



*City of Dallas, Texas*  
**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**

*For the Fiscal Year Ended  
September 30, 2020*



# **CITY OF DALLAS, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended September 30, 2020**

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

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# **INTRODUCTORY SECTION**





March 19, 2021

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

We are pleased to present the City of Dallas' Comprehensive Annual Financial Report for the fiscal year (FY) ended September 30, 2020. The City of Dallas and our dedicated financial management staff are committed to responsibly stewarding the funds our residents and taxpayers entrust to us. We have produced this report to help the public better understand the City, our operations, and our finances.

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

We present the report in three sections:

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

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

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

# ABOUT DALLAS

## HISTORY

John Neely Bryan established a permanent settlement in Dallas in 1841, though the region was long inhabited by Native Americans. Dallas quickly grew to serve the surrounding rural areas and secured rail lines, which were a catalyst for further economic expansion. Dallas was incorporated in 1856, and by the 1860 census had a population of about 700. Today, Dallas is the ninth-largest city in the nation and the largest local economy in the nation's fourth-largest metropolitan area. At approximately 385 square miles, Dallas sprawls across four counties (Dallas, Collin, Denton, and Rockwall).

The city is home to 1,330,612 people (as of July 1, 2019), and the Dallas-Fort Worth-Arlington metropolitan area increased by more than 117,000 people since July 1, 2018—the largest change of any metro area in the nation.<sup>1,2</sup> Further, Collin, Denton, and Tarrant counties were in the top 10 largest-gaining counties in the U.S.<sup>3</sup>

Dallas is a diverse city, with about 42 percent of residents identifying as Hispanic or Latino (of any race) and 58 percent identifying as non-Hispanic or Latino, including 29 percent as White, 24 percent as Black, 3.4 percent as Asian, and 1.6 percent as some other race.<sup>4</sup> The city also attracts domestic and international immigration. In 2019, foreign-born residents made up 24.8 percent of the overall population and 30.3 percent of the employed labor force.<sup>5</sup> Dallas' median household income in 2019 was \$52,580 and per capita income was \$34,479, both adjusted for inflation.<sup>6</sup>



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

<sup>1</sup> 2019 American Community Survey, 5-Year Estimates, Table DP05

<sup>2</sup> U.S. Census Bureau, Estimates of Resident Population Change and Rankings, released April 2020

<sup>3</sup> Ibid

<sup>4</sup> 2019 American Community Survey, 5-Year Estimates, Table DP05

<sup>5</sup> 2019 American Community Survey, 5-Year Estimates, Table S0501

<sup>6</sup> 2019 American Community Survey, 5-Year Estimates, Tables B19013 and B19301

# ABOUT DALLAS

## ECONOMY

The COVID-19 pandemic has severely impacted the City's economic outlook. The City's forecasts assume the economic impacts will continue into FY 2021, and when economic activity does stabilize, it will stabilize at a lower level, creating a longer path to full recovery. With that said, Dallas has a diverse industry mix that continues to create jobs and dampen the negative effects of any single industry downturn. Further, Dallas' home values continue to rise.

The city is home to more than 70,000 businesses, down about 10,000 from last year.<sup>7</sup> The Trade, Transportation, and Utilities sector remained the largest industry by employment in FY 2020, followed closely by Professional and Business Services and Education and Health Services.<sup>8</sup>

Figure 1.  
Dallas Employment by Industry

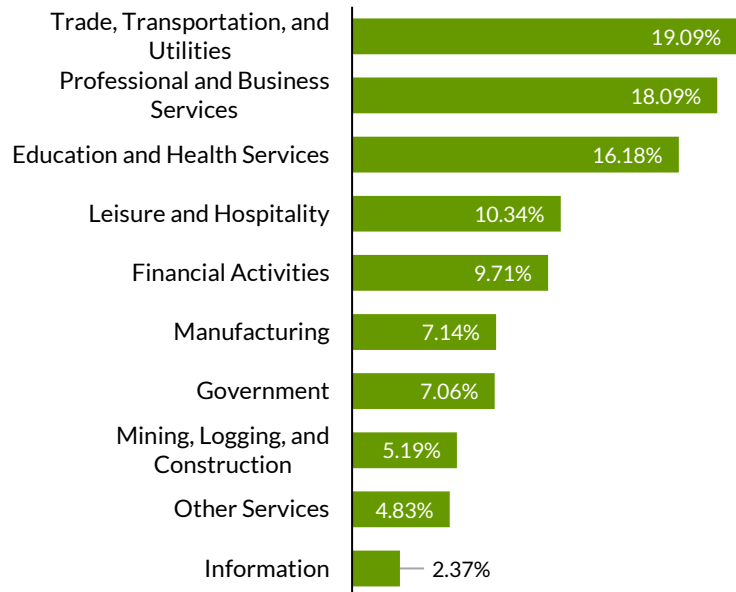
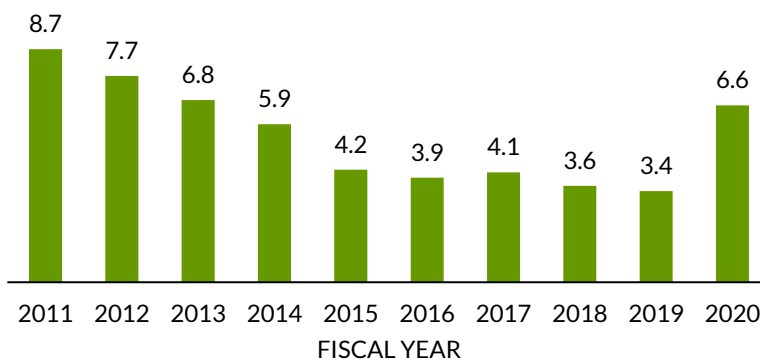


Figure 2.  
Dallas Unemployment Rate  
(percent)



The Dallas monthly labor force (Dallas residents only) averaged 695,823 during FY 2020, while the monthly average of unemployed residents was 45,769, a 90 percent increase from last fiscal year. Dallas' FY 2020 unemployment rate was 6.6 percent, still below the U.S. average of 7.3 percent. Despite the pandemic, the Dallas unemployment rate has remained at or below the U.S.

average for more than 150 consecutive months.<sup>9,10,11</sup>

<sup>7</sup> ReferenceUSA Estimates 2020

<sup>8</sup> Estimated using data from ReferenceUSA and U.S. Bureau of Labor Statistics, Dallas-Plano-Irving Metropolitan Division

<sup>9</sup> U.S. Bureau of Labor Statistics (non-seasonally adjusted values)

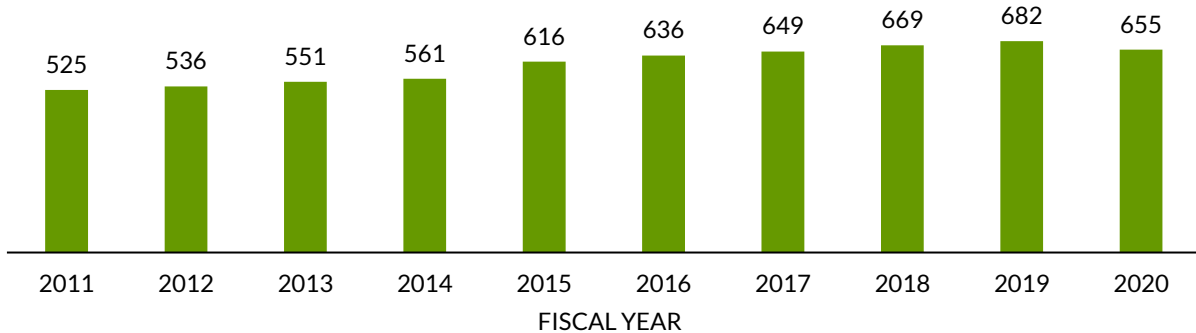
<sup>10</sup> Texas Workforce Commission (TWC) and U.S. Bureau of Labor Statistics

<sup>11</sup> The estimates in Figures 2-7 reflect data as of the publication date of each year's report. Data is not adjusted from year to year.

# ABOUT DALLAS

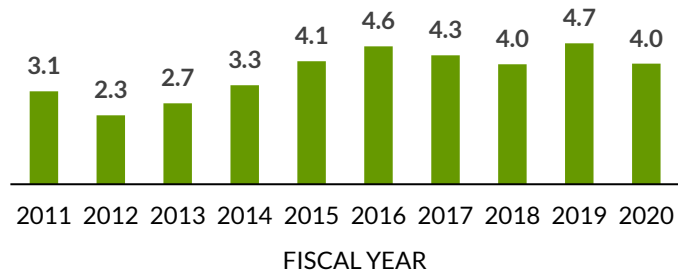
The number of employed Dallas residents also decreased slightly because of COVID-19. About 654,805 residents were working in FY 2020, compared to 682,195 in FY 2019.<sup>12</sup>

*Figure 3.  
Dallas Household Employment  
(in thousands)*



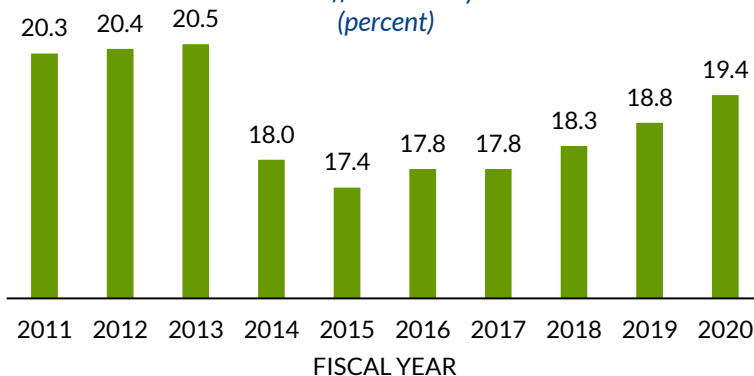
In FY 2020, the annual value of all construction permits was about \$4 billion. New construction values decreased from the previous year by approximately 14 percent.<sup>13</sup>

*Figure 4.  
Dallas Building Activity  
(in billions \$)*



Dallas has more than 136 million square feet of office space, 216 million square feet of industrial/flex space, and 81 million square feet of retail space.<sup>14</sup>

*Figure 5.  
Dallas Office Vacancy Rate  
(percent)*



Strong economic underpinnings and a diverse economy have fostered a healthy office market. Despite fallout from the pandemic and recession, the City expects vacancy rates to remain relatively steady next year due to preleasing of a significant portion of new space.<sup>15</sup>

<sup>12</sup> U.S. Bureau of Labor Statistics (non-seasonally adjusted values)

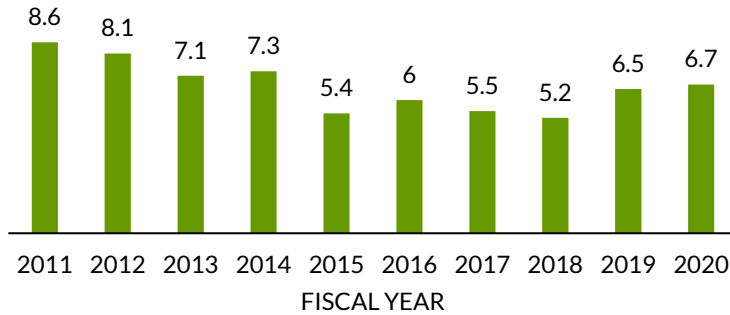
<sup>13</sup> City of Dallas Department of Sustainable Development and Construction and City of Dallas FY 2020-21 Budget

<sup>14</sup> CoStar, December 2020

<sup>15</sup> CoStar, December 2020; ReferenceUSA, December 2020

# ABOUT DALLAS

Figure 6.  
Dallas Industrial Vacancy Rate  
(percent)



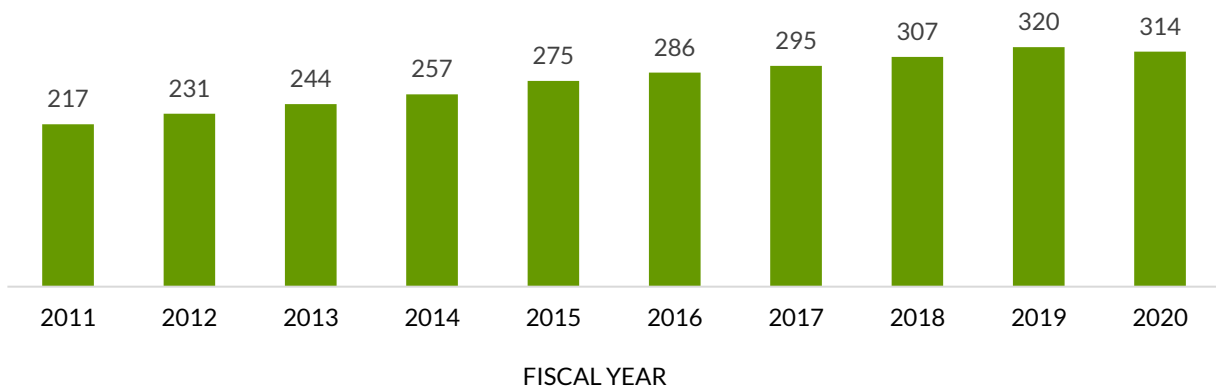
The industrial vacancy rate increased to 6.7 percent in FY 2020 due to speculative projects that increased delivered space. Economic growth in distribution activity increased Dallas' demand for warehousing and production space. With a market response of more than 219.9 million square feet of space delivered, the city's inventory increased by 3.2 percent. Projections for industrial space

include a slight increase in vacancy next year.<sup>16</sup>

Progress continued at the International Inland Port of Dallas, a major logistics hub (warehouse, distribution, and ecommerce) in the southeast quadrant of the city that has created at least 8,000 jobs to date. More than 37 million square feet of industrial and warehouse space are currently built, under construction, or announced, with more than 12 million square feet in the city of Dallas.

Prior to COVID-19, sales tax receipts for FY 2020 showed strong growth. Actual collections exceeded the budgeted amount from October 2019 through February 2020. However, the City began seeing steep declines in sales tax revenues in March when establishments began shutting down in compliance with social distancing recommendations and policy mandates. During FY 2020, total sales tax revenues dropped to \$314 million, although sales tax revenues have still increased 44.7 percent since FY 2011.<sup>17</sup>

Figure 7.  
Dallas Sales Tax Revenue  
(in millions \$)



<sup>16</sup> CoStar, December 2020

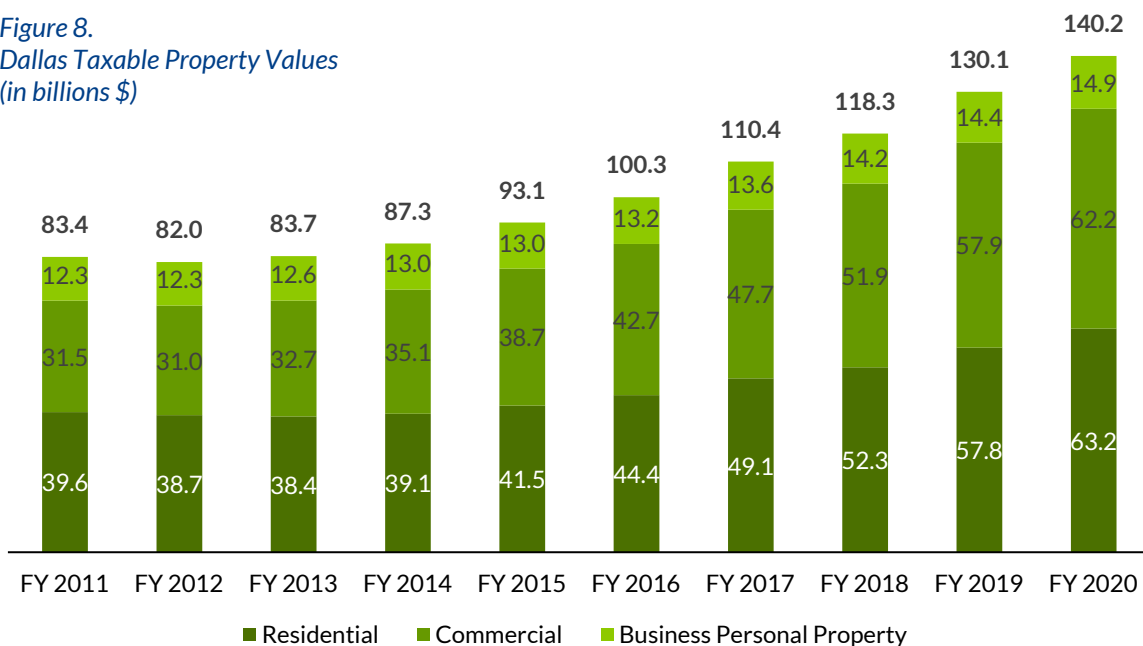
<sup>17</sup> City Controller's Office

# ABOUT DALLAS

The total property tax base value, including business personal property (BPP), increased to \$140.2 billion in FY 2020 from \$130.1 billion in FY 2019, a 7.81 percent increase. FY 2020 is the eighth consecutive year of growth after three years of declining values because of the 2008 recession and despite the COVID-19 pandemic.<sup>18</sup>

Dallas' commercial tax base grew 7.32 percent to \$62.2 billion in FY 2020. This reflects continued strong job growth, resulting in demand for commercial space.<sup>19</sup> The residential tax base increased approximately 9.29 percent to \$63.2 billion. Dallas' increased valuations reflect continued inward migration and a diverse housing stock that can accommodate various household needs.

Figure 8.  
Dallas Taxable Property Values  
(in billions \$)



The precipitous and immediate drop in economic activity in FY 2020 can be seen in slowed growth across Dallas. However, development continued despite the adverse impact of COVID-19. More than 12,000 residential units were either available or under construction, supporting an estimated downtown residential population of nearly 10,500, an increase of 53 percent since 2013.<sup>20,21</sup> In a 2.5-mile radius from the Central Business District (CBD) midpoint, the resident count increases to more than 110,000, a 16 percent increase since 2013.<sup>22</sup>

Completed development projects include construction of AT&T's \$30 million Discovery District and \$100 million renovation of several of the buildings at its global headquarters in

<sup>18</sup> Ibid

<sup>19</sup> Office of Budget

<sup>20</sup> 2019 American Community Survey, 5-Year Estimates, Table B01003

<sup>21</sup> 2013 American Community Survey, 5-Year Estimates, Table B01003

<sup>22</sup> Downtown Dallas Inc.; 2019 American Community Survey, 5-Year Estimates, Table B01003

# ABOUT DALLAS

the Central Business District (CBD). The new Discovery District features a public plaza and multiple interactive sculptures and provides 65,000 square feet of ground-level retail and restaurant space. A seven-story (104-foot) high-definition screen wraps another AT&T building and will host public events such as movie nights, light shows, and Dallas Cowboys watch parties.

Residents and visitors to the CBD also saw substantial completion of AMLI Fountain Place, a 367-unit luxury apartment companion to Dallas' iconic Fountain Place skyscraper. The \$400 million rehabilitation of The National is also nearly complete, boasting 52 stories and 1.5 million square feet, including 324 residential units and the 219-room Thompson Hotel.

Amazon also finished construction and began operations at its new e-commerce facility in the Pinnacle Park Business Park, and Preferred Freezer Services did the same with its new cold storage facility at the International Inland Port of Dallas, both in southern Dallas.

Matthews Southwest, the Dallas Housing Finance Corporation, and Volunteers of America broke ground on The Galbraith, a multimillion-dollar mixed-use development at 2400 Bryan Street that secures 111 new affordable housing units, along with 106 market-rate units and 10,000 square feet of commercial space, including a child care facility. The project will provide much-needed workforce housing options in the downtown core, while giving residents access to employment centers, transit, and other amenities.

In the Deep Ellum TIF District, construction started on Phase II of The Epic—the eventual home of Uber—and on The Stack, a mixed-use development with 15,000 square feet of street-front retail space and nearly 200,000 square feet of office space. Additionally, AT LAST! broke ground on its “urban boarding experience” facility in Oak Cliff. Rehabilitation of the historic Continental Gin building in Deep Ellum also continued, and renovations began on the former Urban League building in the Transit-Oriented Development (TOD) TIF District in southern Dallas.

Additionally, significant progress was made on the Reimagine RedBird redevelopment project at Red Bird Mall. Construction finished on a new freestanding Foot Locker (20,493 square feet) and an adjacent 1.1-acre open space known as The Lawn. Construction continued on the new Parkland Hospital Clinic and UT Southwestern Medical Center, and the developer anticipates completion in spring 2021 and late winter/early spring 2022, respectively.

Chime Solutions, Inc. continued to operate as an anchor office tenant in its 52,856-square-foot space; however, nearly all RedBird-based employees began working from home with the onset of the COVID-19 pandemic in March 2020. Lastly, work progressed on Palladium at RedBird, a new 300-unit apartment project with pedestrian access to the mall. The developer anticipates construction will be complete in late summer/early fall 2021.

# STRATEGIC DIRECTION

## ONE DALLAS—TOGETHER

In FY 2020, the global COVID-19 pandemic brought unprecedented change to our city, exacerbating existing inequities, testing the resilience of our residents and the systems in place to support them, and placing enormous strain on our city's resources. We had to place many initiatives planned for the fiscal year on hold while we responded to the public health crisis. However, thanks to the tireless efforts of staff and community partners, the City overhauled its programs and facilities to continue safely providing essential services, while financially supporting hundreds of impacted residents, businesses, and nonprofits. We have worked hard to meet the needs of our residents with empathy, high ethical standards, a commitment to excellence, and a focus on equity.

We also implemented a biennial budgeting process several years ago to provide greater stability and strategic focus throughout the budget development process. When sudden changes occur—like a global pandemic—the City can stay laser-focused on service delivery while remaining agile enough to meet changing needs. Our five-year forecast model also allows us to make prudent decisions now that will help us weather, and ultimately bounce back from the public health crisis. As the economy recovers, we will stay focused on the needs of the community and on our commitment to new, non-traditional, and more efficient ways of doing business. Our city is resilient, and we will recover as One Dallas—together.

To help organize the work we do on a day-to-day basis, the City Council and City Manager developed these eight strategic priorities:

- Economic Development
- Environment and Sustainability
- Government Performance and Financial Management
- Housing and Homelessness Solutions
- Public Safety
- Quality of Life, Arts, and Culture
- Transportation and Infrastructure
- Workforce, Education, and Equity

The \$3.8 billion budget for FY 2020 funded effective and equitable delivery of City services with a focus on public safety, clean and vibrant neighborhoods, and major infrastructure needs. It also invested in forward-thinking solutions to issues such as homelessness, affordable housing, and poverty.

Although we always have room for improvement, we are proud of the work our employees have done this year to deliver vital City services to our residents, especially in such uncertain and challenging times. The following pages outline major budget investments in FY 2020 that supported the City's eight strategic priorities and the COVID-19 response.



# MAJOR BUDGET INVESTMENTS

## ECONOMIC DEVELOPMENT

### *Building small business capacity*

The Office of Business Diversity expanded its efforts to build the capacity of Dallas-based minority- and women-owned businesses (M/WBEs) through the B.U.I.L.D. program, Broadening Urban Investment to Leverage Dallas, in partnership with the Office of Innovation and Office of Economic Development (ECO). The program provides technical assistance, training, and advocacy, and the B.U.I.L.D. website at [dallasbuilds.org](http://dallasbuilds.org) also houses resources for Dallas entrepreneurs to grow their startup, small business, or nonprofit venture.

Additionally, the City completed a study of M/WBEs within Dallas to inform decision makers how the City can better support small and local businesses. The City Council amended the Business Inclusion and Development policy based on the study findings.

### *Incentivizing economic investments*

Tax increment financing (TIF) is an economic development tool Dallas uses to target investment in defined areas that face challenges to traditional development. As a TIF district grows, increases in property tax revenues from higher property values are paid into a special fund to finance additional improvements to the district. The City continues to receive the amount of property tax it received the year the TIF was created, plus a percentage of new tax revenue.

The City currently has 19 active TIF districts, in which we reinvested \$85 million in FY 2020. As of September 30, the certified taxable value of real property in TIF districts increased 15 percent from tax year 2019 to tax year 2020 (compared to a five percent increase for Dallas as a whole). Since the inception of each TIF district, the aggregate taxable value of real property in TIF districts has grown 425 percent.

## ENVIRONMENT AND SUSTAINABILITY

### *Increasing our resilience*

To mitigate the impacts of climate change on public health, city infrastructure, the economy, and the environment, the Office of Environmental Quality and Sustainability (OEQS) completed development of the Comprehensive Environmental and Climate Action Plan (CECAP). The City Council unanimously adopted the CECAP on May 27 and convened a task force that will advise staff and the Environment and Sustainability Committee on implementation.

# MAJOR BUDGET INVESTMENTS

## *Reducing our energy consumption and costs*

City Council adopted a Green Energy Policy in April 2019 to demonstrate the City's commitment to clean and efficient energy use. The City already uses 100 percent renewable energy for all municipal operations, and Building Services (BSD) reduced energy costs by \$7.7 million in FY 2020 through an updated electricity contract. To build on this success, BSD implemented an energy management system that will ensure we continually and intentionally assess energy use and opportunities for energy reduction. Of note, the Energy Program Manager has actively participated in the technical assessment of potential mechanical system retrofits throughout City facilities in response to COVID-19.

## GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT

### *Raising the minimum wage and lowering health benefit premiums*

To ensure we attract and retain the best talent, the City raised starting pay in FY 2020 to \$13.00 per hour for full-time permanent City employees and to \$12.21 for part-time and temporary employees, \$0.50 per hour more than the Massachusetts Institute of Technology (MIT) living wage. To provide all City employees with an equitable and affordable opportunity to participate in a quality health benefits program, we also introduced a tiered contribution plan. Employees earning less than \$66,000 a year paid less in monthly premiums in FY 2020 than they did in FY 2019, and employees earning more than \$66,000 paid the same rate as under the previous plan.

### *Taking an enterprise approach to increase accountability*

To increase accountability, transparency, and consistency in how the City manages its contracts, we established a new contract management program under the oversight of the Chief Financial Officer. As part of the program, contracts for goods and services are housed in a centralized system of record. Additionally, each department will have a single point of contact responsible for its contracts who will take part in a new Contracting Officer Representative training program, including certifications to strengthen oversight skills. As of September 30, more than 200 participants have completed training.

Other updates include the creation of a new contract compliance team co-led by the Office of Procurement Services and City Controller's Office, contract compliance monitoring plans and audits, and automated reports to detect and resolve irregularities.

## HOUSING AND HOMELESSNESS SOLUTIONS

### *Housing Dallas*

As of year-end, City Council approved all 2019 Notice of Funding Availability (NOFA) applications recommended by staff. These applications will result in construction of up to 362 new affordable single-family units through the sale of 294 City-owned lots and

# MAJOR BUDGET INVESTMENTS

\$11.7 million in funding. HOU posted a new standing NOFA in August. The new NOFA is an open application, and we will award funds as available.

## *Sheltering those in need*

The Office of Homeless Solutions (OHS) and its City and community partners operated temporary inclement weather shelters three times this fiscal year, the first two at the Kay Bailey Hutchison Convention Center in November and December 2019 and the third at the Central Library in February 2020. These locations operated as overflow shelters once other area emergency shelters reached capacity. The City served 1,300 people during these eight nights (605 unduplicated), providing cots, blankets, food, EMS services, and security to individuals who would otherwise have been exposed to below-freezing temperatures and the elements.

On November 11, City Council approved amendments to Chapter 45 of the City Code and Chapters 51 and 51A of the Development Code to allow external organizations to legally operate temporary inclement weather shelters.

## PUBLIC SAFETY

### *Enhancing community police oversight*

The Dallas Police Department (DPD) continues to implement best practices consistent with those promoted by the federal Task Force on 21st Century Policing to “promote effective crime reduction while building public trust.” Based on feedback from residents and police associations, DPD recommended changes to the complaint handling process and the Citizens Police Review Board structure—including renaming it the Community Police Oversight Board (CPOB)—and creation of the Office of Community Police Oversight (OCPO), independent from DPD and housed within the City Manager’s Office. City Council approved these changes in April 2019, and the FY 2020 budget fully funded the OCPO.

### *Going high-tech to fight crime*

DPD created a Real-Time Crime Center (RTCC) using advanced techniques to prevent, identify, and resolve complaints of criminal activity. The RTCC is staffed by 11 non-uniform analysts (with plans to add 11 more analysts in FY 2021). This “virtual patrol” will increase DPD’s ability to allocate resources efficiently, provide more time for uniformed officers to focus on community-building activities, and decrease response times to high-priority incidents. As incidents are reported, analysts will assess all available resources within proximity of the call to provide additional information to responding officers, including descriptions of the scene and suspects. Analysts will also cross-check crime reports against video archives to determine if evidence exists that should be examined, downloaded, and prepared for investigators.

# MAJOR BUDGET INVESTMENTS

## *Responding rapidly to disasters*

On the night of October 20, 2019, a storm system moved across the southeast United States, producing 10 tornadoes and causing damage from Texas to Tennessee. The worst of the damage was around Dallas, where an EF3 tornado left a 15-mile path of destruction in its wake. The Office of Emergency Management quickly activated emergency operations while Dallas Fire-Rescue conducted door-to-door sweeps to provide immediate assistance to impacted residents. We also created strike teams from multiple City departments to clean up and remove storm debris.

## QUALITY OF LIFE, ARTS, AND CULTURE

### *Bridging the digital divide*

Many members of the community do not have Internet access at home, a basic 21st-century need for education and employment. To meet this need, Dallas Public Library (LIB) purchased 900 mobile hot spots, which residents can check out to access Wi-Fi at home. By making these hot spots available at 10 high-opportunity branch library locations, we are working toward a more equitable outcome of consistent Internet access for all residents.

### *Improving library efficiency and protecting materials*

LIB finished implementation of the Radio Frequency Identification (RFID) system begun in FY 2019. This \$2 million investment will improve the security of library materials and save labor by more efficiently tracking materials throughout the library system. This increased efficiency will free up library personnel for other vital services provided to residents, such as outreach and programming. RFID tagging and conversion is complete at all library locations, and software is operational for staff.

### *Continuing to improve Dallas Animal Services*

The FY 2020 budget reallocated Dallas Animal Services (DAS) resources to add two agents who triage and dispatch calls seven days a week to improve response times. The department now has in-house dispatch from 7 a.m. to midnight, seven days a week. As of September 30, DAS responded to 96.6 percent of residents' service requests within the established response time (compared to the target of 87 percent).

Animals also roam at night, creating a potential hazard for drivers and posing a danger to residents who may be outside at night. DAS augmented its overnight animal response by scheduling officers to be on duty seven nights a week instead of four with a focus on loose dog and bite hot spots. The Field Services team transitioned to 24/7 operations on December 4, and the night shift was fully staffed and trained as of March 31. As of September 30, DAS increased calls closed during overnight hours on weekends by 62 percent.

# MAJOR BUDGET INVESTMENTS

## TRANSPORTATION AND INFRASTRUCTURE

### *Enhancing the condition of Dallas' streets*

The City maintains almost 11,800 paved lane miles, most of which are heavily used and, in many cases, in poor condition. The City assigns a grade to its streets using a pavement condition index (PCI) that rates streets on a scale of A to E. In FY 2018-19, our average PCI rating was 65.1, or a C. While Public Works strives to maintain zero degradation, we must also prioritize limited resources to ensure good streets remain in good condition without neglecting poor or failing streets. To keep our streets functioning, the City invested \$85.5 million in street maintenance and reconstruction projects this year, resulting in about 710 lane miles of improvements. Public Works also scheduled projects strategically based on its Five-Year Infrastructure Management Program (IMP) and voter-approved bond programs, balancing the need to rebuild the lowest-rated roadways with the need to prevent degradation in higher-rated areas.

### *Improving management of City facilities*

Building Services successfully completed 77 projects in 2019 worth more than \$6 million, including major building system updates, interior and exterior damage repairs, and space renovations. This extends the lifespan of City facilities, ensuring residents and employees can enjoy them for years to come.

## WORKFORCE, EDUCATION, AND EQUITY

### *Partnering for success*

The Office of Welcoming Communities and Immigrant Affairs (WCIA) concluded a two-year effort to partner with nonprofit organizations to offer civil legal services and promote citizenship to immigrants. Thanks to our partners, immigrant residents now have increased access to legal services that support their efforts to become U.S. citizens. Grantees have also defended individuals in deportation cases and helped keep families together. In FY 2020, WCIA and its grantees provided services to more than 380 individuals, hosted 20 marketing and outreach events, and trained nearly 60 volunteers to support the #MyDallas citizenship workshops.

### *Increasing equity in the criminal justice system*

For residents unable to travel downtown because of work hours or lack of transportation, Court and Detention Services hosted a series of “pop-up” courts at community locations to resolve outstanding warrants and citations. Judiciary, City Prosecution, and Court Clerk staff provided onsite assistance, and residents with outstanding citations were free from the threat of arrest. The Municipal Court also extended its normal business hours to allow more residents to participate.

# MAJOR BUDGET INVESTMENTS

## *Overcoming barriers to work*

The Office of Community Care partnered with nonprofit and community organizations to support programs that enable individuals to obtain and keep jobs with increased income and stability, improved working conditions, and greater opportunity. The Overcoming Barriers to Work program funded services that provide job training and career development to participants who face hurdles to employment, such as lack of transportation or child care. As of September 30, 89 percent of clients employed through the program remained employed after six months.

## COVID-19 RESPONSE

### *Integrating COVID-19 funding to maximize impact*

The City received \$335 million from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, as well as additional federal, state, and private funding sources to respond to the COVID-19 public health crisis. This included \$234.4 million from the U.S. Treasury Coronavirus Relief Fund (CRF).

To maximize the City's impact, we allocated all available funding to three major categories: public health and safety, community resilience and recovery, and service delivery. The first category supports our efforts to keep our residents and employees healthy and safe, including COVID-19 testing, personal protective equipment, and housing stability for individuals and families experiencing homelessness. The second is funding resources for residents, businesses, and nonprofits affected by COVID-19, including rent, mortgage, and utility assistance, and small business loans and grants. The last category has allowed us redesign City programs and facilities to continue providing essential services to residents, using technology when possible.

### *Supporting small businesses*

To mitigate the economic impact of the pandemic on Dallas' small business community, ECO leveraged federal CARES Act funds to award \$998,500 in grants through September 30, including 83 grants in areas of high poverty, and an estimated \$336,500 in loans. The Small Business Continuity Fund program is still in place, and ECO will continue to review applications and award funds to eligible businesses in FY 2021.

The City also created a temporary parklet program managed by the Office of Special Events to assist businesses with their economic recovery. The program allows approved businesses to convert on-street parking spaces into additional merchandising or dining areas, so they can serve more customers while still observing social distancing guidelines.

# MAJOR BUDGET INVESTMENTS

## LOOKING FORWARD

Beyond the immediate public health and economic crisis, recent events have heightened our awareness of the difficult relationship between communities of color and law enforcement. Addressing the systemic issues in policing practices that have led to unrest and racial division within our community have the greatest potential to transform and unite our city. The opportunity to restore the public's trust and rebuild the relationship with our residents is here and now, and our actions must be swift and rooted in inclusion, equity, and justice.

Listening and learning from the diverse voices in our community is the first step toward our vision of One Dallas. Based on recommendations from residents, faith and education leaders, community activists, neighborhood groups, the City Council, and other stakeholders, we developed an action plan that aligns our intentions and resources to produce R.E.A.L. Change—policing that is Responsible, Equitable, Accountable, and Legitimate.

The City's budget for FY 2021 funds alternatives to policing that match the response to the need, from mental health counseling to support for formerly incarcerated residents reentering the community to community-based violence interruption programs. It also supports greater accountability and oversight of the police department, as well as improved training in alignment with the principles of 21<sup>st</sup> Century Policing.

However, as we have heard from so many, making communities safer goes far beyond policing. It requires acknowledging historical actions that have shaped inequitable conditions present today and committing to providing the resources and services necessary to address them.

We do this by investing resources in basic needs like jobs, housing, and access to food and health care. We do it by funding programs that engage our youth, care for our seniors, and lift those in financial distress. We do it by building and maintaining infrastructure in unserved and underserved neighborhoods, by increasing physical and digital accessibility to facilities and information, and by strengthening our core City services. These decisions increase equity in the short term with an eye toward long-term sustainability, moving us closer to our vision of One Dallas.

# AWARDS & ACCOLADES

The pages below highlight several of Dallas' award-winning achievements in FY 2020.

## PURSUING FINANCIAL EXCELLENCE

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dallas for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized report that satisfied both generally accepted accounting principles and applicable program requirements. The City of Dallas first received this award for FY 1981 and has received it consecutively for the past 14 years—every year since FY 2006.

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

The City also received the GFOA Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2019. The City has earned this award for 20 consecutive years beginning in FY 2000. To receive the award, the City must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

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

## ENCOURAGING ECONOMIC DEVELOPMENT

The Office of Economic Development earned the overall Real Estate Deal of the Year from the Dallas Business Journal for the redevelopment of Red Bird Mall. The Best Real Estate Deal Awards celebrate the best North Texas commercial real estate projects. The City earned 83 total nominations in 17 categories, including eight wins for projects like the Parkland and UT Southwestern Medical clinics at RedBird, the AT&T Discovery District and headquarters, and the Uber offices.



# AWARDS & ACCOLADES

## GOING GREEN

Dallas Water Utilities (DWU) earned the National Association of Clean Water Agencies' Platinum Peak Performance Award for 100 percent regulatory compliance over a consecutive five-year period at its Southside Wastewater Treatment Plant. DWU also tied for fourth out of more than 130 large- and medium-size water utilities in Texas on the 2020 Texas Water Conservation Scorecard. The scoring is based on water provider state reports, as well as water conservation policies and programs.

The National Park Service awarded a Technical Assistance Grant to the Department of Aviation to develop a bike path, children's park, and other green and recreational spaces around Love Field. This nationally competitive grant supports the department's "Good Neighbor Program" and will further the City's goals of developing livable, walkable, and interconnected neighborhoods. This also marks the first time the department has received a grant from a federal agency outside of the Federal Aviation Administration.

Finally, James McGuire, the former OEQS director, received the UN Global Leadership award from the Dallas Chapter of the United Nations Association for the City's efforts toward achieving the UN's Sustainable Development Goal #11, supporting sustainable cities and communities.

## LEVERAGING TECHNOLOGY TO ENHANCE CITY SERVICES

The City placed 10<sup>th</sup> in the 2019 Digital Cities Survey by the Center for Digital Government for developing an online crime reporting tool, combating cyberthreats in partnership with the U.S. Department of Homeland Security, and establishing a regional data-sharing agreement with Dallas County. The long-running survey recognizes cities that use technology to tackle social challenges, enhance services, and strengthen cybersecurity.

The digital procurement platform Citymart named the Office of Procurement Services seventh in the U.S. for innovation. Citymart surveyed the procurement criteria and practices of 109 local governments, praising Dallas for its longer solicitation periods, which data has shown help foster small business engagement.

## THE RIGHT STUFF

The RIGHT Care program mobilizes a multidisciplinary team that includes a licensed mental health clinician, a paramedic, and law enforcement in response to calls involving a mental health crisis, increasing access to appropriate health services and avoiding unnecessary hospitalization, arrests, and interactions between residents and law enforcement. The program received the International City/County Management Association (ICMA) Local Government Excellence Award in the Community Health and Safety category at the 2019 Annual Conference.

# AWARDS & ACCOLADES

## SHARING THE “LOVE”

For the second year in a row, Dallas Love Field airport earned the Airport Service Quality (ASQ) Award for Best Airport in North America in its size category. The ASQ program, administered by Airports Council International, is based on in-airport customer surveys and is the world’s leading airport passenger service and benchmarking program measuring passengers’ satisfaction across 34 key performance indicators. Love Field was also named to Travel + Leisure’s Top 10 Domestic Airports for the fifth straight year and moved up two spots to #8. The readers of Travel + Leisure specifically mentioned the airport’s helpful staff as a reason for ranking Love Field so highly.

## CARING FOR OUR FOUR-LEGGED FRIENDS

Dallas Animal Services’ (DAS) live release rate for dogs and cats hit a record high in FY 2020 (92.5 percent) and euthanasia was at an all-time low. Dallas was also one of the first 25 cities in the country to be certified by Mars’ Better Cities for Pets program, which recognizes cities’ commitment to improving the lives of pets and their people. Lastly, DAS’ long-time partner PetSmart Charities selected the City to apply for its invitation-only COVID-19 Relief Grant. Within hours of our grant submission, the national nonprofit awarded DAS the maximum amount of \$20,000 to support shelter operations during the COVID-19 response.

## STRIVING FOR EQUITY

The Office of Equity successfully launched the 2019 Equity Indicators Report in partnership with the Communities Foundation of Texas. The report provides a racial and socioeconomic disparities index that will serve as the focus of community and institutional partnerships to advance equity with the City.

Through the efforts of the Office of Welcoming Communities and Immigrant Affairs, Dallas became the first city in Texas to earn Certified Welcoming status in recognition of its inclusiveness for immigrants and refugees. Additionally, the National League of Cities bestowed the Cultural Diversity Award on the City for the successful launch of Dallas’ Culture Pass, which allows all Dallas Public Library cardholders to access free tickets at more than 35 arts organizations.

Finally, Dallas earned a perfect score (100) on the Human Rights Campaign Foundation’s 2019 Municipal Equality Index for the fifth consecutive year. HRC’s index score demonstrates the ways municipalities can and do support the LGBTQ community in their city. Dallas received recognition for having single-occupancy and all-gender facilities, transgender-inclusive health-care benefits, and openly LGBTQ elected or appointed municipal leaders.

# FINANCIAL INFORMATION

## FINANCIAL REPORTING ENTITIES

The financial statements of the City of Dallas 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 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 of Dallas 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 and the arts, entertainment, economic development, safety, the public welfare

# FINANCIAL INFORMATION

in the District, and educational scholarships for college-bound students residing in or out of the District

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

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

## FINANCIAL MANAGEMENT

Strong financial management within the City of Dallas 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 54 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 17-24
- Capital and Debt Management: Criteria 25-41
- Economic Development: Criteria 42-49
- Accounting, Auditing, and Financial Planning: Criteria 50-52
- Grants and Trusts: Criteria 53-54
- Dallas Water Utilities: Criteria DWU 1-13

# FINANCIAL INFORMATION

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), consisting of the assistant city managers and chiefs, Chief Information Officer, City Controller, and director of the Office of Budget and chaired by the Chief Financial Officer. The EFCC is the foundation for our internal control framework, monitors the external audit including any findings, and leads by an example that demonstrates the City's commitment to ethics and integrity.

The City also established a new contract management program under the oversight of the Chief Financial Officer to ensure parties meet their respective commitments efficiently and effectively and deliver the intended outcomes of the contract. As part of the program, each department has authorized individuals to monitor specific aspects of contract performance. More than 200 individuals have participated in a certification program to become Dallas Contracting Officer Representatives (D-COR). The D-COR program is a collaboration between the City Controller's Office and the Office of Procurement Services designed to strengthen knowledge and standardize the City's approach to contract management, including the development of contract monitoring plans. The City Controller's Office will be responsible for auditing the departments' use of the contract monitoring plans, as well as reviewing complex financial data when received.

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

Annually, each department is required to conduct a self-assessment of internal controls. The results of these assessments are reported to the City Manager with an action plan to correct any identified deficiencies. In addition, beginning with the FY 2017 audit, each department director was required to sign a management representation letter in connection with the preparation of these financial statements. Beginning this year, the City Controller's Office has significantly revised the 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

# FINANCIAL INFORMATION

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.

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 work with Grant Thornton, LLC, on the audit this year. We appreciate their professionalism.

# FINANCIAL INFORMATION

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

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

Respectfully submitted,



T.C. Broadnax  
City Manager



M. Elizabeth Reich  
Chief Financial Officer



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



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



# CITY OF DALLAS, TEXAS

## ELECTED OFFICIALS

### SEPTEMBER 30, 2020



Mayor Eric Johnson  
*At Large*



Jaime Resendez  
*District 5*



Deputy Mayor Pro Tem  
B. Adam McGough  
*District 10*



Chad West  
*District 1*



Omar Narvaez  
*District 6*



Lee Kleinman  
*District 11*



Mayor Pro Tem  
Adam Medrano  
*District 2*



Adam Bazaldua  
*District 7*



Cara Mendelsohn  
*District 12*



Casey Thomas, II  
*District 3*



Tennell Atkins  
*District 8*



Jennifer S. Gates  
*District 13*



Carolyn King Arnold  
*District 4*



Paula Blackmon  
*District 9*



David Blewett  
*District 14*



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

# CITY OF DALLAS, TEXAS

## APPOINTED OFFICIALS

### SEPTEMBER 30, 2020

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

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

The City Manager appoints an executive leadership team that collectively oversees the City's approximately 14,000 employees and almost \$4 billion budget.



**T.C. Broadnax**  
City Manager



**Kimberly B. Tolbert**  
Chief of Staff



**Majed Al-Ghafry**  
Assistant City Manager



**Jon Fortune**  
Assistant City Manager



**Joey Zapata**  
Assistant City Manager



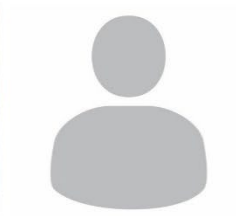
**Nadia Chandler  
Hardy**  
Assistant City Manager



**Dr. Eric Johnson**  
Chief of Economic  
Development and



**Elizabeth Reich**  
Chief Financial Officer



**Laila Alequresh**  
Chief Innovation  
Officer



**Liz Cedillo-Pereira**  
Chief of Equity and  
Inclusion

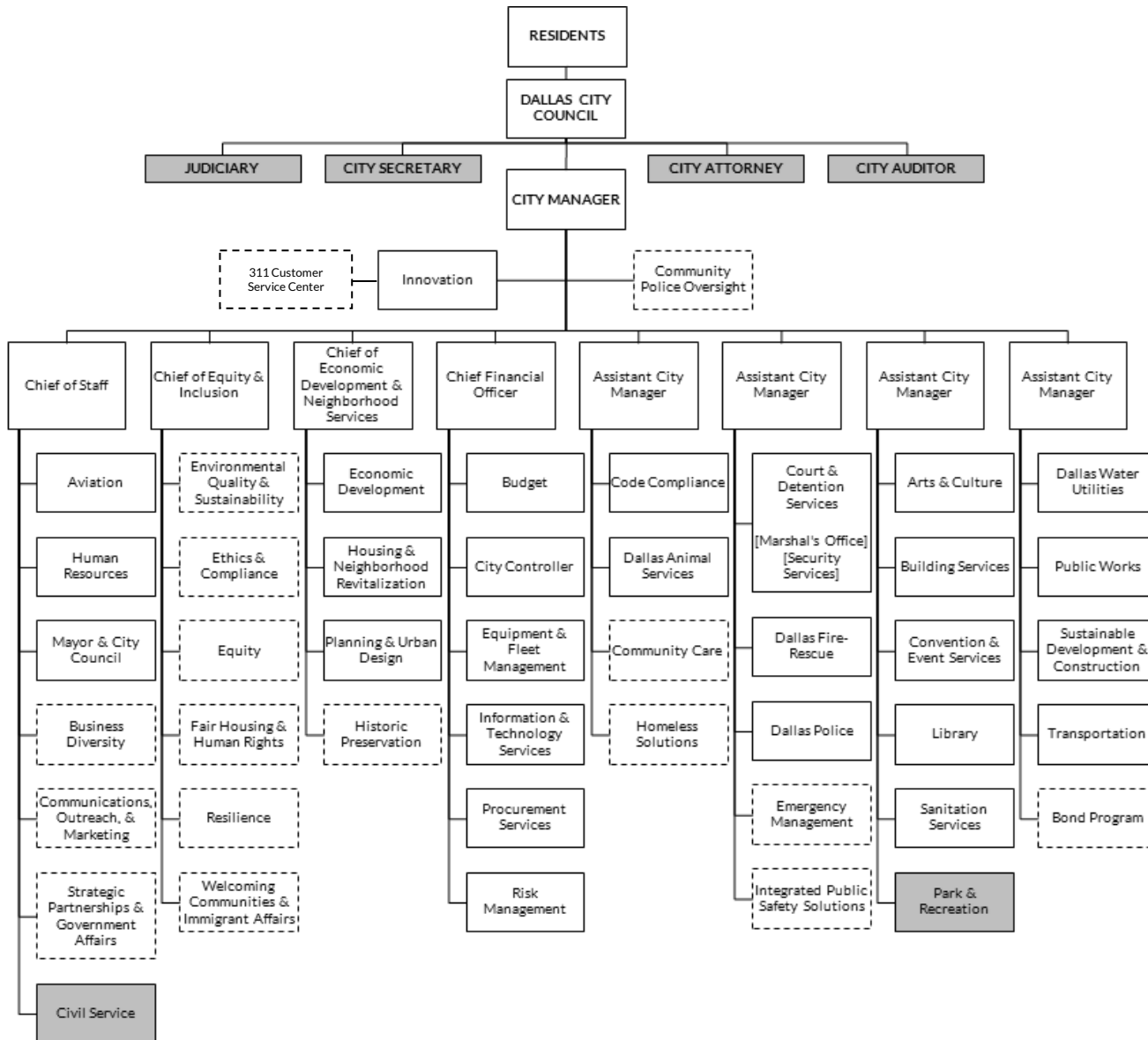
Additionally, the City Manager appoints all department directors except:

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

# CITY OF DALLAS, TEXAS ORGANIZATIONAL CHART SEPTEMBER 30, 2020

**Liaison**

**Management Services**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Dallas  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# **FINANCIAL SECTION**



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dallas, Texas (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Employees' Retirement Fund of the City of Dallas, 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 81%, 88%, and 54%, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information. We also did not audit the financial statements of the Dallas Housing and Acquisition Development Corporation, the Dallas Development Fund, and the Dallas Convention Center Hotel Development Corporation, which are discretely presented component units, which represent 90%, -96%, and 79%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12, and the Schedule of Changes in the City's Net Pension Liability and Related Ratios-Pension Plans, Schedule of City Contributions to Pension Plans, Notes to Schedule of City Contributions to Pension Plans, and Schedule of Changes in the City's Total Liability and Related Ratios - Other Postemployment Benefits on pages 106 through 112 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other 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 introductory section, combining and individual fund financial statements, budgetary comparison schedule-debt service fund, schedules of capital assets used in the operation of governmental funds, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

*Weaver and Tidwell, L.L.P.*  
WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
March 19, 2021



**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2020  
(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, 2020. The City's management's discussion and analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual major fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, which can be found on pages v-xxviii of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$1.2 billion.
- The City's governmental activities net position increased from the beginning net position by \$400 million while the business-type activities net position increased by \$62.8 million.
- As of the close of fiscal year 2020, the City's governmental funds reported combined ending fund balances of \$1.4 billion, an increase of \$45 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$277.5 million, or approximately 21.1 percent of the total general fund expenditures, including transfers out.
- The City's governmental long-term liabilities had a net increase of \$16.4 million from the prior balance of \$7.3 billion. The City's business-type activities long-term liabilities decreased \$33.5 million from the prior year's balance of \$5.1 billion.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 13-15 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 16, 18, 20, and 21 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 22-29 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 agency 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 30-31 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 32-105 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City's combined net position was approximately \$1.2 billion as of September 30, 2020. Analyzing the net position of governmental and business-type activities separately, the governmental activities had a deficit balance of approximately \$2.3 billion and the business-type activities net position was approximately \$3.5 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.

