>	<u>(1,884,381)</u>
	998,861	1,080,445	1,154,660	1,204,389	1,326,845	1,415,798
	320,413	314,385	354,288	407,309	425,543	439,666
	140,822	125,921	131,130	144,603	146,000	143,851
	12,766	12,553	11,136	11,466	12,275	12,150
	33,038	28,525	27,766	36,379	42,259	44,531
	36,304	22,885	4,404	(27,985)	65,396	177,307
	21,530	12,645	23,321	26,920	23,491	20,292
	40,530	45,135	35,121	35,023	40,613	45,913
	<u>1,604,264</u>	<u>1,642,494</u>	<u>1,741,826</u>	<u>1,838,104</u>	<u>2,082,422</u>	<u>2,299,508</u>
	67,836	41,602	40,416	70,365	103,587	109,446
	-	-	-	-	-	-
	13,877	9,747	12,935	16,940	17,844	17,850
	28,999	18,823	4,515	(15,555)	51,181	114,582
	673	621	849	1,139	874	2,684
	(40,530)	(45,135)	(35,121)	(35,023)	(40,613)	(45,913)
	-	-	-	-	-	-
	<u>70,855</u>	<u>25,658</u>	<u>23,594</u>	<u>37,866</u>	<u>132,873</u>	<u>198,649</u>
	118,084	400,208	856,922	622,492	490,308	238,035
	42,358	62,787	92,082	245,319	268,763	375,741
\$	<u>160,442</u>	<u>\$ 462,995</u>	<u>\$ 949,004</u>	<u>\$ 867,811</u>	<u>\$ 759,071</u>	<u>\$ 613,776</u>

CITY OF DALLAS, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)
(in thousands)

	2015	2016 ⁽¹⁾	2017	2018
General Fund				
Nonspendable	\$ 9,894	\$ 10,659	\$ 11,143	\$ 11,227
Restricted	8,485	9,593	12,061	10,244
Committed	10,570	1,250	1,250	1,250
Assigned	29,603	15,836	38,963	20,727
Unassigned	141,550	153,693	171,747	212,806
Total General Fund	<u>200,102</u>	<u>191,031</u>	<u>235,164</u>	<u>256,254</u>
All Other Governmental Funds				
Nonspendable	17,119	17,484	14,044	10,102
Restricted	650,698	761,184	658,712	894,157
Committed	14,602	13,781	17,186	22,642
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>682,419</u>	<u>792,449</u>	<u>689,942</u>	<u>926,901</u>
Total all Governmental Funds	<u>\$ 882,521</u>	<u>\$ 983,480</u>	<u>\$ 925,106</u>	<u>\$ 1,183,155</u>

⁽¹⁾ In fiscal year 2016, Sanitation was reclassified from governmental funds to enterprise funds.

⁽²⁾ In fiscal year 2024, Storm Water was reclassified 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

	2019	2020	2021	2022	2023 ⁽²⁾	2024
\$	13,385	\$ 15,385	\$ 16,006	\$ 18,723	\$ 23,069	\$ 25,754
	11,185	8,724	6,627	5,653	-	-
	1,250	2,000	2,000	3,000	3,000	6,600
	37,109	41,071	51,565	44,347	54,453	42,217
	234,225	277,451	324,300	370,588	386,743	398,270
	<u>297,154</u>	<u>344,631</u>	<u>400,498</u>	<u>442,311</u>	<u>467,265</u>	<u>472,841</u>
	9,937	10,326	12,048	24,929	26,620	23,821
	997,796	990,368	989,118	935,611	1,212,484	1,928,216
	25,393	30,177	33,252	39,814	41,035	48,842
	-	-	-	-	-	(218)
	<u>1,033,126</u>	<u>1,030,871</u>	<u>1,034,418</u>	<u>1,000,354</u>	<u>1,280,139</u>	<u>2,000,661</u>
\$	<u>1,330,280</u>	<u>1,375,502</u>	<u>1,434,916</u>	<u>1,442,665</u>	<u>1,747,404</u>	<u>2,473,502</u>

CITY OF DALLAS, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)
(in thousands)