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

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 1,966,928	\$ 1,776,669	\$ 1,445,073	\$ 1,427,503	\$ 3,412,001	\$ 3,204,172
Capital assets	4,452,672	4,276,719	7,186,781	7,071,254	11,639,453	11,347,973
Total assets	6,419,600	6,053,388	8,631,854	8,498,757	15,051,454	14,552,145
Deferred outflows of resources	822,934	1,446,927	266,528	466,041	1,089,462	1,912,968
Long-term liabilities	7,283,358	7,266,924	5,099,930	5,133,462	12,383,288	12,400,386
Other liabilities	386,113	255,949	200,221	230,735	586,334	486,684
Total liabilities	7,669,471	7,522,873	5,300,151	5,364,197	12,969,622	12,887,070
Deferred inflows of resources	1,876,833	2,681,420	72,729	137,886	1,949,562	2,819,306
Net position:						
Net investment in capital assets	2,779,462	2,776,179	3,389,626	3,292,694	6,169,088	6,068,873
Restricted	477,600	272,002	421,790	394,465	899,390	666,467
Unrestricted (deficit)	(5,560,832)	(5,752,159)	(285,914)	(224,444)	(5,846,746)	(5,976,603)
Total net position (deficit)	<u>\$ (2,303,770)</u>	<u>\$ (2,703,978)</u>	<u>\$ 3,525,502</u>	<u>\$ 3,462,715</u>	<u>\$ 1,221,732</u>	<u>\$ 758,737</u>

The largest portion of the City's net position reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens and, consequently, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Overall, net position of the governmental activities increased \$400 million. This was mostly due to increases in ad valorem tax and operating grants and contributions, offset by decreases in special assessments and franchise fees, alcohol beverage tax, and investment income, as well as decreases in code enforcement, equipment and building services, culture and recreation, and housing expenses.

Long-term liabilities increased by \$16.4 million in the governmental activities due primarily to net decreases in bonds, certificates of obligation, notes, and capital leases payable of \$21.6 million, an increase in compensated absences of \$6.4 million, a decrease in other postemployment benefits of \$27.9 million, a decrease in developer payable of \$29 million, an increase in estimated unpaid claims of \$48.6 million, and an increase in net pension liability of \$43.7 million and a decrease in the sales tax refund liability of \$3.6 million.

The business-type activities long-term liabilities decreased \$33.5 million, due primarily to overall net decreases in other postemployment benefits and net pension liability of \$6.5 million and \$89.3 million, respectively, in addition to decreases in revenue bonds, notes, capital leases, and other financing agreements in the Convention Center, Aviation, Sanitation and non-major business-type activities of \$41.5 million, and in commercial notes payable in the Dallas Water Utilities of \$111.6 million, all of which related to payments and amortizations. This was offset by an increase in revenue bonds and commercial notes payable in the Dallas Water Utilities of \$216.7 million.

An additional portion of the City's net position (\$477.6 million governmental activities and \$421.8 million business-type activities) represents resources that are subject to external restrictions on how they may be used. The remaining balance in net position is unrestricted.

In governmental activities, there is a deficit unrestricted net position of \$5.6 billion as a result of long-term liabilities for items such as bonds, compensated absences, unfunded risk liabilities, net pension liability, other postemployment benefits, pollution remediation, pension obligation bonds, and sales tax liability. Because of the focus on current assets and liabilities, the City's budget is developed to address the needs of current operations. The City plans to fund long term liabilities in future budgets as those liabilities consume current assets. In business-type activities, there is a deficit unrestricted net position of \$285.9 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, 2020, with comparative totals for the fiscal year ended September 30, 2019. The governmental activities net position increased by \$400 million and business-type activities net position increased by \$62.8 million. Key elements of these changes in net position are as shown in the following table.

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

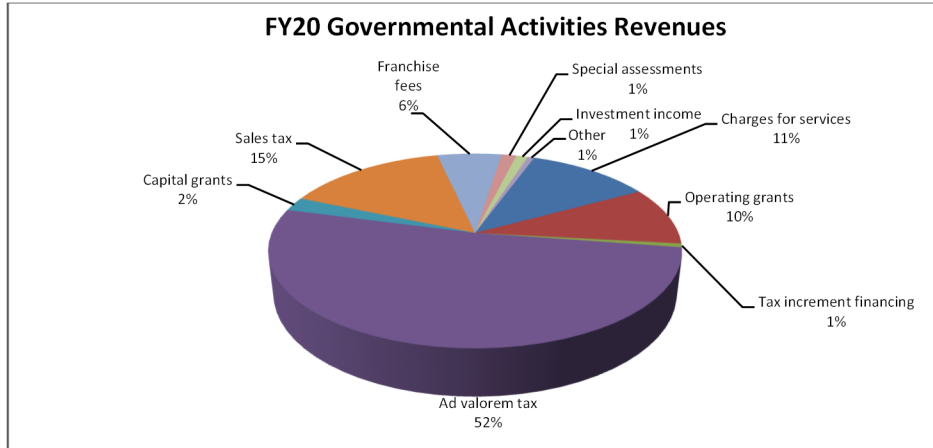
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 240,458	\$ 243,685	\$ 969,161	\$ 1,003,397	\$ 1,209,619	\$ 1,247,082
Operating grants and contributions	202,759	72,000	31,095	6,039	233,854	78,039
Capital grants and contributions	48,349	78,769	22,003	29,050	70,352	107,819
General revenues:						
Ad valorem tax	1,080,445	998,861	-	-	1,080,445	998,861
Tax increment financing revenue	12,553	12,766	-	-	12,553	12,766
Special assessments	28,525	33,038	-	-	28,525	33,038
Sales tax	314,385	320,413	-	-	314,385	320,413
Franchise fees	125,921	140,822	-	-	125,921	140,822
Hotel occupancy tax	-	-	41,602	67,836	41,602	67,836
Alcohol beverage tax	-	-	9,747	13,877	9,747	13,877
Investment income	22,885	36,304	18,823	28,999	41,708	65,303
Other	12,645	21,530	621	673	13,266	22,203
<b>Total revenues</b>	<b>2,088,925</b>	<b>1,958,188</b>	<b>1,093,052</b>	<b>1,149,871</b>	<b>3,181,977</b>	<b>3,108,059</b>
<b>Expenses:</b>						
General government	455,389	525,676	-	-	455,389	525,676
Public safety	674,112	672,991	-	-	674,112	672,991
Code enforcement	49,083	63,709	-	-	49,083	63,709
Environmental and health services	16,281	16,978	-	-	16,281	16,978
Streets, public works, and transportation	205,933	219,484	-	-	205,933	219,484
Equipment and building services	40,137	50,025	-	-	40,137	50,025
Culture and recreation	188,982	224,008	-	-	188,982	224,008
Housing	3,494	6,731	-	-	3,494	6,731
Human services	23,493	22,908	-	-	23,493	22,908
Interest on long-term debt	76,948	78,124	-	-	76,948	78,124
Dallas water utilities	-	-	591,692	604,779	591,692	604,779
Convention center	-	-	84,969	115,311	84,969	115,311
Airport revenues	-	-	152,267	163,250	152,267	163,250
Sanitation	-	-	116,743	132,349	116,743	132,349
Municipal radio	-	-	2,870	2,784	2,870	2,784
Building inspection	-	-	36,589	48,510	36,589	48,510
<b>Total expenses</b>	<b>1,733,852</b>	<b>1,880,634</b>	<b>985,130</b>	<b>1,066,983</b>	<b>2,718,982</b>	<b>2,947,617</b>
Excess before transfers	355,073	77,554	107,922	82,888	462,995	160,442
Transfers	45,135	40,530	(45,135)	(40,530)	-	-
<b>Increase in net position</b>	<b>400,208</b>	<b>118,084</b>	<b>62,787</b>	<b>42,358</b>	<b>462,995</b>	<b>160,442</b>
Net position (deficit) - beginning of year	(2,703,978)	(2,822,062)	3,462,715	3,420,357	758,737	598,295
<b>Net position (deficit) - end of year</b>	<b>\$ (2,303,770)</b>	<b>\$ (2,703,978)</b>	<b>\$ 3,525,502</b>	<b>\$ 3,462,715</b>	<b>\$ 1,221,732</b>	<b>\$ 758,737</b>

**Governmental Activities**

The governmental activities deficit net position decreased \$400 million in fiscal year 2020. Total revenues and transfers increased \$135 million, or 6.8 percent from fiscal year 2019. Significant changes in revenue include the following:

- Ad valorem tax revenues increased \$81.6 million due to an increase in the certified property tax values.
- Tax increment financing (intergovernmental revenue) decreased slightly (\$.2 million), primarily due to increases in the certified property tax values, offset by decreases in collections related to the Tourism Public Improvement District, as travel and tourism declined during the COVID-19 pandemic.
- Sales tax revenue decreased \$6 million due to decreased discretionary customer spending associated with restrictions for the COVID-19 pandemic.
- Franchise fee revenues decreased \$14.9 million, as Senate Bill 1152, adopted by the Texas legislature, became effective on January 1, 2020. This statute exempted cable television companies such from paying telephone right of way fees if the companies were paying cable television franchise fees.
- Operating grants and contributions increased by \$130.8 million, due primarily to the receipt of federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.
- Capital grants and contributions decreased \$30.4 million, due mainly to decreases in capital contributions from developers and outside entities.
- The average rate of return on investments decreased approximately 42.5 percent from 2.116 percent in fiscal year 2019 to 1.216 percent in fiscal year 2020. This decrease resulted in a decrease in investment income of \$13.4 million.

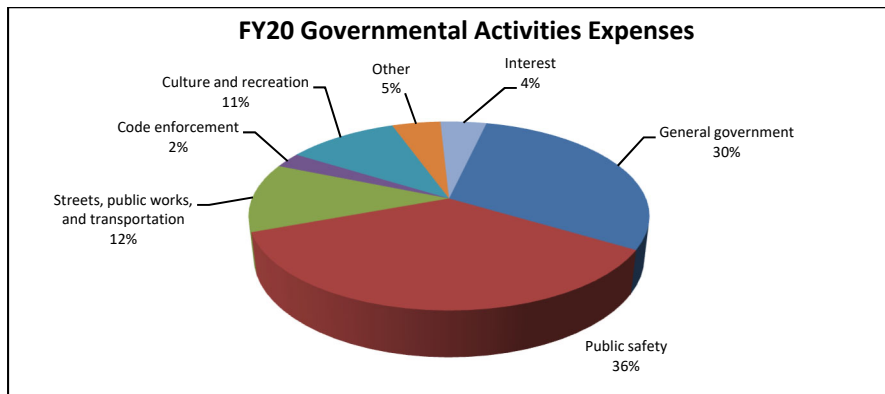
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Total governmental activities expenses decreased approximately \$146.8 million, or 7.8 percent, from fiscal year 2019. The most significant portion of expenses related to governmental activities is the cost of personnel and related benefits, which includes the recognition of pension expense of \$325 million and other postemployment benefits expense of \$11.2 million in fiscal year 2020. This is compared to recognition of pension expense of \$414 million and other postemployment benefit expense of \$37.9 million in fiscal year 2019.

General government expenses decreased \$70 million, primarily due to decreases pension expense and other postemployment benefits expense.

- Code enforcement expenses decreased \$14.6 million, due mainly to decreases in pension expense of approximately \$11.6 million, as well as a decrease of \$1.7 million in contractual services related to programming and demolition expenses.
- Equipment and building services expenses decreased \$9.9 million, primarily due to a decrease of approximately \$7.9 million in pension expense.
- Culture and recreation expenses decreased by \$35 million, due primarily to a decrease of approximately \$33 million in pension expense.
- Housing expenses decreased \$3.2 million, due mainly to a \$2.8 million decrease in pension expense.
- Transfers in increased \$4.6 million due to increased amounts transferred to governmental activities from the Convention Center business-type activity.



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**Business-type Activities**

Business-type activities net position increased \$62.8 million during fiscal year 2020. Total revenues decreased \$56.8 million from fiscal year 2019.

Significant changes in revenues include the following:

- During fiscal year 2020, Dallas Water Utilities operating revenues increased \$18.4 million from increased consumption combined with a 2.9 percent increase in wholesale rates, offset by a 4.1 percent retail rate decrease. Investment income decreased \$5.8 million, due mainly to decreases in interest rates during fiscal year 2020.
- Convention Center customer charges, alcohol beverage tax, and hotel occupancy tax decreased \$11.5 million, \$4.1 million, and \$26.2 million due to significant reductions in activities during the COVID-19 pandemic. In addition, investment income decreased \$1.2 million due to decreases in interest rates during fiscal year 2020.
- During fiscal year 2020, total airport revenues decreased \$10.1 million. This was primarily due to decreases in concession revenues, charges for services revenues, and passenger facilities charges related to decreases in travel during the COVID-19 pandemic, offset by an increase in intergovernmental revenue from the Federal Aviation Administration CARES Act grant.
- Sanitation customer charges decreased slightly by \$1.4 million.

Total business-type activities expenses increased \$81.9 million from fiscal year 2019. The following items contributed to changes in expenses during fiscal year 2020:

- Dallas Water Utilities personnel expenses decreased \$40 million, mainly due to a \$39.7 decrease in pension expenses and a \$1.1 million decrease in other postemployment benefits expense, offset by a slight increase in workers compensation expense. Contractual services expense increased by \$25.8 million, mostly due to an increase in bad debt expense, an increase in professional services expense, and an increase in repair and maintenance service equipment expense. Supplies and materials expense decreased \$2.6 million, primarily due to a decrease in light and power expenses.
- Convention Center personnel services decreased \$10.4 million due to primarily to a decrease of \$6.4 million in pension expense and an additional \$4 million in reduced expenses for salaries and benefits. Fiscal year 2020 was the first full year of Convention Center management by a contracted management company. Contractual and other services decreased \$18.5 million mainly due to overall decreases in operations expenses, including significantly reduced payments to the contracted management company for contractual service expenses due to reduced activity during the COVID-19 pandemic.
- Airport personnel expenses decreased \$8.8 million due primarily to a decrease in pension expense of approximately \$9.9 million, offset slightly by overall increases in salaries and benefits. Contractual services expense decreased \$4.3 million primarily due to a decrease of \$3.2 million decreases in contractor service fees, security services, and miscellaneous special services.
- Sanitation personnel expenses decreased \$15.7 million due primarily to decrease in pension expense of \$16 million, offset slightly by increases in salaries and benefits.
- Personnel services in the nonmajor enterprise funds decreased \$11.9 million, due to a decrease in pension expense.

**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 2020, the City's governmental funds reported combined ending fund balance of \$1.4 billion, an increase of \$45 million in comparison with the prior fiscal year fund balance. The nonmajor capital projects fund balance decreased \$43.9 million, due mainly to capital expenditures related to current and prior year debt issuance, offset by the issuance of certificates of obligation and equipment acquisition notes. The nonmajor special revenue funds fund balance increased \$29 million, mainly due to \$11.4 million in transfers in to the Management Improvement Fund for activities related to response to the October 2019 storm event and an increase in the Stormwater Operations fund balance of \$10.1 million, which will be used for future capital expenditures, offset by a decrease of \$2.4 million in expenses in the Recreation Fund during the COVID-19 pandemic.

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The general fund is the chief operating fund of the City, and its fund balance increased \$47.5 million in fiscal year 2020 compared to the prior year's increase of \$40.9 million. This increase was primarily due to increases of \$50.7 million in ad valorem tax related to increases in property tax valuations, offset by decreases in sales tax of \$6 million, due to decreased consumer activity during the COVID-19 pandemic. Also, franchise fees decreased in the amount of \$14.8 million as a result of the Texas legislature's approval of Senate bill 1152. Licenses and permits decreased \$3.7 million and fines and forfeitures declined \$3.5 million. The decreases in license and permits and fines and forfeitures was mainly due to restrictions related to the COVID-19 pandemic. Additionally, interest revenue decreased \$2.8 million, due to decreases in interest rates during the fiscal year. Transfers in increased \$7.5 million, mainly due to transfers from Convention Center fund. While expenditures only increased \$4.8 million overall, general government expenditures decreased \$17.6 million, and culture and recreation expenditures decreased \$8.8 million, while public safety and capital outlay expenditures increased by \$18.7 million and \$3.7 million, respectively. The general government expenditures decreased mainly due to one-time expenditures in the prior fiscal year, including \$1.5 million for 911 system maintenance, \$2.8 million in payments to the Risk Fund for claims, a \$5.2 million payment for sales tax overpayments, a \$2.3 million in expenditure to Dallas County for election costs, and a \$1 million decrease in professional services expenditures. Public safety expenditures increased due primarily to increases in police overtime, especially during the spring and summer of 2020. Principal expenditures for long-term liabilities increased \$6.3 million. Transfers out decreased \$163 million, due to a transfer in the prior year from the general fund to the risk fund related to legal claims, while bond issuance and premiums in the general fund decreased \$174.4 million, as the City issued bonds in fiscal year 2019 to cover legal claims.

Approximately \$277.5 million of the general fund's total fund balance of \$344.6 million constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it is 1) nonspendable in form or required to be maintained intact; 2) restricted for a specific purpose by constitution, external resource providers, or through enabling legislation; 3) committed by a formal action of Council for a specific purpose; or 4) assigned and intended to be used by the government for a specific purpose for contracts and purchase orders of the prior period.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.1 percent of total general fund expenditures and transfers out, while total fund balance represents 26.2 percent of that same amount.

The debt service fund had a total fund balance of \$46.6 million at September 30, 2020 restricted for the payment of debt service. The debt service fund balance increased during the current year by \$12.3 million primarily due to increases in ad valorem tax revenues.

**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, Airport Revenues Fund, and Sanitation at the end of the year amounted to deficit balances of \$179 million, \$6.7 million, and \$162.8 million, respectively. The unrestricted net position in the Convention Center was \$102.6 million. The total change in net position was an increase of \$46.3 million in Dallas Water Utilities, a decrease of \$5.5 million in Convention Center, an increase of \$28.5 million in the Airport Revenues Fund, and a decrease of \$2.2 million in Sanitation. Factors regarding the finances of these funds are addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

During the fiscal year, the final amended revenue budget represented a less than one percent decrease from the original budget and the final amended expenditure budget represented a less than one percent decrease from the original budget.

Actual budgetary basis revenues and transfers-in were lower by \$33.1 million, or 2.3 percent from final budgeted amounts. This was primarily due to actual revenues being unexpectedly lower than the final budgeted revenues sales tax in the amount of \$14.8 million, services to others in the amount of \$19 million, and fines and forfeitures in the amount of \$2.9 million. These differences were primarily due to the COVID-19 pandemic, and were offset mainly by ad valorem tax and intergovernmental revenue actual amounts exceeding final budgeted amounts by \$1.7 million and \$2.6 million, respectively. Actual budgetary expenditures and transfers out were lower than the final amended budget by \$83.6 million, or 5.8 percent, due mainly to most general fund departments experiencing overall cost savings during fiscal year 2020.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of September 30, 2020, the City had approximately \$11.6 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (see table 3). This amount represents a net increase of \$291.5 million or 2.6 percent over the prior fiscal year.

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

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 516,027	\$ 514,468	\$ 344,243	\$ 341,478	\$ 860,270	\$ 855,946
Artwork	49,953	49,806	5,574	3,402	55,527	53,208
Construction in progress	541,801	426,813	1,180,155	1,236,992	1,721,956	1,663,805
Water rights	-	-	222,838	226,380	222,838	226,380
Buildings	828,151	851,767	1,241,674	1,277,718	2,069,825	2,129,485
Improvements other than buildings	481,164	480,166	418,626	356,482	899,790	836,648
Equipment	209,373	198,941	310,116	291,640	519,489	490,581
Infrastructure assets	1,826,203	1,754,758	318,186	328,406	2,144,389	2,083,164
Utility property	-	-	3,145,369	3,008,756	3,145,369	3,008,756
<b>Totals</b>	<b>\$ 4,452,672</b>	<b>\$ 4,276,719</b>	<b>\$ 7,186,781</b>	<b>\$ 7,071,254</b>	<b>\$ 11,639,453</b>	<b>\$ 11,347,973</b>

Some of the major additions for fiscal year 2020 included (gross additions – in millions):

Street and transportation improvements	\$ 97.2
Flood control/storm drainage improvements	10.5
Runyon Creek Greenbelt Trail	5.4
Wheatland Road Phase 1B	3.0
Land acquisitions	4.3
Equipment acquisitions	61.9
Water and wastewater facilities	212.1
<b>Total</b>	<b>\$ 394.4</b>

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

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

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



**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2020  
(Unaudited)

**Debt**

At fiscal year-end, the City had \$4.7 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 1,656,924	\$ 1,807,978	\$ 4,346	\$ 5,167	\$ 1,661,270	\$ 1,813,145
Certificates of obligation	21,200	7,610	-	-	21,200	7,610
Equipment acquisition obligations	29,665	-	-	-	29,665	-
Pension obligation bonds	158,703	164,580	72,778	75,473	231,481	240,053
Revenue bonds	-	-	2,749,893	2,914,345	2,749,893	2,914,345
Water transmission facilities financing agreement	-	-	414,757	425,442	414,757	425,442
Obligation for revenue credit agreement	-	-	407,460	415,960	407,460	415,960
<b>Total</b>	<b>\$ 1,866,492</b>	<b>\$ 1,980,168</b>	<b>\$ 3,649,234</b>	<b>\$ 3,836,387</b>	<b>\$ 5,515,726</b>	<b>\$ 5,816,555</b>

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

In July 2020, the City issued Equipment Acquisition Contractual Obligations, Series 2020, of \$29.7 million with a premium of \$3.6 million, a stated interest rate of 5.0 percent, and a final maturity of February 15, 2025. The certificates will be used for financing the purchase of City equipment.

In July 2020, the City issued Certificates of Obligation, Series 2020, of \$16 million with a premium of \$0.2 million, a stated interest rate range of 1.125 percent to 4.125 percent, and a final maturity of February 15, 2025. The bonds were issued for the purpose of financing capital improvements to City facilities damages by severe storms, pursuant to the authority granted by Subchapter C of Chapter 271, Texas Local Government Code (the certificate of Obligation Act of 1971"), as amended.

In May 2020, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds Series 2020A and Series 2020B of \$66 million and interest rates ranging from 0.03 percent to 0.63 percent. Final maturity will occur on October 1, 2049. The bonds were issued to fund capital construction projects.

In July 2020, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds Series 2020C and Series 2020D of \$645.5 million and interest rates ranging from 4.0 percent to 5.0 percent. Final maturity will occur on October 1, 2049. The bonds were issued to refund previously issued waterworks and sewer system bonds and to refund outstanding commercial paper used by Dallas Water Utilities to fund capital construction projects. Proceeds of \$456.3 million were deposited with an escrow agent to be used to pay the outstanding amount of the refunded bonds. As a result, \$424.2 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. The refunding resulted in a difference of \$13.5 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 \$118.5 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of \$92.6 million.

The City's General Obligation, General Obligation Pension, Waterworks and Sewer System, General Airport Revenue, Civic Center Convention Complex, Dallas Convention Center Development Corp, and Downtown Dallas Development Authority bonds' underlying ratings as of September 30, 2020 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	A1	A	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.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2020  
(Unaudited)

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

The Dallas City Council has identified eight strategic priorities – Economic Development; Environment and Sustainability; Government Performance and Financial Management; Housing and Homelessness Solutions; Public Safety; Quality of Life, Arts, and Culture; Transportation and Infrastructure; and Workforce, Education, and Equity. Property value for the tax roll as of January 1, 2020 was \$147.4 billion; which is a 5.1 percent increase from the 2019 tax roll. The adopted fiscal year 2020-21 tax rate of \$0.7763 per \$100 valuation is a \$0.0003 reduction from the fiscal year 2019-20 adopted tax rate of \$.7766. The fiscal year 2020-21 budget of \$3.85 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 water and sewer rates increased about 1% for fiscal year 2020-21.

The City of Dallas is experiencing areas of economic growth. The City's unemployment rate of 6.6 percent is below the national average of 7.3 percent. Property tax revenue is the single largest revenue source and accounts for 54.7 percent of general fund revenue. Fiscal year 2021 will mark the ninth consecutive year of growth in property value. As the second largest revenue source in general fund, sales tax revenue is projected at \$296.3 million for fiscal year 2020-21; which is a 9 percent decrease from the fiscal year 2019-20 budget. The combined property tax and sales tax revenue in the general fund budget is projected to increase \$8.3 million from fiscal year 2020 to fiscal year 2021.

In fiscal year 2021, the City will continue to focus on service first to meet the citizens needs with empathy, ethics, excellence, and equity. It makes significant investments in: basic needs like jobs, housing, and access to food and health care; streets, sidewalks, and water in unserved and underserved neighborhoods; programs to engage our youth, care of our seniors, and support formerly incarcerated residents reentering the community, and lift up those in financial distress; and alternatives to policing that match the response to the need, from mental health counseling to community-based violence interruption programs.