	2015	2016 ⁽²⁾	2017	2018
REVENUES:				
Ad valorem taxes	\$ 734,885	\$ 791,087	\$ 853,733	\$ 912,645
Tax increment financing, intergovernmental	4,892 #	6,473	8,829	11,139
Sales taxes	275,250	285,669	295,361	307,149
Franchise fees	132,719	140,184	144,205	151,793
Licenses and permits	6,047	6,232	5,242	10,555
Intergovernmental	87,633	98,329	95,019	82,637
Service to others	261,685	182,959	192,420	197,862
Fines and forfeitures	34,879	39,262	37,336	36,278
Investment income (loss)	7,235	9,804	9,324	15,801
Special assessments	-	-	-	31,070
Contributions and gifts	25,848	15,270	18,931	23,580
Confiscated money awards	4,764	3,256	2,810	4,063
Other revenues	9,401	12,640	14,898	18,129
Total revenues	<u>1,585,238</u>	<u>1,591,165</u>	<u>1,678,108</u>	<u>1,802,701</u>
EXPENDITURES:				
Current:				
General government	203,780	224,342	240,142	314,174
Public safety	685,444	700,430	721,753	752,278
Code enforcement ⁽¹⁾	186,631	129,472	40,509	42,717
Environmental and health services	17,757	18,576	16,597	16,650
Streets, public works, and transportation ⁽¹⁾	17,257	18,046	112,924	107,830
Equipment and building services	23,439	24,375	25,411	25,564
Culture and recreation	129,866	140,566	147,098	159,837
Housing	13,551	11,932	14,075	3,954
Human services	20,440	25,285	25,284	19,325
Debt Service:				
Principal	168,962	165,234	169,820	168,406
Interest and fiscal charges	84,543	93,109	89,778	96,318
Payment to refunded bond escrow agent	-	2,880	-	30,675
Capital outlay	204,012	228,726	213,060	266,364
Total expenditures	<u>1,755,682</u>	<u>1,782,973</u>	<u>1,816,451</u>	<u>2,004,092</u>
Excess(deficiency) of revenues over expenditures	<u>(170,444)</u>	<u>(191,808)</u>	<u>(138,343)</u>	<u>(201,391)</u>
OTHER FINANCING SOURCES(USES):				
Transfers in	41,053	54,465	64,359	77,495
Transfers out	(15,357)	(19,265)	(28,929)	(87,574)
Inception of lease				
Proceeds from sale of capital assets	32,976	610	342	716
Premium on debt issued	95,392	31,556	-	36,444
Issuance of long-term debt	388,895	230,310	44,197	432,359
Payment to refunded bond escrow agent	(271,433)	-	-	-
Proceeds from repayment of notes receivable	-	6,143	-	-
Refunding bonds issued	204,720	2,880	-	-
Total other financing sources(uses)	<u>476,246</u>	<u>306,699</u>	<u>79,969</u>	<u>459,440</u>
Net change in fund balance	<u>\$ 305,802</u>	<u>\$ 114,891</u>	<u>\$ (58,374)</u>	<u>\$ 258,049</u>
Debt service as a percentage of noncapital expenditures	16.34%	16.62%	16.19%	15.23%

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

⁽²⁾ In fiscal year 2016, Sanitation was reclassified from governmental funds to enterprise funds.

⁽³⁾ In fiscal year 2024, Storm Water was reclassified 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