The City's fiscal year 2021 capital budget also provides \$350.5 million for water utilities capital improvements, \$60.9 million for City facilities, \$125.8 million for aviation facilities, \$.4 million for cultural facilities, \$118.5 million for economic development, \$58 million for parks and recreation, \$26.5 million for storm drainage management, \$18.5 million for sanitation services, and \$20.6 million for streets and transportation.

**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.

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
September 30, 2020  
(in thousands)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	Governmental	Business-type
<b>Assets</b>					
Cash and cash equivalents	\$ 863,450	\$ 489,539	\$ 1,352,989	\$ 48,629	\$ 122,824
Other investments, at fair value	13,561	-	13,561	2,514	-
Receivables, net	262,034	111,662	373,696	1,219	6,077
Internal balances	(5,927)	5,927	-	-	-
Prepaid items	355	8,906	9,261	30	5,442
Inventories, at cost	18,665	17,404	36,069	-	719
Other assets	2,804	-	2,804	1,593	114
Restricted assets:					
Cash and cash equivalents	811,986	607,085	1,419,071	8,846	30,838
Other investments, at fair value	-	113,130	113,130	-	37,052
Future pipeline reserve capacity rights	-	66,079	66,079	-	-
Customer assessments	-	684	684	-	-
Escrow deposit	-	24,657	24,657	-	-
Capital assets:					
Land	516,027	344,243	860,270	1,270	27,511
Artwork	49,953	5,574	55,527	-	-
Construction in progress	541,801	1,180,155	1,721,956	-	13,226
Water rights	-	353,910	353,910	-	-
Buildings	1,466,130	2,023,310	3,489,440	-	332,813
Improvements other than buildings	753,580	621,878	1,375,458	-	-
Equipment	787,271	882,154	1,669,425	-	47,154
Infrastructure assets	2,946,741	605,077	3,551,818	-	-
Utility property	-	4,533,289	4,533,289	-	-
Less accumulated depreciation	(2,608,831)	(3,362,809)	(5,971,640)	-	(108,530)
Total assets	<u>6,419,600</u>	<u>8,631,854</u>	<u>15,051,454</u>	<u>64,101</u>	<u>515,240</u>
<b>Deferred outflows of resources</b>					
Deferred loss on refunding	7,459	55,383	62,842	-	-
Deferred outflows of resources related to pensions	773,332	201,023	974,355	-	-
Deferred outflows of resources related to other postemployment benefits	42,143	10,122	52,265	-	-
Other deferred outflows of resources	-	-	-	-	484
Total deferred outflows of resources	<u>822,934</u>	<u>266,528</u>	<u>1,089,462</u>	<u>-</u>	<u>484</u>
<b>Liabilities</b>					
Accrued payroll	10,604	4,199	14,803	384	1,461
Accounts payable	78,171	31,319	109,490	25,363	8,964
Due to other governments	3,551	692	4,243	-	-
Contracts payable	83,339	-	83,339	-	-
Developer payable	-	-	-	-	-
Other liabilities	36,726	2,410	39,136	663	75
Construction accounts payable	15,224	69,750	84,974	-	-
Accrued bond interest payable	11,415	54,590	66,005	181	15,054
Unearned revenue	139,925	11,638	151,563	1,510	8,248
Customer deposits	7,158	22,060	29,218	-	-
Customer construction advances	-	3,563	3,563	-	-
Noncurrent liabilities:					
Due within one year	304,879	184,275	489,154	3,208	10,325
Due in more than one year	6,978,479	4,915,655	11,894,134	87,605	447,551
Total liabilities	<u>7,669,471</u>	<u>5,300,151</u>	<u>12,969,622</u>	<u>118,914</u>	<u>491,678</u>
<b>Deferred inflows of resources</b>					
Deferred inflows of resources related to pensions	1,816,559	58,429	1,874,988	-	-
Deferred inflows of resources related to other postemployment benefits	60,274	14,300	74,574	-	-
Other deferred inflows of resources	-	-	-	-	25
Total deferred inflows of resources	<u>1,876,833</u>	<u>72,729</u>	<u>1,949,562</u>	<u>-</u>	<u>25</u>
<b>Net position</b>					
Net investment in capital assets	2,779,462	3,389,626	6,169,088	326	(62,346)
Restricted for:					
Capital projects	167,268	-	167,268	-	-
Debt service	37,258	281,450	318,708	8,375	-
General government	82,959	-	82,959	-	-
Storm water operations	83,770	-	83,770	-	-
Public safety	15,601	-	15,601	-	-
Culture and recreation	46,304	-	46,304	-	-
Streets and transportation	18,428	-	18,428	-	-
Other purposes	15,686	-	15,686	-	-
Permanent funds - nonexpendable	10,326	-	10,326	-	-
Emergency repairs and replacements	-	5,000	5,000	-	-
Operation and maintenance expenses	-	38,441	38,441	-	-
Passenger facility charges	-	96,899	96,899	-	-
Unrestricted (deficit)	(5,560,832)	(285,914)	(5,846,746)	(63,514)	86,367
Total net position (deficit)	<u>\$ (2,303,770)</u>	<u>\$ 3,525,502</u>	<u>\$ 1,221,732</u>	<u>\$ (54,813)</u>	<u>\$ 24,021</u>

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2020  
(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	\$ 455,389	\$ 128,650	\$ 24,945	\$ 28,816
Public safety	674,112	83,899	60,088	-
Code enforcement	49,083	8,044	3,953	-
Environmental and health services	16,281	120	69,076	-
Streets, public works, and transportation	205,933	7,117	1,625	16,318
Equipment and building services	40,137	394	2,161	-
Culture and recreation	188,982	11,859	5,433	3,215
Housing	3,494	375	-	-
Human services	23,493	-	35,478	-
Interest on long-term debt	76,948	-	-	-
Total governmental activities	<u>1,733,852</u>	<u>240,458</u>	<u>202,759</u>	<u>48,349</u>
Business-Type activities:				
Dallas water utilities	591,692	635,940	-	18,910
Convention center	84,969	29,725	2,712	500
Airport revenues	152,267	146,976	28,383	2,593
Sanitation	116,743	122,154	-	-
Municipal radio	2,870	1,500	-	-
Building inspection	36,589	32,866	-	-
Total business-type activities	<u>985,130</u>	<u>969,161</u>	<u>31,095</u>	<u>22,003</u>
Total primary government	<u>2,718,982</u>	<u>1,209,619</u>	<u>233,854</u>	<u>70,352</u>
Component units:				
Governmental	33,074	2,890	-	-
Business-Type	115,804	105,415	-	-
Total component units	<u>148,878</u>	<u>108,305</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  
Net position (deficit), end of year

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Governmental	Business-Type	
\$ (272,978)	\$ -	\$ (272,978)	\$ -	\$ -	
(530,125)	-	(530,125)	-	-	
(37,086)	-	(37,086)	-	-	
52,915	-	52,915	-	-	
(180,873)	-	(180,873)	-	-	
(37,582)	-	(37,582)	-	-	
(168,475)	-	(168,475)	-	-	
(3,119)	-	(3,119)	-	-	
11,985	-	11,985	-	-	
(76,948)	-	(76,948)	-	-	
<u>(1,242,286)</u>	<u>-</u>	<u>(1,242,286)</u>	<u>-</u>	<u>-</u>	
-	63,158	63,158	-	-	
-	(52,032)	(52,032)	-	-	
-	25,685	25,685	-	-	
-	5,411	5,411	-	-	
-	(1,370)	(1,370)	-	-	
-	(3,723)	(3,723)	-	-	
-	37,129	37,129	-	-	
<u>(1,242,286)</u>	<u>37,129</u>	<u>(1,205,157)</u>	<u>-</u>	<u>-</u>	
			(30,184)	-	
			-	(10,389)	
			<u>(30,184)</u>	<u>(10,389)</u>	
1,080,445	-	1,080,445	-	-	
12,553	-	12,553	33,095	-	
28,525	-	28,525	-	-	
314,385	-	314,385	-	-	
125,921	-	125,921	-	-	
-	41,602	41,602	-	-	
-	9,747	9,747	-	-	
22,885	18,823	41,708	131	3,921	
12,645	621	13,266	1,015	18,831	
45,135	(45,135)	-	-	-	
<u>1,642,494</u>	<u>25,658</u>	<u>1,668,152</u>	<u>34,241</u>	<u>22,752</u>	
400,208	62,787	462,995	4,057	12,363	
<u>(2,703,978)</u>	<u>3,462,715</u>	<u>758,737</u>	<u>(58,870)</u>	<u>11,658</u>	
<u>\$ (2,303,770)</u>	<u>\$ 3,525,502</u>	<u>\$ 1,221,732</u>	<u>\$ (54,813)</u>	<u>\$ 24,021</u>	

**CITY OF DALLAS, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
September 30, 2020  
(in thousands)

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Pooled cash and cash equivalents	\$ 328,272	\$ 45,694	\$ 359,319	\$ 733,285
Other investments, at fair value	-	-	13,561	13,561
Receivables:				
Ad valorem tax	31,959	12,637	-	44,596
Sales tax	48,360	-	-	48,360
Notes	341	-	58,391	58,732
Special assessments-paving notes	-	-	5,889	5,889
Accounts	101,649	-	45,423	147,072
Accrued interest	407	28	1,178	1,613
Allowance for uncollectible accounts	(54,690)	(10,837)	(31,126)	(96,653)
Due from other governments	11,661	-	40,651	52,312
Due from other funds	5,884	-	-	5,884
Prepaid items	49	-	277	326
Inventories, at cost	15,336	-	-	15,336
Restricted cash and cash equivalents	-	-	811,986	811,986
Notes receivable from other funds	-	-	4,161	4,161
Total assets	<u>489,228</u>	<u>47,522</u>	<u>1,309,710</u>	<u>1,846,460</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accrued payroll	8,569	-	763	9,332
Accounts payable	35,215	-	28,173	63,388
Due to other funds	268	-	5,884	6,152
Unearned revenue	3,063	-	136,862	139,925
Due to other governments	3,550	-	1	3,551
Construction accounts payable	-	-	15,224	15,224
Notes payable to other funds	-	-	9,820	9,820
Customer deposits	7,092	-	66	7,158
Contracts payable	-	-	83,339	83,339
Other liabilities	30,110	-	643	30,753
Total liabilities	<u>87,867</u>	<u>-</u>	<u>280,775</u>	<u>368,642</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	<u>56,730</u>	<u>968</u>	<u>44,618</u>	<u>102,316</u>
<b>Fund balances</b>				
Nonspendable	15,385	-	10,326	25,711
Restricted	8,724	46,554	943,814	999,092
Committed	2,000	-	30,177	32,177
Assigned	41,071	-	-	41,071
Unassigned	277,451	-	-	277,451
Total fund balance	<u>344,631</u>	<u>46,554</u>	<u>984,317</u>	<u>1,375,502</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 489,228</u>	<u>\$ 47,522</u>	<u>\$ 1,309,710</u>	<u>\$ 1,846,460</u>

**CITY OF DALLAS, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
September 30, 2020  
(in thousands)

Total fund balances - governmental funds \$ 1,375,502

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	514,331	
Artwork	49,953	
Construction in progress	541,672	
Infrastructure assets	2,944,919	
Buildings	1,461,695	
Improvements other than buildings	752,511	
Equipment	672,109	
Accumulated depreciation	<u>(2,505,983)</u>	
Total capital assets		4,431,207

Deferred outflows from refunding of debt represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. 7,459

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 102,316

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. (143,154)

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	2,185,462	
Capital leases	98,185	
Accrued interest on bonds and notes	11,415	
Developer payable	135,146	
Notes payable	25,484	
Commercial paper notes payable	163,500	
Compensated absences	116,142	
Pollution remediation	<u>3,286</u>	
Total long-term liabilities		(2,738,620)

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

Net pension liability	3,840,308	
Deferred outflows of resources	(719,085)	
Deferred inflows of resources	<u>1,802,492</u>	
		<u>(4,923,715)</u>

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	397,703	
Deferred outflows of resources	(39,735)	
Deferred inflows of resources	<u>56,797</u>	
		<u>(414,765)</u>

Net position (deficit) of governmental activities \$ (2,303,770)

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

For the Year Ended September 30, 2020  
(in thousands)

	General	Debt Service	Nonmajor Governmental Funds	Total
<b>Revenues:</b>				
Ad valorem tax	\$ 728,339	\$ 265,699	\$ 82,938	\$ 1,076,976
Tax increment financing, intergovernmental	-	-	12,553	12,553
Sales tax	314,385	-	-	314,385
Franchise fees	120,944	-	4,977	125,921
Licenses and permits	8,675	-	599	9,274
Intergovernmental	15,669	-	195,501	211,170
Service to others	102,021	-	94,525	196,546
Fines and forfeitures	24,317	-	734	25,051
Investment income	6,296	1,138	14,452	21,886
Special assessments	-	1,219	27,306	28,525
Contributions and gifts	133	-	33,719	33,852
Confiscated money awards	-	-	2,661	2,661
Other revenues	6,496	-	2,119	8,615
<b>Total revenues</b>	<b>1,327,275</b>	<b>268,056</b>	<b>472,084</b>	<b>2,067,415</b>
<b>Current expenditures:</b>				
General government	150,372	-	290,473	440,845
Public safety	792,917	-	61,508	854,425
Code enforcement	41,188	-	3,440	44,628
Environmental and health services	-	-	15,691	15,691
Streets, public works, and transportation	97,301	-	29,272	126,573
Equipment and building services	21,651	-	3,532	25,183
Culture and recreation	132,749	-	17,163	149,912
Housing	2,707	-	-	2,707
Human services	-	-	21,806	21,806
<b>Debt service:</b>				
Principal	29,237	159,341	15,937	204,515
Interest and fiscal charges	3,287	101,684	721	105,692
Capital outlay	14,030	-	282,382	296,412
<b>Total expenditures</b>	<b>1,285,439</b>	<b>261,025</b>	<b>741,925</b>	<b>2,288,389</b>
Excess (deficiency) of revenues over (under) expenditures	41,836	7,031	(269,841)	(220,974)
<b>Other financing sources (uses):</b>				
Transfers in	34,809	5,232	57,276	97,317
Transfers out	(29,488)	(9)	(13,863)	(43,360)
Proceeds from sale of capital assets	320	-	-	320
Premium on debt issued	-	-	3,798	3,798
Issuance of certificates of obligation	-	-	45,665	45,665
Inception of capital lease	-	-	2,456	2,456
Issuance of notes	-	-	160,000	160,000
<b>Total other financing sources (uses)</b>	<b>5,641</b>	<b>5,223</b>	<b>255,332</b>	<b>266,196</b>
Net change in fund balances	47,477	12,254	(14,509)	45,222
Fund balances, beginning of year	297,154	34,300	998,826	1,330,280
Fund balances, end of year	<b>\$ 344,631</b>	<b>\$ 46,554</b>	<b>\$ 984,317</b>	<b>\$ 1,375,502</b>



**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, 2020  
(in thousands)

Net change in fund balances-total governmental funds \$ 45,222

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 expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	296,412	
Capital contributions	6,219	
Capital assets acquired through developer payable	3,750	
Depreciation expense	(132,079)	
Net adjustment		174,302

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	(320)	
Net gain on disposal of capital assets	15	
		(305)

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.

(365)

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	(3,798)	
General obligation bonds	(45,665)	
Notes payable	(160,000)	
Capital leases	(2,456)	
Repayments:		
Capital lease liability	23,187	
Sales tax refund liability	3,618	
Note principal payment	18,369	
Bond principal payments	159,341	
Net adjustment		(7,404)

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.

Decrease in accrued interest payable	493	
Amortization of premium, discount and refunding deferral	29,012	
Accretion on capital appreciation bonds	(761)	
Decrease in pollution remediation liability	177	
Increase in compensated absences	(6,193)	
Increase in developer payable	28,988	
Total adjustment		51,716

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.

(38,649)

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.

182,071

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.

(6,380)

Change in net position of governmental activities

\$ 400,208

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, 2020

(in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Ad valorem taxes	\$ 787,420	\$ 787,421	\$ 789,114	\$ 1,693
Sales tax	325,566	325,566	310,737	(14,829)
Other tax and franchise revenues	129,340	122,740	120,944	(1,796)
Licenses and permits	5,154	5,154	4,486	(668)
Intergovernmental	11,383	13,049	15,670	2,621
Services to others	127,077	123,317	104,353	(18,964)
Fines and forfeitures	27,222	27,222	24,313	(2,909)
Investment income	4,664	4,664	5,544	880
Misc revenue	6,685	6,685	7,530	845
Total revenues	<u>1,424,511</u>	<u>1,415,818</u>	<u>1,382,691</u>	<u>(33,127)</u>
<b>Expenditures:</b>				
<b>General government</b>				
City attorney's office	18,483	18,483	16,884	1,599
City auditor's office	3,399	3,399	2,584	815
Office of budget	3,879	3,879	3,628	251
Non-departmental	105,564	101,709	97,015	4,694
Independent audit	945	945	729	216
City controller's office	7,211	7,761	6,504	1,257
City manager's office	2,937	2,937	2,468	469
Municipal court - Judiciary	3,807	3,807	3,604	203
Court and detention services	22,637	20,980	19,756	1,224
Jail contract-Lew Sterrett	9,158	9,158	9,157	1
Civil service	3,275	3,275	2,708	567
Sustainable development and construction	1,859	1,859	2,300	(441)
Office of economic development	5,366	5,366	4,696	670
Mayor and city council	5,018	5,118	4,476	642
Office of management services	36,995	37,111	29,471	7,640
Human resources	6,557	6,466	5,711	755
Procurement services	3,021	3,021	2,374	647
Elections	99	99	84	15
City secretary's office	3,039	3,039	2,871	168
Total general government	<u>243,249</u>	<u>238,412</u>	<u>217,020</u>	<u>21,392</u>
<b>Public safety</b>				
Dallas police department	516,967	516,967	495,085	21,882
Dallas fire department	317,747	320,300	305,117	15,183
9-1-1 systems operations	15,293	15,293	14,505	788
Total public safety	<u>850,007</u>	<u>852,560</u>	<u>814,707</u>	<u>37,853</u>
<b>Code enforcement</b>				
Code compliance	30,477	30,477	28,355	2,122
Dallas animal services	15,635	15,635	13,739	1,896
Total code enforcement	<u>46,112</u>	<u>46,112</u>	<u>42,094</u>	<u>4,018</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, 2020  
(in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Public works and transportation				
Public works	\$ 77,176	\$ 78,609	\$ 77,261	1,348
Transportation	45,271	44,588	41,463	3,125
Total public works and transportation	<u>122,447</u>	<u>123,197</u>	<u>118,724</u>	<u>4,473</u>
Building services	<u>23,311</u>	<u>23,111</u>	<u>22,034</u>	<u>1,077</u>
Culture and recreation				
Library	33,876	32,276	28,553	3,723
Office of cultural affairs	20,866	20,866	18,497	2,369
Park and recreation	98,596	93,337	90,711	2,626
Total culture and recreation	<u>153,338</u>	<u>146,479</u>	<u>137,761</u>	<u>8,718</u>
Housing and neighborhood revitalization	<u>3,270</u>	<u>3,270</u>	<u>2,885</u>	<u>385</u>
Planning and urban design	<u>3,397</u>	<u>3,397</u>	<u>2,946</u>	<u>451</u>
Total expenditures	1,445,131	1,436,538	1,358,171	78,367
Excess (deficiency) of revenues over (under) expenditures	(20,620)	(20,720)	24,520	45,240
Other financing sources (uses):				
Interfund transfers in	25,695	25,695	25,695	-
Interfund reserved and transfers out	(8,251)	(8,251)	(3,000)	5,251
Total other financing sources (uses)	<u>17,444</u>	<u>17,444</u>	<u>22,695</u>	<u>5,251</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(3,176)	(3,276)	47,215	50,491
Fund balances, beginning of year	219,839	219,839	219,839	-
Fund balances, end of year	<u>\$ 216,663</u>	<u>\$ 216,563</u>	<u>\$ 267,054</u>	<u>\$ 50,491</u>

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
September 30, 2020  
(in thousands)

	Business-Type Activities Enterprise Funds						Governmental Activities- Internal Service Funds
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds	Total	
<b>Assets</b>							
<b>Current assets:</b>							
Pooled cash and cash equivalents	\$ 212,799	\$ 131,394	\$ 51,938	\$ 30,523	\$ 62,885	\$ 489,539	\$ 130,165
<b>Receivables:</b>							
Accounts	88,310	3,935	16,846	17,848	687	127,626	61
Taxes	-	1,684	-	-	-	1,684	-
Accrued interest	1,029	177	142	43	54	1,445	52
Allowance for uncollectible accounts	(12,226)	(368)	(257)	(7,014)	(14)	(19,879)	-
Due from other governments	123	-	663	-	-	786	-
Due from other funds	268	-	-	-	-	268	-
Prepaid items	8,384	88	434	-	-	8,906	29
Inventories, at cost	15,025	789	1,317	273	-	17,404	3,329
<b>Restricted assets:</b>							
Customer assessments	634	-	50	-	-	684	-
Pooled cash and cash equivalents for current debt service	163,328	4,160	-	-	-	167,488	-
Cash and cash equivalents Held for construction purposes	49,739	3,669	-	-	-	53,408	-
Customer deposits:							
Pooled cash and cash equivalents	19,748	-	-	1,173	-	20,921	-
Other assets	-	-	-	-	-	-	2,804
<b>Total current assets</b>	<b>547,161</b>	<b>145,528</b>	<b>71,133</b>	<b>42,846</b>	<b>63,612</b>	<b>870,280</b>	<b>136,440</b>
<b>Noncurrent assets:</b>							
<b>Capital Assets:</b>							
Land	125,672	82,728	131,184	3,759	900	344,243	1,696
Artwork	-	-	5,574	-	-	5,574	-
Construction in progress	1,158,158	1,385	20,405	-	207	1,180,155	129
Water rights	353,910	-	-	-	-	353,910	-
Buildings	524,746	599,488	893,472	5,267	337	2,023,310	4,435
Improvements other than buildings	81,851	64,381	447,457	27,916	273	621,878	1,069
Infrastructure assets	581,526	12,652	4,896	6,003	-	605,077	1,822
Equipment	660,465	46,243	98,261	71,986	5,199	882,154	115,162
Utility property	4,533,289	-	-	-	-	4,533,289	-
Accumulated depreciation	(2,523,683)	(391,852)	(393,283)	(49,479)	(4,512)	(3,362,809)	(102,848)
<b>Total capital assets</b>	<b>5,495,934</b>	<b>415,025</b>	<b>1,207,966</b>	<b>65,452</b>	<b>2,404</b>	<b>7,186,781</b>	<b>21,465</b>
<b>Other noncurrent assets:</b>							
<b>Restricted assets:</b>							
Future pipeline reserve capacity rights	66,079	-	-	-	-	66,079	-
Held for construction purposes:							
Cash and cash equivalents	-	-	4,595	-	-	4,595	-
Pooled cash and cash equivalents for future debt service	25,821	19,481	29,061	-	-	74,363	-
Pooled cash and cash equivalents for emergency repairs and replacements	-	-	5,000	-	-	5,000	-
Pooled cash and cash equivalents for operation and maintenance expenses	-	-	13,784	-	-	13,784	-
Pooled cash and cash equivalents for passenger facility charges	-	-	96,899	-	-	96,899	-
Other investments							
for future debt service at fair value	90,000	4,000	19,130	-	-	113,130	-
Cash and cash equivalents held by escrow agent	170,627	-	-	-	-	170,627	-
Notes receivable from other funds	5,659	-	-	-	-	5,659	-
Prepaid escrow	24,657	-	-	-	-	24,657	-
<b>Total other noncurrent assets</b>	<b>382,843</b>	<b>23,481</b>	<b>168,469</b>	<b>-</b>	<b>-</b>	<b>574,793</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>5,878,777</b>	<b>438,506</b>	<b>1,376,435</b>	<b>65,452</b>	<b>2,404</b>	<b>7,761,574</b>	<b>21,465</b>
<b>Total assets</b>	<b>6,425,938</b>	<b>584,034</b>	<b>1,447,568</b>	<b>108,298</b>	<b>66,016</b>	<b>8,631,854</b>	<b>157,905</b>
<b>Deferred outflows of resources</b>							
Deferred loss on refunding	53,654	1,683	7	25	14	55,383	-
Deferred outflows of resources related to pensions	109,686	9,042	19,488	37,464	25,343	201,023	54,247
Deferred outflows of resources related to other postemployment benefits	5,634	130	1,157	2,055	1,146	10,122	2,408
<b>Total deferred outflows of resources</b>	<b>\$ 168,974</b>	<b>\$ 10,855</b>	<b>\$ 20,652</b>	<b>\$ 39,544</b>	<b>\$ 26,503</b>	<b>\$ 266,528</b>	<b>\$ 56,655</b>

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (continued)**  
September 30, 2020  
(in thousands)