2019	2020	2021	2022	2023 ⁽³⁾	2024
\$ 1,000,380	\$ 1,076,976	\$ 1,153,474	\$ 1,202,945	\$ 1,322,001	\$ 1,412,290
12,766	12,553	11,136	11,466	12,275	12,150
320,413	314,385	354,288	407,309	425,543	439,666
140,822	125,921	131,130	144,603	146,000	143,851
12,612	9,274	11,791	16,643	13,380	14,969
74,820	211,170	263,712	199,555	213,328	350,456
182,517	196,546	207,128	214,274	225,838	148,304
41,931	25,051	25,444	25,104	22,733	20,665
34,471	21,886	4,262	(25,586)	60,977	169,069
33,038	28,525	27,766	36,379	42,259	44,531
29,712	33,852	29,835	50,265	51,454	74,136
2,561	2,661	1,820	1,404	4,079	2,774
12,566	8,615	14,995	16,704	13,683	7,808
<u>1,898,609</u>	<u>2,067,415</u>	<u>2,236,781</u>	<u>2,301,065</u>	<u>2,553,550</u>	<u>2,840,669</u>
380,273	440,845	465,568	448,584	436,053	381,791
784,018	854,425	897,953	950,104	1,036,025	1,088,118
43,779	44,628	45,712	50,232	56,326	62,872
16,467	15,691	16,492	14,521	15,911	17,611
128,348	126,573	139,498	197,878	213,988	247,316
22,939	25,183	34,673	24,198	29,299	31,718
151,242	149,912	146,157	167,162	187,017	204,083
3,098	2,707	2,632	3,279	3,880	3,582
22,679	21,806	37,590	34,108	32,820	41,519
205,032	204,515	378,200	400,881	294,314	295,267
101,030	105,692	90,869	87,914	90,596	110,763
-	-	-	-	-	-
268,765	296,412	381,256	301,222	406,957	307,550
<u>2,127,670</u>	<u>2,288,389</u>	<u>2,636,600</u>	<u>2,680,083</u>	<u>2,803,186</u>	<u>2,792,190</u>
<u>(229,061)</u>	<u>(220,974)</u>	<u>(399,819)</u>	<u>(379,018)</u>	<u>(249,636)</u>	<u>48,479</u>
79,755	97,317	80,653	92,017	143,364	313,301
(209,288)	(43,360)	(32,681)	(50,770)	(88,482)	(299,960)
			3,381	84,042	2,621
1,711	320	8,738	6,171	588	2,215
51,803	3,798	26,255	45,885	54,602	66,636
452,205	208,121	472,599	152,863	464,725	610,469
-	-	(96,331)	(93,895)	(62,442)	(269,994)
-	-	-	-	-	-
-	-	-	231,115	56,415	252,331
<u>376,186</u>	<u>266,196</u>	<u>459,233</u>	<u>386,767</u>	<u>652,812</u>	<u>677,619</u>
<u>\$ 147,125</u>	<u>\$ 45,222</u>	<u>\$ 59,414</u>	<u>\$ 7,749</u>	<u>\$ 403,176</u>	<u>\$ 726,098</u>
16.46%	15.57%	20.80%	20.55%	16.06%	16.34%

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⁾
2015	\$ 106,519,690	\$ 14,900,052	\$ (28,281,532)	\$ 93,138,210	\$ 0.7970
2016	115,476,547	15,323,489	(30,481,099)	100,318,937	0.7970
2017	128,220,454	15,903,571	(33,736,396)	110,387,629	0.7825
2018	139,265,026	16,381,314	(37,331,663)	118,314,677	0.7804
2019	154,913,351	17,625,961	(42,458,326)	130,080,986	0.7767
2020	170,062,755	17,610,106	(47,435,229)	140,237,632	0.7766
2021	182,020,035	17,625,961	(52,202,479)	147,443,517	0.7763
2022	192,407,848	15,827,680	(52,297,336)	155,938,192	0.7733
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

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

Table 6

CITY OF DALLAS, TEXAS
CITY TAX RATE DISTRIBUTION
 Last Ten Fiscal Years (Unaudited)
 (Per \$100 of Assessed Value)
 (in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund	\$ 0.5646	\$ 0.5646	\$ 0.5601	\$ 0.5580	\$ 0.5667	\$ 0.5691	\$ 0.5688	\$ 0.5658	\$ 0.5403	\$ 0.5317
Debt Service Fund	0.2324	0.2324	0.2224	0.2224	0.2100	0.2075	0.2075	0.2075	0.2055	0.2040
Total City Tax Rate	<u>\$ 0.7970</u>	<u>\$ 0.7970</u>	<u>\$ 0.7825</u>	<u>\$ 0.7804</u>	<u>\$ 0.7767</u>	<u>\$ 0.7766</u>	<u>\$ 0.7763</u>	<u>\$ 0.7733</u>	<u>\$ 0.7458</u>	<u>\$ 0.7357</u>

Source: Dallas Central Appraisal District

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

Fiscal Year	City Direct Rates ⁽¹⁾			Overlapping Rates ⁽²⁾				Total Ad valorem Rate
	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	
2015	\$ 0.5646	\$ 0.2324	\$ 0.2431	\$ 0.1248	\$ 1.2821	\$ 0.0100	\$ 0.2860	\$ 2.7430
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

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.

Table 8

CITY OF DALLAS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years (Unaudited)
 (in thousands)

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collection Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Current tax collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2015	2014	\$ 742,312	\$ 724,668	97.62%	\$ 4,468	\$ 729,136	98.23%
2016	2015	799,542	780,733	97.65%	4,431	785,164	98.20%
2017	2016	863,783	850,200	98.43%	4,853	855,053	98.99%
2018	2017	923,328	902,849	97.78%	2,858	905,707	98.09%
2019	2018	1,010,339	989,360	97.92%	3,905	993,265	98.31%
2020	2019	1,089,085	1,066,926	97.97%	2,146	1,069,072	98.16%
2021	2020	1,158,134	1,140,993	99.68%	3,708	1,144,701	98.84%
2022	2021	1,203,409	1,188,513	99.93%	5,053	1,193,565	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%

Source: Dallas County Tax Assessor/Collector.

Table 9

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

Name of Taxpayer	Nature of Property	2024		2015			
		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	\$ 1,163,923	1	0.59%	\$ 793,422	1	0.85%
Texas Instruments	Electronic Manufacturing	987,387	2	0.50%	601,466	3	0.65%
Billingsley Arts	Developer	925,149	3	0.47%			
Southwest Airlines Co	Air Transportation	820,012	4	0.41%	577,374	6	0.62%
FM Village Fixed Rate LLC	Developer	772,277	5	0.39%			
Northpark Land Partners	Developer	764,866	6	0.39%	624,382	4	0.67%
AT&T Mobility LLC	Telephone Utility	623,841	7	0.31%	598,059	5	0.64%
Crescent TC Investors LP	Developer	583,211	8	0.29%	741,602	2	0.80%
Atmos Energy	Gas Utility	532,673	9	0.27%			
Amazon Com KYDC LLC	Retailer	519,163	10	0.26%			
PC Village Apartments Dallas LP	Developer	-	-	-	422,520	7	0.45%
Galleria Mall Investors LP	Developer	-	-	-	365,784	9	0.39%
Walmart	Retailer	-	-	-	359,495	10	0.39%
Post Properties Inc.	Developer	-	-	-	377,179	8	0.40%
Total		\$ 7,692,500		3.88%	\$ 5,461,283		5.86%

Source: Dallas County Tax Office

Table 10

CITY OF DALLAS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Year Ended September 30, 2024 (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	\$ 1,928,269		\$ 1,928,269
Certificates of obligation	457,433		457,433
Revenue bonds	43,475		
Equipment acquisition notes	137,829		137,829
Pension obligation bonds	271,627		271,627
Other Debt			
Financed purchases	67,371		67,371
Leases	125,909		
SBITAs	29,244		
Long-term notes payable	11,261		11,261
Subtotal, direct debt	3,072,418	100.00 %	3,072,418
Overlapping Debt:			
Carrollton-Farmers Branch ISD	643,675	7.65 %	49,241
Cedar Hill ISD	316,090	1.31 %	4,141
Collin Co	841,715	3.43 %	28,871
Collin Co CCD	459,865	3.43 %	15,773
Community ISD	347,555	0.01 %	35
Coppell ISD	367,936	6.85 %	25,204
Dallas Co	198,645	48.14 %	95,628
Dallas Co Hosp Dist	527,660	48.14 %	254,016
Dallas College	318,675	48.14 %	153,410
Dallas ISD	4,064,130	87.90 %	3,572,370
Denton Co	673,670	1.30 %	8,758
Duncanville ISD	333,240	42.27 %	140,861
Garland ISD	1,111,765	1.49 %	16,565
Grand Prairie ISD	348,715	2.41 %	8,404
Highland Park ISD (Dallas)	301,455	9.31 %	28,066
Irving ISD	561,185	2.16 %	12,122
Lancaster ISD	162,603	3.54 %	5,756
Lewisville ISD	1,411,915	0.00 %	-
Mesquite ISD	655,348	2.03 %	13,304
Plano ISD	886,020	10.35 %	91,703
Richardson ISD	1,002,225	58.41 %	585,400
Rockwall Co	130,695	0.06 %	78
Rockwall ISD	942,258	0.07 %	660
Sunnyvale ISD	77,748	0.00 %	-
Wylie ISD [Collin]	645,211	0.13 %	839
Subtotal, overlapping debt	\$ 17,329,999		\$ 5,111,202
City Of Dallas (direct debt)	3,072,418	100.00 %	3,072,418
Total direct and overlapping debt	\$ 20,402,417		\$ 8,183,620
Ratio of Direct and Estimated Share of Overlapping Tax Debt to Taxable Assessed Valuation			6.29%
Per Capita Direct and Overlapping Tax Debt (not in thousands)			6,285