	Business-Type Activities						Governmental Activities- Internal Service Funds
	Enterprise Funds						
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds	Total	
<b>Liabilities</b>							
Current liabilities:							
Accrued payroll	\$ 2,207	\$ 123	\$ 455	\$ 873	\$ 541	\$ 4,199	\$ 1,272
Accounts payable	13,546	5,135	9,316	2,916	406	31,319	14,783
Compensated absences	4,690	159	843	1,162	1,090	7,944	2,579
Due to other governments	-	16	81	595	-	692	-
Unearned revenue	-	-	4,747	88	6,803	11,638	-
Estimated unpaid health claims	-	-	-	-	-	-	8,375
Estimated unpaid claims - general	-	-	-	-	-	-	4,454
Workers' compensation	-	-	-	-	-	-	7,054
Accrued interest payable on notes	232	15	20	97	39	403	-
General obligation bonds	-	-	-	1,912	-	1,912	-
Pension obligation bonds	5,559	397	521	1,817	1,012	9,306	-
Pollution remediation	-	63	151	971	-	1,185	-
Obligation for revenue credit agreement	-	-	8,840	-	-	8,840	-
Landfill closure/postclosure	-	-	-	286	-	286	-
Capital leases	-	-	1,296	6,099	-	7,395	-
Other liabilities	-	-	-	-	2,410	2,410	5,973
Total current liabilities	<u>26,234</u>	<u>5,908</u>	<u>26,270</u>	<u>16,816</u>	<u>12,301</u>	<u>87,529</u>	<u>44,490</u>
Current liabilities (payable from restricted assets):							
Construction accounts payable	58,456	370	10,924	-	-	69,750	-
Accrued interest payable on bonds	39,291	1,741	13,155	-	-	54,187	-
Water transmission facilities financing agreement	10,042	-	-	-	-	10,042	-
Revenue bonds	119,175	9,550	8,640	-	-	137,365	-
Total current liabilities (payable from restricted assets)	<u>226,964</u>	<u>11,661</u>	<u>32,719</u>	<u>-</u>	<u>-</u>	<u>271,344</u>	<u>-</u>
Total current liabilities	<u>253,198</u>	<u>17,569</u>	<u>58,989</u>	<u>16,816</u>	<u>12,301</u>	<u>358,873</u>	<u>44,490</u>
Noncurrent liabilities:							
Commercial paper notes payable	52,900	-	-	-	-	52,900	-
Revenue bonds	2,517,619	258,180	221,500	-	-	2,997,299	-
Obligation for revenue credit agreement	-	-	393,582	-	-	393,582	-
Accreted interest on pension obligation bonds	30,573	2,181	2,865	9,996	5,567	51,182	-
General obligation bonds	-	-	-	2,544	-	2,544	-
Pension obligation bonds	56,791	4,040	5,320	18,566	10,347	95,064	-
Water transmission facilities financing agreement	404,715	-	-	-	-	404,715	-
Capital leases	-	-	68,090	10,430	-	78,520	-
Total long-term debt	<u>3,062,598</u>	<u>264,401</u>	<u>691,357</u>	<u>41,536</u>	<u>15,914</u>	<u>4,075,806</u>	<u>-</u>
Other long-term liabilities:							
Estimated unpaid claims - general	-	-	-	-	-	-	55,496
Other postemployment benefits	60,983	4,568	10,229	20,664	11,134	107,578	25,708
Net pension liability	389,659	26,182	55,041	124,747	80,641	676,270	176,693
Workers' compensation	-	-	-	-	-	-	34,306
Customer deposits	19,748	1,139	-	1,173	-	22,060	-
Customer construction advances	3,563	-	-	-	-	3,563	-
Pollution remediation	-	-	360	-	-	360	-
Landfill closure/postclosure	-	-	-	44,930	-	44,930	-
Compensated absences	6,323	214	1,137	1,566	1,471	10,711	3,477
Total other long-term liabilities	<u>480,276</u>	<u>32,103</u>	<u>66,767</u>	<u>193,080</u>	<u>93,246</u>	<u>865,472</u>	<u>295,680</u>
Total noncurrent liabilities	<u>3,542,874</u>	<u>296,504</u>	<u>758,124</u>	<u>234,616</u>	<u>109,160</u>	<u>4,941,278</u>	<u>295,680</u>
Total liabilities	<u>3,796,072</u>	<u>314,073</u>	<u>817,113</u>	<u>251,432</u>	<u>121,461</u>	<u>5,300,151</u>	<u>340,170</u>
<b>Deferred inflows of resources</b>							
Deferred inflows of resources related to pensions	32,255	1,455	5,756	11,813	7,150	58,429	14,067
Deferred inflows of resources related to other postemployment benefits	7,896	231	1,622	2,897	1,654	14,300	3,477
Total deferred inflows of resources	<u>40,151</u>	<u>1,686</u>	<u>7,378</u>	<u>14,710</u>	<u>8,804</u>	<u>72,729</u>	<u>17,544</u>
<b>Net Position</b>							
Net investment in capital assets	2,673,126	150,596	519,033	44,467	2,404	3,389,626	21,465
Restricted:							
Debt service	239,858	25,900	15,692	-	-	281,450	-
Emergency repairs and replacements	-	-	5,000	-	-	5,000	-
Operation and maintenance expenses	24,657	-	13,784	-	-	38,441	-
Passenger facility charges	-	-	96,899	-	-	96,899	-
Unrestricted (deficit)	<u>(178,952)</u>	<u>102,634</u>	<u>(6,679)</u>	<u>(162,767)</u>	<u>(40,150)</u>	<u>(285,914)</u>	<u>(164,619)</u>
Total net position (deficit)	<u>\$ 2,758,689</u>	<u>\$ 279,130</u>	<u>\$ 643,729</u>	<u>\$ (118,300)</u>	<u>\$ (37,746)</u>	<u>\$ 3,525,502</u>	<u>\$ (143,154)</u>

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2020  
(in thousands)

	Business-Type Activities Enterprise Funds					Total	Governmental Activities- Internal Service Funds
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise Funds		
Operating revenues:							
Customer charges	\$ 635,940	\$ 29,725	\$ 131,171	\$ 122,154	\$ 34,366	\$ 953,356	\$ -
Charges to other City departments	-	-	-	-	-	-	290,947
Charges to employees/retirees	-	-	-	-	-	-	60,682
Intergovernmental	-	2,712	28,383	-	-	31,095	-
Other revenues	-	80	291	100	150	621	737
Total operating revenues	<u>635,940</u>	<u>32,517</u>	<u>159,845</u>	<u>122,254</u>	<u>34,516</u>	<u>985,072</u>	<u>352,366</u>
Operating expenses:							
Personnel services	126,139	1,580	23,561	46,650	28,207	226,137	72,572
Supplies and materials	80,988	3,278	7,157	7,587	399	99,409	26,159
Contractual and other services	142,441	46,997	46,975	51,650	9,755	297,818	280,883
Depreciation	133,860	17,968	40,646	8,739	203	201,416	3,972
Total operating expenses	<u>483,428</u>	<u>69,823</u>	<u>118,339</u>	<u>114,626</u>	<u>38,564</u>	<u>824,780</u>	<u>383,586</u>
Operating income (loss)	<u>152,512</u>	<u>(37,306)</u>	<u>41,506</u>	<u>7,628</u>	<u>(4,048)</u>	<u>160,292</u>	<u>(31,220)</u>
Nonoperating revenues (expenses):							
Investment income	11,974	2,514	2,916	569	850	18,823	999
Alcohol beverage tax	-	9,747	-	-	-	9,747	-
Hotel occupancy tax	-	41,602	-	-	-	41,602	-
Passenger facility charges	-	-	15,805	-	-	15,805	-
Interest on bonds and notes	(108,084)	(15,146)	(33,928)	(2,117)	(895)	(160,170)	-
Net gain (loss) on property disposals	(180)	-	-	-	-	(180)	394
Total nonoperating revenues (expenses)	<u>(96,290)</u>	<u>38,717</u>	<u>(15,207)</u>	<u>(1,548)</u>	<u>(45)</u>	<u>(74,373)</u>	<u>1,393</u>
Income (loss) before contributions and transfers	56,222	1,411	26,299	6,080	(4,093)	85,919	(29,827)
Contributions and transfers							
Capital contributions	18,910	500	2,593	-	-	22,003	-
Transfers in	-	-	-	-	-	-	3,372
Transfers out	(28,862)	(7,413)	(388)	(8,234)	(238)	(45,135)	(12,194)
Total contributions and transfers	<u>(9,952)</u>	<u>(6,913)</u>	<u>2,205</u>	<u>(8,234)</u>	<u>(238)</u>	<u>(23,132)</u>	<u>(8,822)</u>
Change in net position	46,270	(5,502)	28,504	(2,154)	(4,331)	62,787	(38,649)
Net position (deficit), beginning of year	<u>2,712,419</u>	<u>284,632</u>	<u>615,225</u>	<u>(116,146)</u>	<u>(33,415)</u>	<u>3,462,715</u>	<u>(104,505)</u>
Net position (deficit), end of year	<u>\$ 2,758,689</u>	<u>\$ 279,130</u>	<u>\$ 643,729</u>	<u>\$ (118,300)</u>	<u>\$ (37,746)</u>	<u>\$ 3,525,502</u>	<u>\$ (143,154)</u>



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**CITY OF DALLAS, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2020  
(in thousands)

	Business-Type Activities Enterprise Funds			
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 645,228	\$ 30,541	\$ 151,187	\$ 121,081
Cash payments to suppliers for goods and services	(68,961)	(6,991)	(3,171)	(13,475)
Cash payments to employees for services	(95,604)	(2,205)	(21,060)	(39,053)
Cash payments for contractual services	(142,450)	(46,997)	(47,161)	(49,579)
Other operating cash receipts	-	80	291	100
Net cash provided by (used in) operating activities	<u>338,213</u>	<u>(25,572)</u>	<u>80,086</u>	<u>19,074</u>
<b>Cash flows from non-capital financing activities:</b>				
Taxes	-	58,623	-	-
Principal paid on pension obligation bonds	(1,610)	(115)	(151)	(526)
Interest paid on pension obligation bonds	(5,321)	(379)	(499)	(1,740)
Transfers from other funds	-	-	-	-
Transfers to other funds	(28,862)	(7,413)	(388)	(8,234)
Net cash provided by (used in) non-capital financing activities	<u>(35,793)</u>	<u>50,716</u>	<u>(1,038)</u>	<u>(10,500)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(259,808)	(44)	(43,256)	(7,805)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from obligation for revenue bonds	783,087	-	-	-
Proceeds from notes payable and other obligations	-	-	-	6,057
Payment to refunded bond escrow agent	(456,260)	-	-	-
Principal paid on bonds	(105,560)	(9,095)	(8,230)	(821)
Principal paid on notes payable and other obligations	-	-	(9,725)	(6,435)
Interest paid on bonds, notes, and other obligations	(118,802)	(14,386)	(36,180)	(604)
Bond issuance costs	(1,722)	-	-	-
Proceeds from sale of commercial paper notes	147,500	-	-	-
Retirement of commercial paper notes	(259,100)	-	-	-
Passenger facility charges	-	-	17,035	-
Capital contribution income	-	500	-	-
Net cash provided by (used in) capital and related financing activities	<u>(270,665)</u>	<u>(23,025)</u>	<u>(80,356)</u>	<u>(9,608)</u>
<b>Cash flows from investing activities:</b>				
Maturity of investments	-	-	15,574	-
Investment income	12,030	21,551	2,984	562
Net cash provided by (used in) investing activities	<u>12,030</u>	<u>21,551</u>	<u>18,558</u>	<u>562</u>
Net increase (decrease) in cash and cash equivalents	43,785	23,670	17,250	(472)
Cash and cash equivalents, beginning of year	598,277	135,034	184,027	32,168
Cash and cash equivalents, end of year	<u>\$ 642,062</u>	<u>\$ 158,704</u>	<u>\$ 201,277</u>	<u>\$ 31,696</u>



Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ 32,621	\$ 980,658	\$ 350,985
(273)	(92,871)	(26,869)
(23,694)	(181,616)	(58,929)
(10,088)	(296,275)	(236,034)
150	621	1,406
<u>(1,284)</u>	<u>410,517</u>	<u>30,559</u>
-	58,623	-
(293)	(2,695)	-
(969)	(8,908)	-
-	-	3,372
(238)	(45,135)	(12,194)
<u>(1,500)</u>	<u>1,885</u>	<u>(8,822)</u>
(276)	(311,189)	(6,026)
-	-	492
-	783,087	-
-	6,057	-
-	(456,260)	-
-	(123,706)	-
-	(16,160)	-
-	(169,972)	-
-	(1,722)	-
-	147,500	-
-	(259,100)	-
-	17,035	-
-	500	-
<u>(276)</u>	<u>(383,930)</u>	<u>(5,534)</u>
-	15,574	-
860	37,987	1,057
<u>860</u>	<u>53,561</u>	<u>1,057</u>
(2,200)	82,033	17,260
65,085	1,014,591	112,905
<u>\$ 62,885</u>	<u>\$ 1,096,624</u>	<u>\$ 130,165</u>

continued

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (continued)**  
For the Year Ended September 30, 2020  
(in thousands)

	Business-Type Activities Enterprise Funds			
	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 152,512	\$ (37,306)	\$ 41,506	\$ 7,628
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	133,860	17,968	40,646	8,739
Change in assets and liabilities				
(Increase) Decrease in accounts and other receivables	1,256	(368)	(9,669)	(2,092)
(Increase) Decrease in customer assessments receivable	(8)	-	-	-
(Increase) Decrease in inventories	833	68	247	6
(Increase) Decrease in other assets	7,992	-	-	-
(Increase) Decrease in due from other governments	526	12	(138)	(124)
(Increase) Decrease in deferred outflows for other postemployment benefits	1,928	55	393	701
(Increase) Decrease in deferred outflows for pension contributions	123,889	4,528	12,457	37,635
Increase (Decrease) in accounts payable	3,202	(3,781)	3,739	(5,894)
Increase (Decrease) in accrued payroll	599	(42)	146	366
Increase (Decrease) in due to other funds	-	-	-	(526)
Increase (Decrease) in compensated absences	(284)	70	91	(278)
Increase (Decrease) in allowance for uncollectibles	6,665	(119)	237	962
Increase (Decrease) in unearned revenue	-	-	1,065	(11)
Increase (Decrease) in customer deposits	849	(1,409)	-	68
Increase (Decrease) in other postemployment benefits	(3,569)	(77)	(746)	(1,327)
Increase (Decrease) in customer construction advances	(9)	-	-	-
Increase (Decrease) in estimated unpaid health claims	-	-	-	-
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-
Increase (Decrease) in workers' compensation	-	-	-	-
Increase (Decrease) in landfill liability	-	-	-	1,750
Increase (Decrease) in net pension liability	(48,714)	(2,258)	(9,347)	(17,635)
Increase (Decrease) in other liabilities	-	(12)	(48)	971
Increase (Decrease) in deferred inflows for other postemployment benefits	2,496	(9)	542	949
Increase (Decrease) in deferred inflows for pension contributions	(45,810)	(2,892)	(1,035)	(12,814)
Total adjustments	<u>185,701</u>	<u>11,734</u>	<u>38,580</u>	<u>11,446</u>
Net cash provided by (used in) operating activities	<u>338,213</u>	<u>(25,572)</u>	<u>80,086</u>	<u>19,074</u>
Current Assets:				
Pooled cash and cash equivalents	\$ 212,799	\$ 131,394	\$ 51,938	\$ 30,523
Pooled cash and cash equivalents for current debt service	163,328	4,160	-	-
Held for construction purposes	49,739	3,669	-	-
Customer deposits pooled cash and cash equivalents	19,748	-	-	1,173
Non-current Assets:				
Cash and cash equivalents				
Held by escrow agent	170,627	-	-	-
Held for construction purposes	-	-	4,595	-
For future debt service	25,821	19,481	29,061	-
For emergency repairs and replacements	-	-	5,000	-
For operation and maintenance expenses	-	-	13,784	-
For passenger facility charges	-	-	96,899	-
Total cash and cash equivalents end of year	<u>\$ 642,062</u>	<u>\$ 158,704</u>	<u>\$ 201,277</u>	<u>\$ 31,696</u>
Noncash investing, capital, and financing activities:				
Capital contributions	\$ 18,910	\$ -	\$ 2,593	\$ -
Prepaid escrow	(7,992)	-	-	-
Change in fair value of non-pooled investments	100	-	-	-
Premium/discount amortization	(17,397)	(136)	(2,398)	(671)
Accretion on capital appreciation bonds	209	15	19	68
Amortization of deferred gain/loss on refunding	(7,876)	(558)	(3)	(10)

Nonmajor Enterprise Funds	Total	Governmental Activities- Internal Service Funds
\$ (4,048)	\$ 160,292	\$ (31,220)

203	201,416	3,972
(130)	(11,003)	25
-	(8)	-
-	1,154	68
-	7,992	-
-	276	-
389	3,466	817
22,566	201,075	51,317
126	(2,608)	(778)
140	1,209	475
-	(526)	-
163	(238)	178
-	7,745	-
(1,615)	(561)	-
-	(492)	-
(780)	(6,499)	(1,698)
-	(9)	-
-	-	6,666
-	-	48,155
-	-	(235)
-	1,750	-
(11,381)	(89,335)	(25,097)
(333)	578	(3,306)
579	4,557	1,136
(7,163)	(69,714)	(19,916)
2,764	250,225	61,779
(1,284)	410,517	30,559

\$ 62,885	\$ 489,539	\$ 130,165
-	167,488	-
-	53,408	-
-	20,921	-
-	170,627	-
-	4,595	-
-	74,363	-
-	5,000	-
-	13,784	-
-	96,899	-
\$ 62,885	\$ 1,096,624	\$ 130,165

\$ -	\$ 21,503	-
-	(7,992)	-
-	100	-
(125)	(20,727)	-
38	349	-
(6)	(8,453)	-

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
September 30, 2020  
(in thousands)

	Agency Funds	Pension Trust Funds (1)
<b>Assets</b>		
Pooled cash and cash equivalents	\$ 5,177	\$ -
Cash and cash equivalents	-	200,958
Invested securities lending collateral	-	221,393
Receivables:		
Accounts	32	499,577
Accrued interest	2	18,338
Short-term investments	-	25,311
Equity securities	-	555,230
Domestic equities	-	1,361,555
U.S. and foreign government fixed income securities	-	754,971
Domestic corporate fixed income	-	797,531
International equities and fixed income	-	511,041
Commingled index funds	-	176,734
Real assets	-	797,370
Private equities and venture capital funds	-	535,008
Forward currency contracts	-	652
Prepaid expenses	-	402
Capital assets, net	-	17,774
Total assets	5,211	6,473,845
<b>Liabilities</b>		
Accounts payable	2,959	11,997
Payable for securities purchased	-	69,841
Securities lending obligation	-	221,393
Other liabilities	2,252	437,361
Total liabilities	5,211	740,592
<b>Net Position</b>		
Net investment in capital assets	-	17,774
Restricted for pensions	-	5,715,478
Total net position	\$ -	\$ 5,733,252

(1) Information presented for the pension trust funds is as of December 31, 2019.

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

For the Year Ended September 30, 2020  
(in thousands)

	<u>Pension Trust Funds (1)</u>
Additions:	
Contributions:	
Employer	\$ 219,428
Employee	110,693
Total contributions	<u>330,121</u>
Net investment income:	
Interest and dividends	151,798
Net depreciation in fair value of investments	547,965
Securities lending income	1,525
Less investment expenses:	
Investment management fees	(25,419)
Custody fees	(125)
Consultant fees	(452)
Securities lending management fees	(282)
Total investment expenses	<u>(26,278)</u>
Net investment income	675,010
Other income	<u>659</u>
Total increases	<u>1,005,790</u>
Deductions:	
Benefit payments	588,015
Refund of contributions	13,055
Administrative expenses	14,013
Total deductions	<u>615,083</u>
Change in net position	390,707
Net position	
Beginning of year	<u>5,342,545</u>
End of year	<u><u>\$ 5,733,252</u></u>

(1) Information presented for the pension trust funds is for the year ended December 31, 2019.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies

A. General

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

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

B. Reporting Entity

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

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

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

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

Blended Component Units

Blended component units, although legally separate entities, are included as part of the primary government because they meet the above criteria as well as serve or benefit the City exclusively. Thus, blended component units are appropriately presented as funds of the primary government. The information reported for the pension trust funds is as of December 31, 2019 and the Trinity River Corridor Local Government Corporation and Love Field Airport Modernization Corporation (LFAMC) is as of September 30, 2020.

- Pension Trust Funds – The Pension Trust Funds have a December 31 year-end. The primary functions of the pension entities are investment and benefit management activities. Each board has contracted with various investment managers and banks for management of the portfolios of the plans. The City contributes on behalf of its employees to three defined benefit pension plans administered by two legally separate entities: the Employees’ Retirement Fund of the City of Dallas, at 1920 McKinney Avenue, 10<sup>th</sup> Floor, Dallas, TX 75201; and Dallas Police and Fire Pension System, at 4100 Harry Hines Boulevard, Ste. 100, Dallas, TX 75219. Complete financial statements of each plan may be obtained at the administrative offices.
- 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.
- Trinity River Corridor Local Government Corporation – The Corporation was organized for aiding, assisting, and acting on behalf of the City in the performance of its governmental functions; namely, the design, planning, development, financing, operation, and maintenance of public recreation uses of City fee-owned property located in a portion of the Trinity River Corridor. This component unit is blended with the Stormwater Operations special revenue fund.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

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, 2019, and all others are as of September 30, 2020.

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

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

Related Organizations

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

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

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.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

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 financial statements. The agency fund financial statements have no measurement focus, but do employ the accrual basis of accounting for purposes of asset and liability recognition. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows; however, agency funds report only assets and liabilities and have no measurement focus.

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

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

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

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

The City reports the following major governmental funds:

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

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

The City reports the following non-major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

The City reports the following non-major proprietary funds:

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

Additionally, the City reports the following funds:

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

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

The Pension Trust Fund accounts for the activities of 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 Agency Funds are used to account for assets held by the City, as an agent for individuals (cash escrow, confiscated money, and deferred compensation fund), and other funds for assets held by the City, in a trustee capacity (employee benefits and the Dallas Tourism Public Improvement District deposit account).

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

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

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

E. Cash, Cash Equivalents, and Investments

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

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

F. Property Taxes

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

Taxes are due October 1. Full payment can be made prior to the following January 31 to avoid penalty and interest charges. Current tax collections for the year ended September 30, 2020 were 97.97 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 2020 was \$0.7766 per \$100 dollars of assessed valuation, \$0.5691 for general governmental services and \$0.2075 for the payment of principal and interest on general obligation long-term debt.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

G. Federal and State Grants and Entitlements

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

H. Inventories

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

I. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond September 30, 2020. Prepaid items are recorded using the consumption method.

J. Restricted Assets

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

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

K. Capital Assets

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

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

Depreciation, which includes amortization of assets under capital leases, 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.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

L. 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.

M. Risk Management

The City is self-funded for workers' compensation, employee health insurance, most property damage, and the majority of 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.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

N. 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 position that applies to a future period and so will not be recognized as an outflow of resources (expense/expense) 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.
- Net difference in projected and actual earnings on pension assets and difference between estimated and actual experience related to pensions – These are amortized as a component of pension expense over a closed period of five years.
- Difference between estimated and actual experience related to pensions and other postemployment benefits (OPEB) - These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Changes in assumptions related to pensions and OPEB – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.

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 position that applies to a future period(s) 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:

- Unavailable revenue – This item arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow is reclassified to revenue on the government-wide financial statements.
- Net difference in projected and actual earnings on pension assets and difference between estimated and actual experience related to pensions – These are amortized as a component of pension expense over a closed period of five years.
- Difference between estimated and actual experience related to pensions and other postemployment benefits (OPEB) - These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Changes in assumptions related to pensions and OPEB – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- The Dallas Convention Center Hotel Development Corporation discretely presented component unit also reports a deferred inflow as a result of the advance for the Build America Bonds rebate.

O. 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. Accrued 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.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

P. 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.

Q. 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.

R. 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.

S. 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.

T. 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.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

The Risk Fund has a deficit net position of \$64 million associated with the City's self-insured workers' compensation, auto, and general liability activities. The deficit results from the recognition of certain liabilities that will be paid in future periods. These liabilities will be funded in the fiscal year in which they will be paid through annual budget appropriations. The City's approach for addressing this deficit is consistent with the budgetary basis of accounting for all funds as indicated in Note 2.B. The Sanitation, Municipal Radio, Building Inspection, Equipment Services, Communication Equipment Services, Information Systems, and Bond Program Administration funds had deficit net positions of \$118.3 million, \$4.9 million, \$32.8 million, \$24.9 million, \$3.7 million, \$23.5 million, and \$29.1 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.

U. 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.

V. 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.

W. New Accounting Pronouncements

The City was not required to implement any Governmental Accounting Standards Board (GASB) Statements during fiscal year 2020.