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)

Governmental

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	Certificates of Obligation	General Obligation Bonds
2015	\$ 1,558,578	\$ 21,871	\$ -	\$ -	\$ 400,411	\$ -	\$ 52,488	\$ 27,880	\$ 44,208	\$ -	\$ 2,577,258	\$ -	\$ -
2016	1,641,422	18,011	-	-	261,102	-	59,117	10,220	42,893	-	2,701,953	-	8,396
2017	1,486,496	14,117	-	-	253,016	-	59,565	9,650	49,027	-	2,900,670	-	7,307
2018	1,699,537	10,779	-	-	244,418	-	75,788	35,160	48,058	-	3,006,797	-	6,261
2019	1,973,099	7,997	-	-	346,837	-	118,916	3,500	43,853	-	2,937,671	-	5,352
2020	1,791,598	21,588	-	33,071	339,205	-	98,185	163,500	25,484	-	3,134,664	-	4,456
2021	1,794,408	17,187	-	53,365	315,511	-	103,001	159,676	19,025	-	3,498,673	-	2,440
2022	1,784,031	66,867	-	70,568	305,520	121,161	35,152	9,185	16,138	28,845	3,392,347	-	805
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	457,433	43,475	137,829	271,627	67,371	125,909	-	11,261	29,244	3,634,352	97,967	-

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												
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⁾	
\$ 135,617	\$ -	\$ 30,115	\$ -	\$ 90,458	\$ 2,508	\$ 4,897,184	14.37%	\$ 3,937	\$ 2,116,477	2.27%	\$ 1,701	
119,738	-	73,899	-	48,322	266	4,942,446	12.90%	3,929	2,048,669	2.04%	1,629	
116,029	-	75,909	-	18,500	-	4,941,259	12.31%	3,891	1,876,965	1.70%	1,478	
112,088	-	101,813	-	-	-	5,292,641	13.16%	4,116	2,073,083	1.75%	1,612	
159,051	-	87,519	-	164,500	-	5,804,442	13.07%	4,458	2,492,336	1.92%	1,914	
104,370	-	85,915	-	52,900	-	5,829,452	12.71%	4,380	2,294,288	1.64%	1,724	
144,691	-	82,445	-	2,280	-	6,173,677	13.46%	4,734	2,327,602	1.58%	1,785	
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	-	7,078,315	12.55%	5,432	2,936,777	1.48%	2,254	

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Assessed Valuation	\$93,138,211	\$100,318,937	\$110,387,629	\$118,314,677
Overall debt limitation - 10% of assessed valuation	<u>9,313,821</u>	<u>10,031,894</u>	<u>11,038,763</u>	<u>11,831,468</u>
Net Debt Subject to Limitation	1,700,335	1,774,889	1,625,654	1,816,873
Legal debt margin within 10% limitation (1)	<u>\$7,613,486</u>	<u>\$8,257,005</u>	<u>\$9,413,109</u>	<u>\$10,014,595</u>
Legal Debt Margin as a Percentage of the Debt Limit	81.7%	82.3%	85.3%	84.6%

(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."

Table 12

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$130,080,985	\$140,237,631	\$147,443,517	\$155,938,192	\$179,433,592	179,433,592
<u>13,008,099</u>	<u>14,023,763</u>	<u>14,744,352</u>	<u>15,593,819</u>	<u>17,943,359</u>	<u>17,943,359</u>
2,055,841	1,939,270	1,936,978	1,952,168	2,160,851	2,484,904
<u>\$10,952,258</u>	<u>\$12,084,493</u>	<u>\$12,807,374</u>	<u>\$13,641,651</u>	<u>\$15,782,508</u>	<u>\$15,458,455</u>
84.2%	86.2%	86.9%	87.5%	88.0%	86.2%