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

GASB Statement No. 84, "Fiduciary Activities," will be implemented as required by GASB during the fiscal year ending September 30, 2021. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 87, "Leases," will be implemented as required by GASB during the fiscal year ending September 30, 2022. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 90, "Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61," will be implemented as required by GASB during the fiscal year ending September 30, 2021. The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engage only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments: or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 91, "Conduit Debt Obligations," will be implemented as required by GASB during the fiscal year ending September 30, 2022. The primary objectives of the Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers; (2) arrangements associated with conduit debt obligations; and (3) related not disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving require not disclosures. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 92, "Omnibus 2020," will be implemented as required by GASB during fiscal years ending September 30, 2021, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of the Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 93, "Replacement of Interbank Offered Rates," will be implemented as required by GASB during fiscal years ending September 30, 2021 and September 30, 2022. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of interbank offered rates with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

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

GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance," will be implemented immediately as required by GASB. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations;
- Statement No. 84, Fiduciary Activities;
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements;
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period;
- Statement No. 90, Majority Equity Interests;
- Statement No. 91, Conduit Debt Obligations;
- Statement No. 92, Omnibus 2020;
- Statement No. 93, Replacement of Interbank Offered Rates;
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting);
- Implementation Guide No. 2018-1, Implementation Guidance Update-2018;
- Implementation Guide 2019-1, Implementation Guidance Update-2019; and
- Implementation Guide No. 2019-2, Fiduciary Activities.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

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

GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and supersession of GASB Statement No. 32," will be implemented as required by GASB. The requirements in (1) paragraph 4 of this Statement as it applies to defined contributions pension plans, defined contribution OPEB Plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The requirements in paragraphs 6 – 9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of paragraphs 4 and 5 of this statement did not result in any changes to the financial statements, and the City is currently evaluating potential changes to the financial statements as a result of implementation of the remaining paragraphs 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, 2020

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	\$ 47,215
Change in fair value of investments	746
Change in encumbrances	8,636
Funds not included in general fund budget	(8,964)
Revenue recognized for GAAP basis but not budgetary basis	1,212
Other items budgeted on a non-GAAP basis	(1,368)
Excess of revenues and other financing sources over expenditures and other financing uses--GAAP basis	\$ 47,477

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, 2020

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 \$50 to \$70 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, 2020.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

	General	Debt Service	Non-major Governmental Funds	Total
Fund balances				
Nonspendable				
Inventory	\$ 15,336	\$ -	\$ -	\$ 15,336
Prepaid items	49	-	-	49
Permanent fund principal	-	-	10,326	10,326
Total nonspendable	15,385	-	10,326	25,711
Restricted for				
9 -1 -1	8,724	-	-	8,724
Debt service	-	46,554	-	46,554
Culture and recreation:				
Culture and recreation services	-	-	44,575	44,575
Library facilities	-	-	8,227	8,227
Parks and recreation facilities	-	-	17,096	17,096
Culture and arts facilities	-	-	13,995	13,995
Public safety:				
Police services	-	-	13,487	13,487
Homeland security	-	-	292	292
Fire station facilities	-	-	198	198
Police headquarters and safety facilities	-	-	12,910	12,910
Community development	-	-	12,448	12,448
Health and human services	-	-	1,497	1,497
Public-private partnerships	-	-	32,076	32,076
Municipal court technology	-	-	2,246	2,246
Public television cable system	-	-	12,430	12,430
Grants and other purposes	-	-	26,982	26,982
Storm water operations	-	-	74,471	74,471
Streets and transportation:				
Repairs	-	-	16,382	16,382
Improvements	-	-	113,843	113,843
Flood protection	-	-	252,750	252,750
Trinity River project	-	-	73,937	73,937
Capital reserve and assessments	-	-	10,794	10,794
Neighborhood projects:				
Tax increment financing	-	-	83,810	83,810
Economic development incentives	-	-	34,756	34,756
City-wide capital improvements	-	-	83,008	83,008
Farmers' Market improvements	-	-	445	445
City animal shelter facilities	-	-	130	130
Municipal court facilities	-	-	468	468
Homeless facilities	-	-	545	545
Public improvement district services	-	-	16	16
Total restricted	8,724	46,554	943,814	999,092
Committed to				
Risk reserve	2,000	-	-	2,000
Culture and recreation services	-	-	30,177	30,177
Total committed	2,000	-	30,177	32,177
Assigned to				
Code enforcement services	1,746	-	-	1,746
Communication and information technology services	358	-	-	358
Community development services	244	-	-	244
Cultural affairs services	1,462	-	-	1,462
Fire safety services	4,525	-	-	4,525
Library services	211	-	-	211
Municipal court services	198	-	-	198
Parks and recreation services	1,790	-	-	1,790
Police safety services	4,363	-	-	4,363
Streets, public works and transportation maintenance	19,249	-	-	19,249
General government services	6,925	-	-	6,925
Total assigned	41,071	-	-	41,071
Unassigned	277,451	-	-	277,451
Total fund balance	<u>\$ 344,631</u>	<u>\$ 46,554</u>	<u>\$ 984,317</u>	<u>\$ 1,375,502</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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 Coppel. The Board must submit an expenditure budget for each fiscal year to the City Manager of each city by July 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, 2020, was approximately \$8 million from this agreement. Financial statements of the Airport are not included in the City's financial statements because the Airport is not under the sole control of the Dallas City Council and the City has no ongoing financial interest or responsibility for the airport. Separate audited financial statements, which are publicly available, may be obtained by contacting the D/FW Airport at 2400 Aviation Drive, P.O. Box 619428, DFW Airport, Texas 75261-9428 or at [www.dfwairport.com](http://www.dfwairport.com).

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 4. Tax Abatements

As of September 30, 2020, 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, 2020

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, 2020

Note 4. Tax Abatements (continued)

Tax Abatement Programs Administered by the City of Dallas			
<i>Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board</i>	Historic Preservation Program	Public Private Partnership Program (PPP Program)	Tax Increment Financing Program (TIF Program)
7. Provisions for recapturing abated taxes	There is an obligation by the owner to repay any taxes that were exempted under this program if the historic property is ever demolished or materially altered by the willful act or negligence of the owner without necessary City approvals.	If there is failure to comply with the agreement and in the case of default, all taxes which otherwise would have been paid to the City without the benefit of tax abatement, including interest and penalties thereon, will become a debt to the City and shall become due.	TIF incentives may or may not have a recapture provision. Each project is negotiated separately.
8. Type of commitments made by the City other than to reduce taxes	No other commitments were made by the City as part of these agreements.	No other commitments were made by the City as part of these agreements.	No other commitments were made by the City as part of these agreements.
9. Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement (in thousands).	Property taxes: \$1,575	Property tax: \$6,206 Sales tax: N/A (1) Hotel occupancy tax: 1,866 Total: \$8,072 (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: \$49,741

Note 5. Cash, Deposits, and Investments

A. General

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

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

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

The Employees' Retirement Fund and the Dallas Police and Fire Pension Systems, component units of the City, are included under Pension Trust in the following table. Police and Fire Pension Plans include Dallas Police and Fire Pension Combined Plan (Combined Plan) and Supplemental Police and Fire Pension Plan (Supplemental Plan). A summary of pooled cash and other investments for all City funds, including blended component units and \$5.2 million held in agency funds is presented below. Balances are presented as of September 30, 2020 or December 31, 2019, depending on the fiscal year of the entity.

	Cash and Pooled Investments with City Treasury	Other Cash and Investments Held in Trusts - Permanent Funds	Other Cash and Investments Held in Pension Trust	Total
Cash and cash equivalents	\$ 1,358,166	\$ -	\$ 200,958	\$ 1,559,124
Other investments	3,235	10,326	5,736,796	\$ 5,750,357
Restricted cash and investments	1,532,201	-	-	1,532,201
Total	<u>\$ 2,893,602</u>	<u>\$ 10,326</u>	<u>\$ 5,937,754</u>	<u>\$ 8,841,682</u>

A summary of the carrying amount of cash on hand, deposits, and investments at September 30, 2020, 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	\$ 283,235	\$ -	\$ 200,958	\$ 484,193
Investments	2,610,367	10,326	5,736,796	8,357,489
Total	<u>\$ 2,893,602</u>	<u>\$ 10,326</u>	<u>\$ 5,937,754</u>	<u>\$ 8,841,682</u>

Primary Government	Carrying Value	Bank Balance
Pooled Demand Deposits	\$ 283,235	\$ 311,595
Cash and cash equivalents - Pension Trust Funds	200,958	200,958
Total	<u>\$ 484,193</u>	<u>\$ 512,553</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

B. City of Dallas

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

The City has the following recurring fair value measurements as of September 30, 2020:

	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	\$ 255,943	\$ -	\$ 255,943
Federal Farm Credit Bank Notes	245,653	-	245,653
Federal Home Loan Bank Notes	99,949	-	99,949
Federal Home Loan Mortgage Corporation Notes	89,997	-	89,997
Treasury Bond	242,539	242,539	-
Exchange-Traded Funds - Equities	7,793	7,793	-
Exchange-Traded Funds - Fixed Income	2,364	2,364	-
Total Investments by Fair Value Level	<u>944,238</u>	<u>\$ 252,696</u>	<u>\$ 691,542</u>
<u>Investments Measured at Fair Value</u>			
Local Government Investment Pools	<u>365,695</u>		
<u>Investments Measured at Net Asset Value (NAV)</u>			
Money Market Mutual Funds	<u>577,334</u>		
<u>Investments Measured at Amortized Cost</u>			
Local Government Investment Pools	<u>714,296</u>		
<u>Other Investments Measured at Purchase Cost</u>			
Repurchase Agreements	<u>19,130</u>		
Total Investments	<u>\$ 2,620,693</u>		

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

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

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

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

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

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

Deposit and Investment Risk Disclosures

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

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. As of September 30, 2020, \$109.3 million was fully collateralized by municipal bonds rated not less than A or its equivalent, \$150 million was fully collateralized by letter of credit issued to the City by Federal Home Loan Bank, 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, 2020, all deposits were either insured or collateralized.

Fully collateralized and insured deposits held by custodian banks:

Demand Deposits	\$ 259.6 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, 2020, 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	\$ 934,081

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

Concentration of Credit Risk

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

<u>Agency Securities by Issuer</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>
Federal Agricultural Mortgage Corporation Notes	\$ 255,943	27.40%
Federal Farm Credit Bank Notes	245,653	26.30%
Federal Home Loan Bank Notes	99,949	10.70%
Federal Home Loan Mortgage Corporation Notes	89,997	9.63%
Treasury Bond	242,539	25.97%
Total Agency Securities	<u>\$ 934,081</u>	<u>100.00%</u>

Credit Risk

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

<u>Security Type</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>	<u>S&amp;P/Moody's Ratings</u>
Money Market Mutual Funds and Local Government Investment Pools	\$ 1,486,698	61.42%	AAAm/Aaa
Federal Agricultural Mortgage Corporation Notes	255,943	10.57%	Not Rated
Other U.S. Agency Securities and Treasury Bond	678,138	28.01%	AA+/Aaa
Total Portfolio	<u>\$ 2,420,779</u>	<u>100.00%</u>	
Repurchase Agreements and Investment Portfolios Held by Various Trusts	29,287		
Total Investments	<u>\$ 2,450,066</u>		

Interest Rate Risk

In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years. The weighted average maturities of the City's investments at September 30, 2020 are shown on the following page.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

Security Type	Fair Value	Weighted Average Maturity (days)
Money Market Mutual Funds	\$ 577,334	1
Local Government Investment Pools	1,079,991	12
U.S. Agency Securities and Treasury Bond	934,081	355
Total Portfolio	2,591,406	142
Repurchase Agreements and Investment Portfolios Held by Various Trusts	29,287	
Total Investments	\$ 2,620,693	

C. Employees' Retirement Fund

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

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

At December 31, 2019, 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	\$ 111,496	\$ 111,496	\$ -	\$ -
Fixed Income:				
Foreign Government Bonds	8,164	-	8,164	-
US Government and Agency Obligations	191,422	-	191,422	-
Corporate and Taxable Municipal Bonds	749,152	-	749,061	91
Total Fixed Income	948,738	-	948,647	91
Equity:				
Domestic Common and Preferred Stock	1,153,068	1,150,914	244	1,910
International Common and Preferred Stock	503,270	502,896	374	-
Total Equity	1,656,338	1,653,810	618	1,910
Directly-Owned Real Estate	230,183	-	-	230,183
Total Investments by Fair Value Level	2,946,755	\$ 1,765,306	\$ 949,265	\$ 232,184
Investments Measured at Net Asset Value				
Commingled Funds	441,371			
Alternative Investments - Private Equity	267,422			
Total Investments Measured at Net Asset Value	\$ 708,793			

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

Custodial Credit Risk

As of December 31, 2019, the Employees' Retirement Fund had \$3.6 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	\$3.6 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, 2019. 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, 2019 are shown on the following page.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

Quality Rating	Fair Value	Percent of Bond Portfolio
AAA	\$ 36,777	3.69%
AA+	158,783	15.93%
AA	3,490	0.35%
AA-	7,134	0.72%
A+	4,221	0.42%
A	11,090	1.11%
A-	27,103	2.72%
BBB+	23,644	2.37%
BBB	17,590	1.76%
BBB-	17,343	1.74%
BB+	21,242	2.13%
BB	51,300	5.13%
BB-	57,767	5.79%
B+	53,685	5.38%
B	33,181	3.33%
B-	32,453	3.25%
CCC+	10,898	1.09%
CCC	2,488	0.25%
CCC-	187	0.02%
D	482	0.05%
Not Rated	234,837	23.56%
U.S. Government fixed income securities - NR	191,422	19.21%
Total	<u>\$ 997,117</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 11 percent of the total fixed income portfolio with a fair value of \$109.2 million at December 31, 2019. 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, 2020

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

As of December 31, 2019, 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	\$ 35,985	11.89
Bank Loans	22,159	4.88
Commercial Mortgage-Backed	32,264	28.21
Corporate Bonds	545,278	7.61
Government Agencies	99,371	37.01
Government Bonds	133,870	8.76
Government Mortgage-Backed Securities	72,918	21.40
Index Lined Government Bonds	1,062	29.15
Municipal/Provincial Bonds	22,071	19.71
Non-Government Backed CMOs	32,139	22.89
Total	<u>\$ 997,117</u>	

Portfolio weighted average maturity in years: 11.74

Foreign Currency Risk

The Employees' Retirement Fund investment policies limit the aggregate amount that can be invested in each class of investments. The equity investment policy sets an allocation of 12.5 percent of assets to international equity, 7.5 percent of the assets to global equity, and 12.5 percent to global low volatility equity. The fixed income policy permits up to 15 percent of the global manager's portfolio to be invested in global investment grade fixed income bonds. The Fund's positions in these equity securities, invested directly and through commingled funds, was 29.1 percent of invested assets at December 31, 2019. The Fund's positions in Global Fixed income assets invested were 5.16 percent of invested assets at December 31, 2019. Employees' Retirement Fund non-US Dollar denominated investments at December 31, 2019 were as shown on the following page.

Currency	Investment Type	Balances (U.S. Dollars)
Various Foreign Currencies	Equity	\$ 625,254
Various Foreign Currencies	Fixed Income	8,767
Various Foreign Currencies	Currency Forward	219,642
Total non-US denominated instruments		<u>\$ 853,663</u>

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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, 2019, 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, 2019 was \$208 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, 2019. The book value of the System interests in the Group Trust is based on the unitized interests that it has in the Group Trust. The Combined Plan's interest in the Group Trust was approximately 99.2 percent at December 31, 2019. The Supplemental Plan's interest in the Group Trust was approximately 0.8 percent at December 31, 2019. 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**  
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Note 5. Cash, Deposits, and Investments (continued)

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

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

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

The table on the following page presents a summary of the Group Trust's investments by type as of December 31, 2019, at fair value.

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by Fair Value Level</u>				
Short-term investment funds	\$ 25,311	\$ 25,311	\$ -	\$ -
Fixed income securities				
US Treasury bonds	118,853	-	118,853	-
US Government Agencies	12,870	-	12,870	-
Corporate bonds	278,775	-	278,775	-
Foreign-denominated bonds	28,846	-	28,846	-
Municipal bonds	4,655	-	4,655	-
Equity securities				
Domestic	279,709	279,709	-	-
Foreign	275,522	275,522	-	-
Real assets				
Real estate	254,812	-	-	254,812
Timberland	8,771	-	-	8,771
Farmland	92,235	-	-	92,235
Private equity	92,064	-	-	92,064
Forward currency contracts	652	-	652	-
<b>Total Investments by Fair Value Level</b>	<b>1,473,075</b>	<b>\$ 580,542</b>	<b>\$ 444,651</b>	<b>\$ 447,882</b>
Investments Measured at Net Asset Value				
Fixed income - commingled funds	111,385			
Real assets	211,369			
Private Equity	175,523			
<b>Total Investments Measured at Net Asset Value</b>	<b>498,277</b>			
<b>Total Investments Measured at Fair Value</b>	<b>\$ 1,971,352</b>			

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.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

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, 2019 is shown below.

Quality Rating	Corporate Bonds	Municipal Bonds	U.S. Government Securities	Foreign Government Securities	Grand Total Book Value	Percentage of Holdings
AAA	\$ 49,269	\$ -	\$ 1,022	\$ 1,906	\$ 52,197	11.76%
AA+	4,203	-	130,701	1,406	136,310	30.70%
AA	3,039	1,588	-	-	4,627	1.04%
AA-	4,173	-	-	-	4,173	0.94%
A+	8,784	-	-	-	8,784	1.98%
A	12,043	1,364	-	-	13,407	3.02%
A-	22,655	-	-	5,813	28,468	6.41%
BBB+	37,102	1,703	-	8,378	47,183	10.63%
BBB	19,539	-	-	2,611	22,150	4.99%
BBB-	8,670	-	-	3,074	11,744	2.65%
BB+	6,636	-	-	-	6,636	1.49%
BB	9,568	-	-	2,778	12,346	2.78%
BB-	14,934	-	-	2,880	17,814	4.01%
B+	7,785	-	-	-	7,785	1.75%
B	7,155	-	-	-	7,155	1.61%
B-	8,483	-	-	-	8,483	1.91%
Below B-	9,214	-	-	-	9,214	2.08%
Not Rated	45,523	-	-	-	45,523	10.25%
Subtotal	<u>\$ 278,775</u>	<u>\$ 4,655</u>	<u>\$ 131,723</u>	<u>\$ 28,846</u>	<u>\$ 443,999</u>	<u>100.00%</u>
Total credit risk debt securities					\$ 443,999	22.52%
Other investments					1,527,353	77.48%
Total investments					<u>\$ 1,971,352</u>	<u>100.00%</u>

Interest Rate Risk

As of December 31, 2019, 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	\$ 118,853	\$ 7,855	\$ 107,044	\$ -	\$ 3,954
U.S. Government Agencies	12,870	-	1,021	2,541	9,308
Corporate Bonds	278,775	26,848	137,524	40,570	73,833
Municipal Bonds	4,655	-	3,067	-	1,588
Foreign-denominated Bonds	28,846	1,579	10,860	7,332	9,075
Total	<u>\$ 443,999</u>	<u>\$ 36,282</u>	<u>\$ 259,516</u>	<u>\$ 50,443</u>	<u>\$ 97,758</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.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

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

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, 2019 is shown below.

Currency	Investment Type	Balance of Investment (U.S. Dollars)
Various Foreign Currencies	Fixed Income	\$ 28,846
Various Foreign Currencies	Equity	222,361
Various Foreign Currencies	Real Assets	31,968
Total non-US denominated instruments		\$ 283,175

Securities Lending Transactions

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

During the fiscal year ended December 31, 2019, JP Morgan Chase ("JP Morgan") lent, on behalf of the Dallas Police and Fire Pension System, securities held by JP Morgan as a custodian, and received United States dollar cash and United States Government securities as collateral. JP Morgan did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was in the United States or sovereign debt issued by foreign governments, 102 percent of the fair value of the loaned securities, and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not in the United States dollars, 105 percent of the fair value of the loaned securities. At year-end, the System has no credit risk exposure to borrowers because the amounts of collateral held by the System exceed the amounts the borrowers owe the System. The collateral held for the System as of December 31, 2019 was \$13 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 JP Morgan made on their behalf. There were no failures by any borrowers to return the loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or JP Morgan.

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

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 6. Receivables

Receivables at September 30, 2020 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	\$ 31,959	\$ 12,637	\$ -	\$ -	\$ 44,596
Sales tax	48,360	-	-	-	48,360
Notes	341	-	58,391	-	58,732
Special Assessments - paving notes	-	-	5,889	-	5,889
Accounts	101,649	-	45,423	61	147,133
Accrued interest	407	28	1,178	52	1,665
Due from other governments	11,661	-	40,651	-	52,312
Gross receivables	194,377	12,665	151,532	113	358,687
Less allowance for uncollectible accounts	(54,690)	(10,837)	(31,126)	-	(96,653)
Net total receivables	<u>\$ 139,687</u>	<u>\$ 1,828</u>	<u>\$ 120,406</u>	<u>\$ 113</u>	<u>\$ 262,034</u>

Receivables at September 30, 2020 for the primary government's individual major and nonmajor enterprise funds in the aggregate including the applicable allowances for uncollectible accounts, consist of the following:

	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor Enterprise	Total Business-type Activities
Receivables:						
Accounts	\$ 88,310	\$ 3,935	\$ 16,846	\$ 17,848	\$ 687	\$ 127,626
Taxes	-	1,684	-	-	-	1,684
Accrued interest	1,029	177	142	43	54	1,445
Due from other governments	123	-	663	-	-	786
Gross receivables	89,462	5,796	17,651	17,891	741	131,541
Less allowance for uncollectible accounts	(12,226)	(368)	(257)	(7,014)	(14)	(19,879)
Net total receivables	<u>\$ 77,236</u>	<u>\$ 5,428</u>	<u>\$ 17,394</u>	<u>\$ 10,877</u>	<u>\$ 727</u>	<u>\$ 111,662</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Intergovernmental revenues and related receivables arise through funding received from federal and state grants. These revenues and receivables are earned through expenditures of monies for grant purposes. At September 30, 2020, 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	\$ -	\$ 3,534
Accounts	3,063	54,164
Intergovernmental	136,862	44,618
Total	<u>\$ 139,925</u>	<u>\$ 102,316</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 7. Restricted Assets

The primary government's governmental and business-type restricted assets of \$812 million and \$812 million, respectively, are composed of the following at September 30, 2020:

	Governmental Activities	Business-Type Activities
Cash and investments:		
Pooled cash and cash equivalents	\$ 811,986	\$ 607,085
Other investments	-	113,130
Future pipeline reserve capacity rights	-	66,079
Customer assessments	-	684
Escrow deposit	-	24,657
Total	<u>\$ 811,986</u>	<u>\$ 811,635</u>

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

Note 8. Capital Assets

Capital asset activity for the year ended September 30, 2020 is as follows:

	Balance, September 30, 2019	Additions	Deletions	Balance, September 30, 2020
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 514,468	\$ 1,559	\$ -	\$ 516,027
Artwork	49,806	147	-	49,953
Construction in progress	426,813	256,235	(141,247)	541,801
Total capital assets, not being depreciated	<u>991,087</u>	<u>257,941</u>	<u>(141,247)</u>	<u>1,107,781</u>
Capital assets, being depreciated:				
Buildings	1,459,776	6,445	(91)	1,466,130
Improvements other than buildings	734,602	19,560	(582)	753,580
Equipment	757,849	46,094	(16,672)	787,271
Infrastructure assets	2,822,635	124,106	-	2,946,741
Total capital assets, being depreciated:	<u>5,774,862</u>	<u>196,205</u>	<u>(17,345)</u>	<u>5,953,722</u>
Less accumulated depreciation for:				
Buildings	(608,009)	(30,062)	92	(637,979)
Improvements other than buildings	(254,436)	(17,980)	-	(272,416)
Equipment	(558,908)	(35,348)	16,358	(577,898)
Infrastructure assets	(1,067,877)	(52,661)	-	(1,120,538)
Total accumulated depreciation	<u>(2,489,230)</u>	<u>(136,051)</u>	<u>16,450</u>	<u>(2,608,831)</u>
Total capital assets being depreciated, net	<u>3,285,632</u>	<u>60,154</u>	<u>(895)</u>	<u>3,344,891</u>
Governmental activities capital assets, net	<u>\$ 4,276,719</u>	<u>\$ 318,095</u>	<u>\$ (142,142)</u>	<u>\$ 4,452,672</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 8. Capital Assets (continued)

Depreciation expense charged to functions:

General government	\$	16,444
Public safety		12,019
Code enforcement		231
Environment and health services		292
Streets, public works, and transportation		65,865
Equipment and building services		15,635
Culture and recreation		25,147
Housing		418
Total depreciation expense - governmental activities	\$	136,051

(includes \$3,972 of depreciation expense for the Internal Service Funds)

	Balance, September 30, 2019	Additions	Deletions	Balance, September 30, 2020
<b>Business-Type Activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 341,478	\$ 2,765	\$ -	\$ 344,243
Artwork	3,402	2,172	-	5,574
Construction in progress	1,236,992	282,562	(339,399)	1,180,155
Total capital assets, not being depreciated	1,581,872	287,499	(339,399)	1,529,972
<b>Capital assets, being depreciated:</b>				
Water rights	353,910	-	-	353,910
Buildings	2,015,622	7,706	(18)	2,023,310
Improvements other than buildings	538,743	83,135	-	621,878
Equipment	843,920	52,449	(14,215)	882,154
Infrastructure assets	604,771	306	-	605,077
Utility property	4,308,334	225,426	(471)	4,533,289
Total capital assets, being depreciated:	8,665,300	369,022	(14,704)	9,019,618
<b>Less accumulated depreciation for:</b>				
Water rights	(127,530)	(3,542)	-	(131,072)
Buildings	(737,904)	(43,732)	-	(781,636)
Improvements other than buildings	(182,261)	(20,991)	-	(203,252)
Equipment	(552,280)	(33,859)	14,101	(572,038)
Infrastructure assets	(276,365)	(10,531)	5	(286,891)
Utility property	(1,299,578)	(88,760)	418	(1,387,920)
Total accumulated depreciation	(3,175,918)	(201,415)	14,524	(3,362,809)
Total capital assets being depreciated, net	5,489,382	167,607	(180)	5,656,809
Business-Type Activities capital assets, net	\$ 7,071,254	\$ 455,106	\$ (339,579)	\$ 7,186,781

Depreciation expense charged to business-type activities:

Dallas Water Utilities	\$	133,860
Convention Center		17,968
Airport Revenues		40,646
Sanitation		8,739
Nonmajor Enterprise Funds		202
Total depreciation expense - business-type activities	\$	201,415



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 9. Interfund Receivables, Payables, and Transfers

Due to Other Funds/From Other Funds

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

Amounts due from and due to other funds at September 30, 2020 were as follows:

Due From Other Funds	Amount	Due to Other Funds	
		General	Nonmajor Governmental
General	\$ 5,884	\$ -	\$ 5,884
Dallas Water Utilities	268	268	-
Total	<u>\$ 6,152</u>	<u>\$ 268</u>	<u>\$ 5,884</u>

Interfund Notes Receivable and Payable

Interfund notes receivable and payable balances at September 30, 2020 were as follows:

Note receivable	Note Payable
	Nonmajor Governmental
Nonmajor governmental	\$ 4,161
Dallas Water Utilities	5,659
Total	<u>\$ 9,820</u>

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

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	Internal Service
General	\$ 29,488	\$ -	\$ 706	\$ 26,138	\$ 2,644
Debt Service	9	-	-	9	-
Nonmajor Governmental	13,863	-	1,090	12,753	20
Dallas Water Utilities	28,862	16,384	-	12,400	78
Convention Center	7,413	4,866	-	2,547	-
Airport Revenues	388	-	383	-	5
Sanitation	8,234	4,444	75	3,429	286
Nonmajor Enterprise	238	-	235	-	3
Internal Service	12,194	9,115	2,743	-	336
Total	<u>\$ 100,689</u>	<u>\$ 34,809</u>	<u>\$ 5,232</u>	<u>\$ 57,276</u>	<u>\$ 3,372</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.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 10. Accounts Payable and Accrued Expenses

The primary government's accounts payable and accrued expenses at September 30, 2020 are as follows:

	General	Nonmajor Governmental	Internal Service	Total Governmental Activities
Accrued payroll	\$ 8,569	\$ 763	\$ 1,272	\$ 10,604
Accounts payable	35,215	28,173	14,783	78,171
Due to other governments	3,550	1	-	3,551
Contracts payable	-	83,339	-	83,339
Other liabilities	30,110	643	5,973	36,726
Construction accounts payable	-	15,224	-	15,224
Total	<u>\$ 77,444</u>	<u>\$ 128,143</u>	<u>\$ 22,028</u>	<u>\$ 227,615</u>

	Dallas Water Utilities	Convention Center	Airport Revenues	Sanitation	Nonmajor	Total Business-type Activities
Accrued payroll	\$ 2,207	\$ 123	\$ 455	\$ 873	\$ 541	\$ 4,199
Accounts payable	13,546	5,135	9,316	2,916	406	31,319
Due to other governments	-	16	81	595	-	692
Other liabilities	-	-	-	-	2,410	2,410
Construction accounts payable	58,456	370	10,924	-	-	69,750
Total	<u>\$ 74,209</u>	<u>\$ 5,644</u>	<u>\$ 20,776</u>	<u>\$ 4,384</u>	<u>\$ 3,357</u>	<u>\$ 108,370</u>

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt

A. Governmental Activities

The changes in the governmental activities long-term liabilities for the year ended September 30, 2020 are as follows:

	Balance, September 30, 2019	Additions	Deletions	Balance, September 30, 2020	Due Within One Year
<b>General Obligation Bonds</b>					
Refunding Series 2010A	\$ 35,285	\$ -	\$ 35,285	\$ -	\$ -
Building America Bonds Series 2010B	79,420	-	6,135	73,285	6,320
Refunding Bonds Series 2010C	51,303	-	8,154	43,149	18,978
Refunding Bonds Series 2012	154,105	-	20,795	133,310	20,830
Refunding Bonds Series 2013A	133,050	-	10,235	122,815	10,235
Refunding Bonds Series 2013B	5,060	-	5,060	-	-
Refunding Bonds Series 2014	457,915	-	15,950	441,965	44,890
Refunding Bonds Series 2015	162,555	-	10,840	151,715	10,840
Refunding Bonds Series 2017	281,025	-	17,125	263,900	17,100
Refunding Bonds Series 2018	58,715	-	1,995	56,720	2,095
Refunding Bonds Series 2019A	235,595	-	11,780	223,815	11,780
Refunding Bonds Series 2019B	153,950	-	7,700	146,250	7,700
<b>Tax and Revenue Certificates</b>					
Series 2012	7,610	-	2,410	5,200	2,535
Series 2020	-	16,000	-	16,000	1,600
<b>Certificates of Obligation</b>					
Equipment Acquisition Series 2020	-	29,665	-	29,665	5,935
<b>Pension Obligation Bonds</b>					
Taxable Series 2005A	77,365	-	1,714	75,651	19,745
Series 2005B	35,017	-	3,950	31,067	-
Taxable Refunding Bonds Series 2010	52,198	-	213	51,985	549
<b>Total Bonds, Obligations, and Certificates</b>	<b>1,980,168</b>	<b>45,665</b>	<b>159,341</b>	<b>1,866,492</b>	<b>181,132</b>
Add: Unamortized Premium/Discount	236,917	3,798	33,354	207,361	-
Add: Accretion	110,848	13,878	13,118	111,609	-
<b>Total Bonds, Obligations, and Certificates</b>	<b>2,327,933</b>	<b>63,341</b>	<b>205,813</b>	<b>2,185,462</b>	<b>181,132</b>
<b>Direct borrowings and placements</b>					
Commercial paper notes payable	3,500	160,000	-	163,500	-
Notes payable	43,853	-	18,369	25,484	6,380
Capital leases	118,916	2,456	23,187	98,185	20,868
<b>Total direct borrowings and placements</b>	<b>166,269</b>	<b>162,456</b>	<b>41,556</b>	<b>287,169</b>	<b>27,248</b>
<b>Other liabilities:</b>					
Compensated absences	115,827	51,293	44,922	122,198	53,752
Other postemployment benefits	451,293	26,169	54,051	423,411	-
Pollution remediation	3,463	3,595	3,772	3,286	2,992
Developer payable	164,134	32,005	60,993	135,146	19,872
Estimated unpaid claims	61,072	163,620	115,007	109,685	19,883
Net pension liability	3,973,315	856,745	813,059	4,017,001	-
Sales tax refund liability	3,618	-	3,618	-	-
<b>Total other liabilities</b>	<b>4,772,722</b>	<b>1,133,427</b>	<b>1,095,422</b>	<b>4,810,727</b>	<b>96,499</b>
<b>Total governmental long-term liabilities</b>	<b>\$ 7,266,924</b>	<b>\$ 1,359,224</b>	<b>\$ 1,342,791</b>	<b>\$ 7,283,358</b>	<b>\$ 304,879</b>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

The liability for commercial paper notes will be fully liquidated by the Debt Service Fund. The liabilities for the compensated absences, net pension liability, and other postemployment benefits will be liquidated by General Fund, Community Development Fund, Health and Human Services Fund, Library Fund, Police Fund, Recreation Fund, Management Improvement Fund, Storm Water Operations Fund, Municipal Fund, General Citizen Fund, Equipment Services Fund, Communication Equipment Services Fund, Office Services Fund, Information Systems Fund, the Risk Fund, and the Bond Program Administration Fund. The liability for the developer payable will be liquidated by the Neighborhood Projects Fund. The entire estimated unpaid claims liability of \$110 million is reported in the Risk Fund, and the claims will be liquidated by that fund. The liabilities for pollution remediation, notes payable, and capital leases will be liquidated by the General Fund.

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

In fiscal year 2020 and in prior years, the City issued GO Bonds, Certificates of Obligation, GO Pension Obligation Bonds, and Equipment Acquisition Contractual Obligations. These bonds are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City. Events of default include nonpayment events and covenant noncompliance. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

In July 2020, the City issued Equipment Acquisition Contractual Obligations, Series 2020, of \$29.7 million with a premium of \$3.6 million, a stated interest rate of 5%, and a final maturity of February 15, 2025. The certificates will be used for financing the purchase of City equipment.

In July 2020, the City issued Certificates of Obligation, Series 2020, of \$16 million with a premium of \$0.2 million, a stated interest rate range of 1.125% to 4.125% and a final maturity of February 15, 2030. The bonds were issued for the purpose of financing capital improvements to City facilities damages by severe storms, pursuant to the authority granted by Subchapter C of Chapter 271, Texas Local Government Code (the certificate of Obligation Act of 1971"), as amended.

The General Obligation Bonds outstanding as of September 30, 2020 are as follows:

	Final	Interest Rates	Amount
Series 628	2030	4.39% to 5.61%	\$ 73,285
Series 631	2023	3.0% to 5.0%	43,149
Series 637	2026	2.0% to 5.0%	133,310
Series 638	2032	0.76% to 5.0%	122,815
Series 1692	2034	4.0% to 5.0%	441,965
Series 1700	2034	5.00%	151,715
Series 1843	2037	3.0% to 5.0%	263,900
Series W257	2038	3.0% to 5.0%	56,720
Series 1886	2039	3.0% to 5.0%	223,815
Series 1887	2039	3.0% to 5.0%	146,250
Total			<u>\$ 1,656,924</u>

The Certificates of Obligation outstanding as of September 30, 2020 are as follows:

	Final	Interest Rates	Amount
Series 635	2022	2.00% to 5.00%	\$ 5,200
Series 644	2030	2.00% to 5.00%	16,000
Total			<u>21,200</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

The Equipment Acquisition Contractual Obligations outstanding as of September 30, 2020 are as follows:

	Final	Interest Rates	Amount
Series 643	2025	3.00% to 4.00%	\$ 29,665

The Pension Obligation Bonds outstanding as of September 30, 2020 are as follows:

	Final	Interest Rates	Amount
Series 600	2035	3.24% to 5.19%	\$ 75,651
Series 601	2035	4.10% to 5.48%	31,067
Series 632	2024	0.295% to 4.66%	51,985
Total			\$ 158,703

C. Long-Term Notes Payable (Direct Borrowings)

HUD Section 108 Loans

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

State Energy Conservation Office (SECO) Loans

In fiscal year 2020 and previous fiscal years, the City borrowed money from the Texas State Energy Conservation Office for the purpose of making utility efficiency improvements to various buildings owned by the City and for building improvements. Events of default with respect to these loans include nonpayment events and noncompliance with covenants. In the event of default, all principal and unearned interest on the loans shall become immediately due.

The total outstanding notes payable as of September 30, 2020 are as follows:

	Final	Payments Due	Interest	Amount
	Maturity		Rates	
State Energy Conservation Office CL245	2022	Quarterly	2.50%	1,470
State Energy Conservation Office CL247	2026	Quarterly	2.50%	1,434
State Energy Conservation Office CL272	2026	Quarterly	2.00%	5,317
State Energy Conservation Office CL273	2027	Quarterly	2.00%	4,498
Section 108 B-09-MC-48-0009-B	2022	Quarterly	Variable	3,193
Section 108 B-12-MC-48-0009	2027	Semi-Annually	2.75%	9,572
Total				\$ 25,484

D. General Obligation Commercial Paper Notes (Direct Borrowing)

The commercial paper notes Series A and Series B are supported by a credit agreement with JPMorgan Chase Bank, N.A., and extends through November 27, 2020. The Series A and Series B notes have an aggregate available amount not to exceed approximately \$375.9 million, which includes \$350 million of principal together with approximately \$25.9 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate not to exceed 10 percent per annum. The two commercial paper programs constitute an obligation subordinate to the City's general obligation bonds. Any advances for payments of commercial paper under the line of credit are secured by proceeds of the applicable portion of the tax levy as set forth in the Credit Agreements. During fiscal year 2020, \$160 million was issued, and no commercial paper was repaid. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt. The City's unused line of credit on the notes was \$186.5 million at September 30, 2020.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

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

E. Governmental Capital Leases (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.

Garage Lease

During a prior fiscal year, the City entered into a capital lease for a parking garage near the Dallas Police Department headquarters. The leased property serves as collateral for non-payment. Events of default under the lease agreement include nonpayment events and covenant noncompliance. In the event of default, the Lessor has the right to terminate the lease and/or recover all damages associated with the default.

For more information on capital leases, please refer to Note 12.

F. Governmental Debt Service Requirements

The future debt service principal and interest payment requirements for the City's General Obligation Bonds, Tax and Revenue Certificates, and Pension Obligation Bonds at September 30, 2020 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 181,132	\$ 82,327	\$ 263,459
2022	181,144	73,077	254,221
2023	181,950	64,088	246,038
2024	176,231	55,289	231,520
2025	147,213	70,886	218,099
2026-2030	532,463	283,284	815,747
2031-2035	347,240	210,751	557,991
2036-2040	119,119	6,492	125,611
Total	<u>\$ 1,866,492</u>	<u>\$ 846,194</u>	<u>\$ 2,712,686</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

The future principal and interest payment requirements for the City's long-term notes payable, all of which are direct borrowings, at September 30, 2020 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 6,380	\$ 540	\$ 6,920
2022	2,947	462	3,409
2023	2,410	401	2,811
2024	2,464	349	2,813
2025	2,519	295	2,814
2026-2030	8,764	430	9,194
Total	<u>\$ 25,484</u>	<u>\$ 2,477</u>	<u>\$ 27,961</u>

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

G. Business-Type Activities

The changes in the business-type activities long-term liabilities for the year ended September 30, 2020 are as follows:

	Balance, September 30, 2019	Additions	Deletions	Balance, September 30, 2020	Due Within One Year
<u>Dallas Water Utilities</u>					
City of Dallas Waterworks and Sewer System					
Revenue Refunding and Improvement Bonds					
Series 2010	\$ 104,700	\$ -	\$ 96,175	\$ 8,525	\$ 8,525
Series 2011	134,265	-	99,640	34,625	13,820
Series 2012	270,465	-	109,640	160,825	19,495
Series 2013	142,550	-	110,790	31,760	3,310
Series 2015	591,670	-	16,070	575,600	45,460
Series 2016	486,615	-	31,560	455,055	4,860
Series 2017	168,750	-	2,930	165,820	3,080
Series 2018C	152,965	-	2,580	150,385	2,710
Series 2020C	-	281,825	-	281,825	5,615
Series 2020D	-	363,665	-	363,665	2,340
City of Dallas Waterworks and Sewer System					
Revenue Refunding and Improvement Bonds					
(Direct Placements)					
Series 2009B	5,505	-	5,005	500	500
Series 2009C	58,733	-	53,353	5,380	5,380
Series 2018A	22,000	-	675	21,325	675
Series 2018B	44,000	-	1,295	42,705	1,300
Series 2019A	22,000	-	-	22,000	720
Series 2019B	44,000	-	-	44,000	1,385
Series 2020A	-	22,000	-	22,000	-
Series 2020B	-	44,000	-	44,000	-
Total Revenue Bonds Payable	2,248,218	711,490	529,713	2,429,995	119,175
Add: Unamortized Premium	171,915	71,598	36,714	206,799	-
Total Revenue Bonds of Water Utilities	2,420,133	783,088	566,427	2,636,794	119,175
Pension Obligation Bonds	45,088	-	1,610	43,478	5,559
Add: Net premium/discount	19,560	-	688	18,872	-
Add: Accretion	30,364	3,802	3,593	30,573	-
Total Water Utilities Bonds	2,515,145	786,890	572,318	2,729,717	124,734
Direct borrowings					
Commercial paper notes payable	164,500	147,500	259,100	52,900	-
Water transmission facilities financing agreement	425,442	-	10,685	414,757	10,042
Total direct borrowings	589,942	147,500	269,785	467,657	10,042
Other liabilities:					
Compensated absences payable	11,297	4,259	4,543	11,013	4,690
Other postemployment benefits	64,552	3,350	6,919	60,983	-
Net pension liability	438,373	84,108	132,822	389,659	-
Arbitrage rebate	188	-	188	-	-
Total other liabilities	514,410	91,717	144,472	461,655	4,690
Total long-term liabilities for Dallas Water Utilities	3,619,497	1,026,107	986,575	3,659,029	139,466
<u>Convention Center</u>					
Civic Center Refunding and Improvement					
Revenue Bonds, Series 2009					
Revenue Bonds, Series 2009	279,475	-	9,095	270,380	9,550
Add: Net premium/discount	(2,563)	-	(87)	(2,650)	-
Total Convention Center Revenue Bonds	276,912	-	9,008	267,730	9,550
Pension Obligation Bonds	3,205	-	115	3,090	397
Add: Net premium/discount	1,396	-	49	1,347	-
Add: Accretion	2,168	271	256	2,183	-
Total Convention Center Bonds	283,681	271	9,428	274,350	9,947
Other liabilities:					
Compensated absences	303	146	76	373	159
Pollution remediation	75	-	12	63	63
Other postemployment benefits	4,645	73	150	4,568	-
Net pension liability	28,440	3,900	6,158	26,182	-
Total long-term liabilities for Convention Center	\$ 317,144	\$ 4,390	\$ 15,824	\$ 305,536	\$ 10,169



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

	Balance, September 30, 2019	Additions	Deletions	Balance, September 30, 2020	Due Within One Year
<b>Airport Revenues</b>					
General Airport Revenue Bonds 2015	\$ 105,350	\$ -	\$ 4,075	\$ 101,275	\$ 4,280
General Airport Revenue Bonds 2017	116,850	-	4,155	112,695	4,360
Add: Net Premium/Discount	18,426	-	2,256	16,170	-
Total Airport Revenue Bonds	<u>240,626</u>	<u>-</u>	<u>10,486</u>	<u>230,140</u>	<u>8,640</u>
Pension Obligation Bonds	4,224	-	151	4,073	521
Add: Net Premium/Discount	1,833	-	65	1,768	-
Add: Accretion	2,846	356	337	2,865	-
Total Airport Bonds	<u>249,529</u>	<u>356</u>	<u>11,039</u>	<u>238,846</u>	<u>9,161</u>
Direct borrowings					
Capital leases payable	70,611	-	1,225	69,386	1,296
Obligation for revenue credit agreement	415,960	-	8,500	407,460	8,840
Revenue credit agreement					
Net premium/discount	(4,896)	311	453	(5,038)	-
Total direct borrowing	<u>481,675</u>	<u>311</u>	<u>10,178</u>	<u>471,808</u>	<u>10,136</u>
Other Liabilities:					
Compensated absences	1,889	1,017	926	1,980	843
Pollution remediation	559	163	211	511	151
Other postemployment benefits	10,975	700	1,446	10,229	-
Net pension liability	64,388	16,136	25,483	55,041	-
Total other liabilities	<u>77,811</u>	<u>18,016</u>	<u>28,066</u>	<u>67,761</u>	<u>994</u>
Total long-term liabilities for Airport Revenues	<u>809,015</u>	<u>18,683</u>	<u>49,283</u>	<u>778,415</u>	<u>20,291</u>
<b>Sanitation</b>					
2010C GO Refunding General Obligation Bonds	5,167	-	821	4,346	1,912
Add: Net premium/discount	185	-	75	110	-
Total Sanitation General Obligation Bonds	<u>5,352</u>	<u>-</u>	<u>896</u>	<u>4,456</u>	<u>1,912</u>
Pension Obligation Bonds	14,740	-	526	14,214	1,817
Add: Net premium/discount	6,394	-	225	6,169	-
Add: Accretion	9,927	1,243	1,175	9,995	-
Total Sanitation Bonds	<u>36,413</u>	<u>1,243</u>	<u>2,822</u>	<u>34,834</u>	<u>3,729</u>
Direct borrowing					
Capital leases	16,908	6,056	6,435	16,529	6,099
Other liabilities:					
Compensated absences	3,006	1,003	1,281	2,728	1,162
Landfill closure/postclosure	43,466	1,929	179	45,216	286
Pollution remediation	-	1,000	29	971	971
Other postemployment benefits	21,991	1,244	2,571	20,664	-
Net pension liability	142,382	30,449	48,084	124,747	-
Total other liabilities	<u>210,845</u>	<u>35,625</u>	<u>52,144</u>	<u>194,326</u>	<u>2,419</u>
Total long-term liabilities for Sanitation	<u>264,166</u>	<u>42,924</u>	<u>61,401</u>	<u>245,689</u>	<u>12,247</u>
<b>Non-Major Business-Type</b>					
Pension Obligation Bonds	8,216	-	293	7,923	1,012
Add: Net premium/discount	3,561	-	125	3,436	-
Add: Accretion	5,529	692	654	5,567	-
Total Non-Major Business-Type Bonds	<u>17,306</u>	<u>692</u>	<u>1,072</u>	<u>16,926</u>	<u>1,012</u>
Other liabilities:					
Compensated absences	2,398	1,217	1,054	2,561	1,090
Other postemployment benefits	11,914	730	1,510	11,134	-
Net pension liability	92,022	19,650	31,031	80,641	-
Total other liabilities	<u>106,334</u>	<u>21,597</u>	<u>33,595</u>	<u>94,336</u>	<u>1,090</u>
Total long-term liabilities for Non-Major Business-type Activities	<u>123,640</u>	<u>22,289</u>	<u>34,667</u>	<u>111,262</u>	<u>2,102</u>
Total Business-Type Activities - Long-Term Liabilities	<u>\$ 5,133,462</u>	<u>\$ 1,114,393</u>	<u>\$ 1,147,750</u>	<u>\$ 5,099,931</u>	<u>\$ 184,275</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

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

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

I. Water Works and Sewer System Revenue Bonds

In July 2020, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds Series 2020C and Series 2020D of \$645.5 million and interest rates ranging from 4.0 percent to 5.0 percent. Final maturity will occur on October 1, 2049. The bonds were issued to refund previously issued waterworks and sewer system bonds and to refund outstanding commercial paper used by Dallas Water Utilities to fund capital construction projects. Proceeds of \$456.3 million were deposited with an escrow agent to be used to pay the outstanding amount of the refunded bonds. As a result, \$424.2 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. The refunding resulted in a difference of \$13.5 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 \$118.5 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of \$92.6 million.

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

In fiscal year 2020, and prior years Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds to fund capital construction projects. These were direct placements facilitated by the Texas Water Development Board. These bonds are special obligations of the City, payable solely from and secured by a first lien on and pledge of the pledged revenues of the system, which include the net revenues of the system remaining after deduction of current expenses of operation and maintenance. Events of default include nonpayment events and covenant noncompliance. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

In May 2020, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds Series 2020A and Series 2020B of \$66 million and interest rates ranging from 0.03 percent to 0.63 percent. Final maturity will occur on October 1, 2049. The bonds were issued to fund capital construction projects.

K. 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, 2020 are as follows:

**CITY OF DALLAS, TEXAS**  
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September 30, 2020

Note 11. Long-Term Debt (continued)

Series Description	Final Maturity	Interest Rates	Amount
625 Rev Bonds	2021	3.00% - 5.00%	\$ 500
634 Rev Bonds	2023	3.00% - 5.00%	34,625
636 Rev Bonds	2033	0.595% - 5.000%	160,825
639 Rev Bonds	2028	2.00% - 5.00%	31,760
9712 Rev Bonds	2045	1.00%-5.00%	575,600
1727 Rev Bonds	2046	3.00%-5.00%	455,055
W208 Rev Bonds	2048	4.00%-5.00%	165,820
W339 Rev Bonds	2048	4.00%-5.00%	150,385
637 Rev Bonds	2050	1.730%-5.000%	645,490
626 Rev Bonds	2021	1.303%-2.877%	5,380
630 Rev Bonds	2021	0.148%-3.018%	8,525
W309 Rev Bonds	2048	0.02%-1.70%	64,030
FS40 Rev Bonds	2050	0.02%-1.70%	66,000
FW40 Rev Bonds	2050	0.03%-1.34%	66,000
Total Revenue Bonds			<u>2,429,995</u>
Pension Obligation Bonds	2035	0.295% - 5.48%	43,478
Total Outstanding			<u><u>\$ 2,473,473</u></u>

Utility Revenues Pledged

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$2.4 billion in water and wastewater system revenue bonds, of which \$711.5 million was issued during the current fiscal year and the remaining balance in prior fiscal years. Proceeds from the bonds provided financing for capital assets. The bonds are payable solely from water customer net revenues and are payable through fiscal year 2050. 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, 2020 is \$3.5 billion. Principal and interest paid during fiscal year 2020 were \$105.6 million and \$90.6 million, respectively.

L. 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.

Pension Obligation Bonds are paid through increased contributions to the Debt Service Fund. Additionally, the City has covenanted to provide the payment of operating and maintenance expenses of the Convention Center Complex, should a shortfall in Convention Center revenues occur. Revenue from the Convention Center operating fund is transferred to the debt service fund to meet annual principal and interest payments. The Convention Center bonds outstanding as of September 30, 2020 are as follows:

The Convention Center bonds outstanding as of September 30, 2020 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Civic Center Convention Complex	2038	3.00% - 5.25%	\$ 270,380
Pension Obligation Bonds	2035	0.295% - 5.48%	3,090
Total Outstanding			<u><u>\$ 273,470</u></u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

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

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.

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

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

Airport revenue and pension obligation bonds outstanding as of September 30, 2020 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
General Airport Revenue Bonds 2015	2036	5.00%	\$ 101,275
General Airport Revenue Bonds 2017	2036	5.00%	112,695
Pension Obligation Bonds	2035	0.295% - 5.48%	4,073
Total			<u>\$ 218,043</u>

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

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

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

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

**CITY OF DALLAS, TEXAS**  
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September 30, 2020

Note 11. Long-Term Debt (continued)

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. At September 30, 2020, the Special Facilities Revenue Bonds outstanding was \$403 million.