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	
2015	\$ 568,841	\$ 287,983	\$ 280,858	\$ 96,675	\$ 86,186	\$ 182,861	1.54
2016	619,890	306,085	313,805	100,980	79,705	180,685	1.74
2017	630,542	283,669	346,873	101,803	85,955	187,758	1.85
2018	675,938	289,470	386,468	114,210	82,735	196,945	1.96
2019	626,181	278,649	347,532	116,320	83,241	199,561	1.74
2020	657,258	306,652	350,606	125,635	83,399	209,034	1.68
2021	677,326	332,569	344,757	125,635	85,790	211,425	1.63
2022	754,526	314,966	439,560	124,510	84,571	209,081	2.10
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

⁽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.

Table 14

CITY OF DALLAS, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE
CONVENTION CENTER FUND
 Last Ten Fiscal Years (Unaudited)
 (in thousands)

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements ⁽²⁾			Revenue Bond Coverage ⁽³⁾
	Gross Revenue	Expense ⁽¹⁾	Net Revenue	Principal	Interest	Total	
2015	\$ 99,805	\$ 57,479	\$ 42,326	\$ 5,740	\$ 15,866	\$ 21,606	2.0
2016	110,653	70,164	40,489	6,945	15,579	22,524	1.8
2017	111,515	71,123	40,392	8,250	15,232	23,482	1.7
2018	120,196	72,193	48,003	8,665	14,820	23,485	2.0
2019	131,860	81,761	50,099	9,095	14,386	23,481	2.1
2020	86,380	51,855	34,525	9,550	13,932	23,482	1.5
2021	79,995	54,588	25,407	10,030	13,454	23,484	1.1
2022	117,593	79,368	38,225	14,018	5,318	19,336	2.0
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

⁽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.

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	19,498	3.47
2020	162,761	77,693	85,068	13,298	6,223	19,521	4.36
2021	147,612	82,650	64,962	24,130	11,392	35,522	1.83
2022	163,839	88,237	75,602	24,963	10,927	35,890	2.11
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

⁽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.

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

⁽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 begin in fiscal year 2025.

Table 17

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⁾
2015	\$ 1,244,270	\$ 34,081,929,000 ⁽³⁾	\$ 27,391 ⁽⁴⁾	\$ 43,103 ⁽³⁾	32.1 ⁽³⁾	\$ 93,138,211	642,785	26,917	4.2 %
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	1,302,859	56,399,463,251 ⁽⁷⁾	43,289 ⁽⁷⁾	67,760 ⁽⁷⁾	33.4 ⁽⁷⁾	215,147,849	751,330	29,324	3.9 %

⁽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.

Table 18

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

Name of Employers	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
UT Southwestern Medical Center ⁽¹⁾	25,641	1	2.52%	-	-	-
Dallas Independent School District ⁽²⁾	22,857	2	2.25%	20,000	3	0.59%
Southwest Airline Co ⁽³⁾	19,190	3	1.89%	-	-	-
City of Dallas ⁽⁴⁾	15,000	4	1.48%	13,000	8	0.38%
Parkland Health & Hosp System ⁽⁵⁾	13,103	5	1.29%	-	-	-
AT&T Inc. ⁽⁶⁾	10,690	6	1.05%	-	-	-
Dallas County Community College ⁽⁷⁾	8,230	7	0.81%	-	-	-
Texas Instruments Inc. ⁽⁶⁾	7,704	8	0.76%	13,000	9	0.38%
Methodist Dallas Med Ctr ⁽⁸⁾	6,689	9	0.66%	-	-	-
Dallas County ⁽⁹⁾	6,500	10	0.64%	-	-	-
Baylor Scott & White Health ⁽⁶⁾	6,222	11	0.61%	16,900	5	0.50%
Childrens Health ⁽¹⁰⁾	5,287	12	0.52%	-	-	-
Medical City Dallas ⁽¹¹⁾	4,800	13	0.47%	-	-	-
Total	151,913		14.95%	62,900		1.85%

Source:

Source (1): UT Southwestern Medical Center - Community and Corporate Relations, 2024.

Source (2): Dallas Independent School District, 2024.

Source (3): City of Dallas - Department of Aviation, 2024.

Source (4): City of Dallas - Annual Budget, FY24-25 P44, 2024.

Source (5): Forbes, 2024.

Source (6): JobsEQ, 2024.

Source (7): Dallas County Community College, 2024.

Source (8): Methodist Dallas Medical Center, 2024.

Source (9): Dallas County, 2024.

Source (10): Children's Health, 2024.

Source (11): D magazine, 2024; JobsEQ, 2024.

2015 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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Public safety</u>				
Police stations	8	8	8	8
Fire stations	58	58	58	58
 <u>Streets, public works and transportation</u>				
Streets - paved (miles)	4,041	4,034	4,027	4,027
Lane miles	11,754	11,775	11,757	11,755
Traffic signals	1,354	1,354	1,368	1,373
Street lights	87,790	87,790	91,000	88,122
 <u>Parks and recreation</u>				
Parks	380	389	396	397
Parks acres	23,470	23,147	20,109	20,245
Miles of trails (jogging, hiking & biking)	144	153	158	161
Number of lakes	13	13	13	13
Swimming pools	18	19	19	20
Spraygrounds "Water-enhanced playground"	11	11	11	11
Athletic fields (soccer, football, baseball & rugby)	271	278	274	269
Tennis centers	5	5	5	5
Number of tennis courts	81	81	99	99
Neighborhood tennis courts	177	177	157	157
Multi-use courts	153	154	158	154
Golf courses (18 holes)	6	6	6	6
Recreation centers (community)	43	43	43	43
 <u>Water</u>				
Water mains (miles)	4,925	4,937	4,955	4,983
Fire hydrants	29,666	29,857	30,176	30,558
 <u>Wastewater</u>				
Miles of sanitary sewers	4,017	4,020	4,022	4,040
Miles of storm sewers	1,800	1,820	1,838	1,963

Source: City capital asset records

TABLE 19

2019	2020	2021	2022	2023	2024
8	8	8	8	8	8
58	58	58	59	59	59
4,056	4,069	4,009	4,022	4,012	4,041
11,811	11,860	11,622	11,673	11,656	11,716
1,383	1,399	1,422	1,434	1,444	1,457
92,542	92,909	93,977	94,201	93,104	93,887
397	397	397	410	412	412
20,109	23,464	20,245	20,835	21,227	21,227
162	168	180	207	179	185.9
40	40	40	41	41	41
19	19	19	19	19	19
11	11	17	17	17	17
287	287	287	288	287	287
5	5	4	4	4	4
99	99	99	65	67	67
157	157	157	189	188	188
159	159	159	158	157	157
6	6	6	6	6	6
43	43	43	42	42	42
4,986	5,005	5,017	5,038	5,054	5,076
30,707	30,950	31,091	31,398	31,637	31,976
4,046	4,052	4,058	4,063	4,067	4,081
1,963	1,869	1,879	1,875	1,885	1,885

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

Function/Program	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Safety				
Police				
Calls for Service	599,319	628,871	608,548	586,727
Fire				
Calls for Service - Fire	41,049	43,228	43,783	53,171
Calls for Service - EMS	189,894	202,212	206,323	206,161
Recreation				
Number of Membership Scans	564,684	632,246	453,369	344,127
Building Permits ⁽¹⁾				
Permits Issued	37,951	41,480	40,650	38,826
Estimated Value	\$4,097,419,967	\$4,636,962,395	\$4,264,728,943	\$4,011,159,859
Airport				
Airport Operations (Takeoffs and Landings)	209,121	223,997	225,754	232,380
Utilities (millions of gallons)				
Water Usage - Peak	619	592	511	607
Water Usage - Average	374	369	372	389

Source: Department annual records

⁽¹⁾ Fiscal Year 2023 data are for the submitted building permits. Fiscal Year 2024 and prior years' data are for the issued permits.

Table 20

2019	2020	2021	2022	2023	2024
617,111	587,564	569,280	584,268	546,451	493,262
49,594	60,892	66,357	75,865	76,451	76,143
205,245	172,993	194,646	209,426	209,149	212,615
361,833	17,913	818,548	391,688	537,960	652,987
44,981	40,013	44,618	18,471	11,699	13,946
\$4,730,498,312	\$4,025,997,722	\$4,264,667,272	\$5,782,936,004	\$6,282,781,148	\$7,037,974,494
229,594	187,220	197,436	226,591	247,510	249,099
606	588	687	655	685	551
369	380	382	412	415	503

Table 21

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
City Manager's Office	14	12	11	13	17	13	16	18	17	12
City Attorney	149	153	157	150	159	150	137	158	165	168
City Auditor	22	22	23	25	19	20	21	16	20	19
City Controller's Office	42	41	47	48	54	65	71	71	75	75
City Secretary	15	17	18	21	23	24	24	21	23	24
Code Compliance Services	404	440	455	345	326	329	359	367	426	418
Communication & Information Services	163	170	188	187	179	198	188	198	202	213
Dallas Animal Services	-	-	-	131	148	154	158	151	155	159
Office of Economic Development	39	36	37	27	24	30	42	29	32	32
Equipment and Building Services ⁽¹⁾	461	452	491	469	-	-	-	-	-	-
Equipment & Fleet Management	-	-	-	-	216	237	224	223	222	229
Building Services Department	-	-	-	-	169	176	173	157	162	162
Office of Budget	47	30	31	34	36	42	29	29	29	30
Office of Bond Program Administration	-	-	-	-	-	12	14	10	9	12
Office of Data Analytics and Business Intelligence	-	-	-	-	-	-	22	25	33	39
Human Resources	49	53	54	49	53	53	58	72	77	73
Housing & Neighborhood Revitalization	-	-	-	40	41	45	15	24	22	30
Housing	367	357	304	-	-	-	-	-	-	-
Office of Cultural Affairs	64	63	63	68	64	51	77	73	80	78
Municipal Court-Judiciary	32	29	32	30	27	26	38	46	43	44
Courts & Detention Services ⁽³⁾	152	158	153	140	202	197	194	192	180	53
Office of Procurement Services	41	40	36	31	34	34	32	32	30	36
Planning & Urban Design	23	28	28	26	25	26	24	51	49	54
Sustainable Development & Construction Services	-	-	-	297	310	308	303	265	297	286
Library	348	391	389	407	415	382	314	317	381	427
Management Services	160	181	199	452	505	494	572	631	670	662
Subtotal	2,592	2,673	2,716	2,990	3,046	3,066	3,105	3,176	3,399	3,335
Public Safety										
Police-Uniform	3,483	3,354	3,075	3,033	3,077	3,161	3,138	3,103	3,071	3,135
Police-Civilian	545	550	624	568	550	506	637	635	645	670
Fire-Uniform	1,901	1,878	1,811	1,940	1,986	1,986	2,002	2,005	2,055	2,214
Fire-Civilian	104	102	105	103	98	101	99	106	109	111
City Marshal ⁽³⁾	-	-	-	-	-	-	-	-	-	138
Subtotal	6,033	5,884	5,615	5,644	5,711	5,754	5,876	5,848	5,880	6,268
Development Services	269	280	299	-	-	-	-	-	-	-
Public Works										
Public Works & Transportation	138	137	-	-	-	-	-	-	-	-
Streets, Public Works, and Transportation ⁽²⁾	510	508	609	633	-	-	-	-	-	-
Public Works	-	-	-	-	445	433	424	476	527	495
Trinity Watershed Management	205	207	209	208	-	-	-	-	-	-
Transportation	-	-	-	-	133	133	143	160	169	176
Subtotal	853	852	818	841	578	566	567	636	696	671
Parks and Recreation	661	729	691	702	690	676	825	922	1,220	995
Water Utilities	1,463	1,439	1,439	1,363	1,520	1,473	1,468	1,440	1,447	1,503
Convention & Events Services	80	98	111	106	27	28	23	19	22	32
Aviation	203	206	240	261	277	270	274	267	283	308
Sanitation	488	483	487	483	491	480	458	489	503	509
Other										
Mayor & Council	39	37	40	37	39	34	52	52	60	67
Employee Retirement	23	25	28	29	31	33	35	35	35	35
Civil Services	24	22	28	26	27	24	21	21	24	21
Office of Risk Management	22	27	26	36	37	41	41	44	50	54
Subtotal	108	111	122	128	134	132	149	152	169	177
Total	12,262	12,272	12,538	12,518	12,474	12,445	12,745	12,949	13,619	13,798

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.



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