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

The revenue credit agreement entered into between the City and the airline carrier was made possible as a result of the rate making provisions of the Airport Use and Lease Agreement which provide for the annual calculation of airline rates and charges sufficient to recover among other things, debt service on the bonds. While the crediting back of money to the airline carrier under the revenue credit agreement will be done pursuant to a contractual agreement between the City and the airline carrier, such revenue credits are not pledged to the payment of debt service on the Bonds. The City has determined the obligation under the revenue credit agreement to be a liability, and accordingly has recorded the obligation in the accompanying financial statements. The interest rates for the obligation range between 4.39 percent to 5.48 percent, and the obligation will be amortized over a period of 30 years. The balance of the obligation for the revenue credit agreement was \$408 million less the net premium/discount of \$5 million for a total balance of \$403 million, at September 30, 2020. The schedule of principal and interest payments required for the obligation is provided below (in thousands):

Airport Revenue - LFAMC			
Obligation for Revenue Credit Agreement			
Fiscal Year	Principal	Interest	Total
2021	\$ 8,840	\$ 20,927	\$ 29,767
2022	9,280	20,474	29,754
2023	9,745	19,998	29,743
2024	10,230	19,499	29,729
2025	10,745	18,975	29,720
2026-2030	70,985	85,621	156,606
2031-2035	110,975	61,534	172,509
2036-2040	143,325	28,330	171,655
Thereafter	33,335	875	34,210
Total	\$ 407,460	\$ 276,233	\$ 683,693

P. Business-type Activities Capital Leases (Direct Borrowings)

Airport Parking Capital Leases

During a prior fiscal year, the City entered into capital leases for two parking lots near Love Field Airport. The leased property serves as collateral for non-payment. Events of default under the lease agreements include nonpayment events and covenant noncompliance. In the event of default, the Lessor has the right to terminate the leases and/or recover all damages associated with the default.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

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.

For more information on capital leases, please refer to Note 12.

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

The Sanitation Fund provides for the payment of principal and interest on a portion of the 2010 General Obligation Refunding Bonds and the Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2020 are as follows:

<u>Series Description</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 631 General Obligation Bonds	2023	3.0% to 5.0%	\$ 4,346
Pension Obligation Bonds	2035	0.295% to 5.48%	14,214
Total Outstanding			<u>\$ 18,560</u>

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

The non-major enterprise funds provide for the payment of principal and interest on a portion of Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2020 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%	\$ 7,923

S. Business-Type Activities Debt Service Requirements

The debt service principal and interest payment requirement to maturity at September 30, 2020 for the business-type activities Revenue Bonds and Pension Obligation Bonds are as follows:

Fiscal Year	Dallas Water Utilities					
	Revenue Bonds			Revenue Bonds-Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 109,215	\$ 80,479	\$ 189,694	\$ 9,960	\$ 1,487	\$ 11,447
2022	119,295	81,961	201,256	6,340	1,438	7,778
2023	113,625	78,101	191,726	6,350	1,425	7,775
2024	102,995	74,263	177,258	6,365	1,409	7,774
2025	94,635	70,388	165,023	6,385	1,390	7,775
2026-2030	449,390	298,284	747,674	32,310	6,576	38,886
2031-2035	437,605	208,276	645,881	33,215	5,664	38,879
2036-2040	413,910	119,408	533,318	34,550	4,315	38,865
2041-2045	273,175	53,018	326,193	36,320	2,564	38,884
2046-2050	114,240	8,746	122,986	30,115	604	30,719
Total	<u>\$ 2,228,085</u>	<u>\$ 1,072,924</u>	<u>\$ 3,301,009</u>	<u>\$ 201,910</u>	<u>\$ 26,872</u>	<u>\$ 228,782</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

Dallas Water Utilities						
Pension Obligation Bonds						
Fiscal Year	Principal	Interest	Total			
2021	\$ 5,559	\$ 1,575	\$ 7,134			
2022	6,081	1,281	7,362			
2023	6,685	976	7,661			
2024	7,248	657	7,905			
2025	1,513	6,909	8,422			
2026-2030	7,548	38,607	46,155			
2031-2035	8,844	44,782	53,626			
Total	<u>\$ 43,478</u>	<u>\$ 94,787</u>	<u>\$ 138,265</u>			

Convention Center						
Fiscal Year	Revenue Bonds			Pension Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 9,550	\$ 13,932	\$ 23,482	\$ 397	\$ 112	\$ 509
2022	10,030	13,454	23,484	434	91	525
2023	10,530	12,953	23,483	477	70	547
2024	11,055	12,426	23,481	517	47	564
2025	11,610	11,873	23,483	96	493	589
2026-2030	67,355	50,057	117,412	538	2,754	3,292
2031-2035	86,600	30,812	117,412	631	3,195	3,826
2036-2038	63,650	6,797	70,447	-	-	-
Total	<u>\$ 270,380</u>	<u>\$ 152,304</u>	<u>\$ 422,684</u>	<u>\$ 3,090</u>	<u>\$ 6,762</u>	<u>\$ 9,852</u>

Airport Revenues						
Fiscal Year	General Airport Revenue Bonds			Pension Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 8,640	\$ 10,483	\$ 19,123	\$ 507	\$ 148	\$ 655
2022	9,075	10,040	19,115	570	120	690
2023	9,530	9,575	19,105	626	91	717
2024	10,005	9,086	19,091	680	62	742
2025	10,505	8,573	19,078	142	647	789
2026-2030	60,945	34,232	95,177	709	3,618	4,327
2031-2035	77,785	16,973	94,758	839	4,196	5,035
Thereafter	27,485	1,163	28,648	-	-	-
Total	<u>\$ 213,970</u>	<u>\$ 100,125</u>	<u>\$ 314,095</u>	<u>\$ 4,073</u>	<u>\$ 8,882</u>	<u>\$ 12,955</u>

Sanitation						
Fiscal Year	General Obligation Bonds			Pension Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,911	\$ 170	\$ 2,081	\$ 1,817	\$ 515	\$ 2,332
2022	1,606	82	1,688	1,988	419	2,407
2023	829	21	850	2,186	319	2,505
2024	-	-	-	2,370	215	2,585
2025	-	-	-	493	2,259	2,752
2026-2030	-	-	-	2,469	12,621	15,090
2031-2035	-	-	-	2,891	14,640	17,531
Total	<u>\$ 4,346</u>	<u>\$ 273</u>	<u>\$ 4,619</u>	<u>\$ 14,214</u>	<u>\$ 30,988</u>	<u>\$ 45,202</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

Non-Major Enterprise Funds			
Pension Obligation Bonds			
Fiscal Year	Principal	Interest	Total
2021	\$ 1,012	\$ 287	\$ 1,299
2022	1,107	233	1,340
2023	1,217	178	1,395
2024	1,320	120	1,440
2025	275	1,258	1,533
2026-2030	1,376	7,030	8,406
2031-2035	1,616	8,154	9,770
Total	\$ 7,923	\$ 17,260	\$ 25,183

T. 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, 2020 are as follows:

	Balance, September 30, 2019	Additions	Deletions	Balance, September 30, 2020	Due Within One Year
Tax Increment Revenue Bonds					
Series 2006	\$ 32,587	\$ -	\$ 2,386	\$ 30,201	\$ 2,373
Series 2007	23,692	-	362	23,330	835
Total Bonds	56,279	-	2,748	53,531	3,208
Accretion	36,657	3,926	3,301	37,282	-
Total Bonds	\$ 92,936	\$ 3,926	\$ 6,049	\$ 90,813	\$ 3,208

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.

The changes in the Dallas Convention Center Hotel Development Corporation discretely presented component unit's long-term liabilities for the year ended December 31, 2019 are as shown on the following page.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 11. Long-Term Debt (continued)

	Balance, December 31, 2018	Additions	Deletions	Balance, December 31, 2019	Due Within One Year
2009A Current Interest Bonds	\$ 62,165	\$ -	\$ 8,435	\$ 53,730	\$ 9,125
2009A Capital Appreciation Bonds	7,139	-	-	7,139	-
2009B Taxable Build America Bonds	388,175	-	-	388,175	-
Total Revenue Bonds	<u>457,479</u>	<u>-</u>	<u>8,435</u>	<u>449,044</u>	<u>9,125</u>
Add: Unamortized Premium	177	-	81	96	-
Less: Unamortized Discount	(124)	-	(28)	(96)	-
Add: Accretion on Capital Appreciation Bonds	5,699	833	-	6,532	-
Key Money Payable	<u>3,500</u>	<u>-</u>	<u>1,200</u>	<u>2,300</u>	<u>1,200</u>
Total Long-Term Debt	<u>\$ 466,731</u>	<u>\$ 833</u>	<u>\$ 9,688</u>	<u>\$ 457,876</u>	<u>\$ 10,325</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, 2020 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
Series DDDA - Series 2006	2036	5.25% - 5.66%	\$ 30,201
Series DDDA - Series 2007	2036	5.49% - 6.28%	23,330
Total Outstanding			<u>\$ 53,531</u>

The Dallas Convention Center Hotel Development Corporation discretely presented component unit bonds outstanding as of December 31, 2019 are as follows:

Series Description	Final Maturity	Interest Rates	Amount
2009A Current Interest Bonds	2024	4.25% - 5.25%	\$ 53,730
2009A Capital Appreciation Bonds	2026	5.43% - 6.46%	7,139
2009B Taxable Build America Bonds	2042	7.09%	388,175
Total Outstanding			<u>\$ 449,044</u>

The debt service principal and interest payment requirement to maturity at September 30, 2020 for the DDDA discretely presented component unit activities tax increment financing bonds and at December 31, 2019 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, 2020

Note 11. Long-Term Debt (continued)

Fiscal Year	DDDA			Calendar Year	Dallas Convention Center Hotel Development Corporation		
	Principal	Interest	Total		Principal	Interest	Total
2021	3,208	4,600	\$ 7,808	2020	9,125	30,041	\$ 39,166
2022	3,243	4,914	8,157	2021	9,890	29,558	39,448
2023	3,249	5,161	8,410	2022	10,690	29,025	39,715
2024	3,088	5,578	8,666	2023	11,554	28,441	39,995
2025	2,743	5,673	8,416	2024	12,470	27,826	40,296
2026-2030	13,948	29,766	43,714	2025-2029	61,390	142,739	204,129
2031-2035	19,832	29,679	49,511	2030-2034	99,410	101,593	201,003
2036	4,220	5,680	9,900	2035-2039	133,895	60,483	194,378
Total	<u>\$ 53,531</u>	<u>\$ 91,051</u>	<u>\$ 144,582</u>	2040-2042	100,620	10,962	111,582
				Total	<u>\$ 449,044</u>	<u>\$ 460,668</u>	<u>\$ 909,712</u>

U. Bonds Authorized and Unissued

The following is a schedule of authorized but unissued bonds at September 30, 2020:

	Date of Authorization	Amount Authorized	Amount Unissued
2017 Capital Improvement Program	11/7/2017	\$ 1,050,000	\$ 728,498

V. Compliance with Debt Covenants

For the year ended September 30, 2020, management of the City believes that it was in compliance with all financial bond covenants on outstanding revenue and general obligation bonded debt.

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

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

The commercial paper notes Series D are supported by two liquidity agreements through two banks. The liquidity agreements supporting the Sub-Series D-1 and Sub-Series D-2 notes are through State Street Bank and Trust Company and Bank of America N.A., respectively, and extend to December 30, 2020. The Sub-Series D-1 notes have an aggregate available principal amount not to exceed \$241.6 million, which includes \$225 million of principal together with approximately \$16.6 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum. The Sub-Series D-2 notes have an aggregate available principal amount not to exceed \$80.5 million, which includes \$75 million of principal together with approximately \$5.5 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum.

The commercial paper notes Series E are supported by a liquidity agreement with JPMorgan Chase Bank, N.A., and extend to March 31, 2021. The Series E notes have an aggregate available principal amount not to exceed \$322.2 million, which includes \$300 million of principal together with approximately \$22.2 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum.

Events of default include nonpayment of fees, incorrect or untrue statement made by the City the agreements, breach of covenant, unsatisfied judgements over \$10 million, acceleration of other debt in an amount greater than \$5 million, filing of bankruptcy, validity of agreement invalidated by any governmental authority, debt moratorium, bond ratings downgraded below Baa3/BBB-, material adverse effects as a result of State law repeal or any event of default as defined in Sub-Series D-1 and Series E 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 2020, \$147.5 million was issued and \$259.1 million was repaid. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt. The balance of the commercial paper notes payable was \$52.9 million at September 30, 2020.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 11. Long-Term Debt (continued)

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

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 February 2012 in the amount of \$131.9 million, in January 2014 in the amount of \$202.1 million, and in December 2015 in the amount of \$140 million. 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, 2020, the TRWD Water Facilities Contract Revenue Bonds outstanding were \$416 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 \$415 million at September 30, 2020.

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
2021	\$ 10,042	\$ 16,653	\$ 26,695
2022	11,285	16,204	27,489
2023	11,640	15,732	27,372
2024	12,105	15,235	27,340
2025	12,520	14,781	27,301
2026-2030	70,285	66,877	137,162
2031-2035	85,960	52,686	138,646
2036-2040	106,665	33,247	139,912
2041-2045	94,255	9,728	103,983
Total	<u>\$ 414,757</u>	<u>\$ 241,143</u>	<u>\$ 655,900</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 12. Leases

A. As Lessee

As lessee, the City is committed under various leases for building and office space, data processing, and communications equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the fiscal year ended September 30, 2020, amounted to \$13.7 million.

Future minimum lease payments for these leases are as follows:

Year Ending September 30,	Total Rental Payments	Governmental Activities	Business-Type Activities
2021	\$ 12,112	\$ 2,972	\$ 9,140
2022	9,558	2,392	7,166
2023	7,947	1,121	6,826
2024	7,279	780	6,499
2025	6,920	409	6,511
2026-2030	33,175	526	32,649
2031-2035	30,749	54	30,695
Thereafter	62,690	197	62,493
Minimum Future Rentals	<u>\$ 170,430</u>	<u>\$ 8,451</u>	<u>\$ 161,979</u>

The City is also committed under capital leases for the purchase of computer equipment, vehicles and heavy equipment, parking garages, and a parking lot. The liability for future capital lease payments totals \$248.3 million. Future minimum lease payments for capital leases including interest and principal are as shown below.

Fiscal Year	Total Rental Payments	Governmental Activities	Business-Type Activities
2021	\$ 34,805	\$ 23,234	\$ 11,571
2022	29,648	18,955	10,693
2023	23,780	15,482	8,298
2024	19,455	12,825	6,630
2025	15,082	9,274	5,808
2026-2030	53,397	27,480	25,917
2031-2035	25,917	-	25,917
Thereafter	52,085	-	52,085
Total minimum future lease payments	254,169	107,250	146,919
Less: Amount representing interest	(70,069)	(9,065)	(61,004)
Present value of net minimum lease payments	<u>\$ 184,100</u>	<u>\$ 98,185</u>	<u>\$ 85,915</u>

Analysis of the City's investments in capital assets under capital lease arrangements as of September 30, 2020 is as follows:

	Governmental Activities	Business-Type Activities
Building and equipment	\$ 131,652	\$ 27,655
Land	-	75,270
Less: Accumulated depreciation	(77,135)	(10,383)
Total	<u>\$ 54,517</u>	<u>\$ 92,542</u>

B. As Lessor

The City is also under several lease agreements as lessor whereby it receives revenues from leasing airport terminal space, hangars, parking spaces, ramps, land, buildings, and office space to air carriers and other tenants. These revenue leases are considered for accounting purposes to be operating leases. Additionally, other City departments receive revenues under various agreements for the operation of concessions. Most of these revenues are determined based on various percentages of gross sales for the concessions.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 12. Leases (continued)

Revenues for the fiscal year ended September 30, 2020 were \$79.3 million. The following is a schedule of minimum future rentals on non-cancelable operating leases as of September 30, 2020:

Year Ending September 30	Governmental Activities	Dallas Water Utilities	Convention Center	Airport Revenues	Total
2021	\$ 2,168	\$ 48	\$ 937	\$ 67,605	\$ 70,758
2022	1,021	41	940	62,868	64,870
2023	235	42	940	60,948	62,165
2024	236	42	869	53,751	54,898
2025	236	42	792	52,992	54,062
2026-2030	830	207	4,030	162,672	167,739
2031-2035	174	207	4,242	10,616	15,239
Thereafter	284	2,143	13,268	25,941	41,636
Minimum Future Rentals	<u>\$ 5,184</u>	<u>\$ 2,772</u>	<u>\$ 26,018</u>	<u>\$ 497,393</u>	<u>\$ 531,367</u>

The above amounts do not include contingent rentals of the Airport Revenues Fund, which may be received under certain leases; such contingent rentals received totaled \$882 thousand in fiscal year 2020.

Note 13. Defeasance of Debt

In current and prior years, the City legally defeased certain outstanding general obligation and enterprise revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments of the refunded bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's basic financial statements.

As of September 30, 2020, the City had a total of \$242 million defeased outstanding General Obligation Bonds and \$1.1 billion defeased outstanding water and sewer revenue bonds. The bonds defeased during the fiscal year are as follows:

	Balance, September 30, 2019	Additions	Deletions	Balance, September 30, 2020
General Obligation Bonds	\$ 252,125	\$ -	\$ 9,915	\$ 242,210
Water and Sewer Revenue Bonds	723,380	424,153	47,670	1,099,863
Total	<u>\$ 975,505</u>	<u>\$ 424,153</u>	<u>\$ 57,585</u>	<u>\$ 1,342,073</u>

Note 14. Risk Management – Estimated Claims and Judgments Payable

The City is self-insured for all third-party general liability claims. Claims adjusting services are provided by the City's internal staff. Interfund premiums are based primarily upon the insured funds' claims experience and exposure and are reported as cost reimbursement interfund transactions. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and, if probable and material, salvage, and subrogation.

All known City property, primarily buildings and contents, is insured through commercial insurance policies, subject to a \$750 thousand deductible per loss occurrence. The amount of settlements exceeded the deductible loss per occurrence during the fiscal year ended September 30 2020, but not in the prior two fiscal years.

The City is self-insured for workers' compensation claims that occurred prior to October 1, 1999. Effective October 1, 1999 through January 31, 2013, the City was insured for workers' compensation losses in excess of \$750 thousand per occurrence. Effective February 1, 2013, the City was insured for workers' compensation losses in excess of \$1 million per occurrence. Effective February 1, 2016, the City is insured for workers' compensation losses in excess of \$1.5 million per occurrence. Claims adjusting services are provided by an independent "administrative services" contractor. Workers' compensation premiums are based primarily upon the insured funds' claims experience and exposure, and are reported as cost reimbursement interfund transactions.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 14. Risk Management – Estimated Claims and Judgments Payable (continued)

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 \$41.4 million at September 30, 2020, is recorded in the risk funds. Of this amount, \$7.1 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, 2020, in the amount of \$8.4 million in the risk funds.

At September 30, 2020, the City estimates its general liability at \$60.0 million, of which \$4.5 million is estimated to be payable in the next fiscal year. The general liability includes \$7.6 million for automobile and general liability and \$52.4 million for probable claims and lawsuits.

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

	Workers' Compensation		Health		General Liability	
	2020	2019	2020	2019	2020	2019
Unpaid claims, beginning of year	\$ 41,595	\$ 37,374	\$ 7,683	\$ 8,312	\$ 11,794	\$ 190,003
Incurred claims, including incurred but not reported claims (IBNRs) and changes in estimates	9,524	15,146	93,103	88,028	51,094	3,554
Claim payments	(10,261)	(11,470)	(100,633)	(94,016)	(4,113)	(177,771)
Changes to prior year estimates (IBNR)	502	545	8,222	5,359	1,175	(3,992)
Unpaid claims, end of year	<u>\$ 41,360</u>	<u>\$ 41,595</u>	<u>\$ 8,375</u>	<u>\$ 7,683</u>	<u>\$ 59,950</u>	<u>\$ 11,794</u>

Note 15. Accrued Landfill Liability

The City owns and operates the McCommas Bluff landfill located in the southern portion of the City. The developed 409.2 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 25 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 \$40.4 million liability for closure/post-closure care is based on 94.3 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 \$249 thousand for the transfer stations at September 30, 2020.

The estimated total liability of \$42.8 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 \$40.4 million as a long-term liability. Closure and post-closure care are funded through current Sanitation Fund revenues generated by landfill operations. Effective April 9, 1997, Sections 330.280-284 of Title 30 of the Texas Administrative Code (TAC) require landfill owners to demonstrate financial assurance on an annual basis that they will have sufficient financial resources to satisfy closure and post-closure care expenditures at such time as these become payable.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 15. Accrued Landfill Liability (continued)

The City also owns the Deepwood & Loop 12 landfill located at South Miller Road, southwest of Loop 12. This landfill is closed. The estimated total liability for post closure care costs for the entire 47 acres of the closed landfill (132 acres of the Landfill Property) is estimated to be \$4.6 million during the next 16 years, of which \$286 thousand is due within one year.

The total closure and post-closure liability for both landfills and the three transfer stations at September 30, 2020 is \$45.2 million.

Note 16. Pollution Remediation

The City is responsible for following all applicable environmental rules when managing sites with environmental clean-up or management requirements. The Texas Commission on Environmental Quality (TCEQ) is the State regulatory agency that regulates all projects being reported. The method used to calculate the liability is the current value of outlays to remediate the properties – the amount that would be paid if all equipment, facilities, and services included in the estimate were acquired during the current period. The liability is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of September 30, 2020, the total environmental remediation liability is \$4.8 million, and the current portion of this liability is \$4.2 million. At this time, the City is unable to estimate any recoveries to reduce the liability.

Nineteen sites are regulated by the Texas Risk Reduction Program, Texas Administrative Code (TAC) Ch. 350. During the reporting period, the City began remediation activities at five new sites and completed remediation activities at six sites. The total estimated cost is \$2.6 million, and the current portion of this liability is \$2 million.

A leaking petroleum storage tank site is managed by environmental corrective activities in compliance with the rule for Underground and Aboveground Storage Tanks, TAC Ch 334. During the reporting period, the Certificate of Completion was obtained, and the City paid \$83 thousand for remediation activities. There are no additional activities or costs required for this project.

Twelve 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 five new sites and completed remediation activities at one site. The total estimated cost is \$1.3 million, and the current portion of this liability is \$1.3 million.

A site is managed in compliance with Underground and Aboveground Storage Tank Rules, TAC Ch 334, Texas Asbestos Health Protection Rules, TAC Ch 295, and OSHA Lead Exposure Rules 29 CFR 1926.62. Activities in the reporting period included removal of a 1000-gallon vaulted aboveground storage tank and an oil water separator and asbestos abatement prior to demolition. During the reporting period, the City paid \$166 thousand for remediation activities. There are no additional activities or costs required for this project.

A former shingle recycling site is regulated by the Texas Municipal Waste Rules, TAC Ch 330. During fiscal year 2020, the City has completed testing of shingle material from the site to confirm no ACM and that shingles can be disposed of at a Class II landfill. 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). During the reporting period, shingles and associated material has been removed from the property and transported to MBLF landfill. Activities expected to be completed during the current period are completion of removal of shingles and disposal of soil with shingles, and completion of a Phase I and II environmental site assessment. The estimated cost for this project is \$971 thousand, and the current portion of this liability is \$971 thousand.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 16. Pollution Remediation (continued)

The City's pollution remediation for the year ended September 30, 2020 are as follows:

<u>Sites regulated by</u>	Balance, September 30, 2019	Additions	Deletions	Balance, September 30, 2020	Due Within One Year
<b>Governmental Activities:</b>					
Texas Risk Reduction Program	\$ 857	\$ 1,735	\$ 560	\$ 2,032	\$ 1,738
Underground and Aboveground Storage Tanks	82	1	83	-	-
Texas Asbestos Health Protection Rules	2,359	1,858	2,963	1,254	1,254
Underground and Aboveground Storage, Texas Asbestos Health Protection Rules, and OSHA Lead Exposure	165	1	166	-	-
<b>Total Governmental Activities</b>	<u>3,463</u>	<u>3,595</u>	<u>3,772</u>	<u>3,286</u>	<u>2,992</u>
<b>Business-type Activities</b>					
Convention Center					
Texas Risk Reduction Program	75	-	12	63	63
Airport Revenues					
Texas Risk Reduction Program	559	163	211	511	151
Sanitation					
Texas Municipal Waste Rules	-	1,000	29	971	971
<b>Total Business-type Activities</b>	<u>634</u>	<u>1,163</u>	<u>252</u>	<u>1,545</u>	<u>1,185</u>
<b>Total Pollution Remediation</b>	<u>\$ 4,097</u>	<u>\$ 4,758</u>	<u>\$ 4,024</u>	<u>\$ 4,831</u>	<u>\$ 4,177</u>

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans

A. Plan Descriptions

The City participates in funding three single employer, contributory, defined benefit employee pension plans. Membership is a condition of employment for all full-time, permanent employees. The activities of the entities as of December 31, 2019 are reported in the City's Pension Trust Funds. Descriptions of each plan are as follows:

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

Dallas Police and Fire Pension System Combined Plan (Combined Plan): The legal authority for the Combined Plan is Article 6243a-1 of the Revised Civil Statutes of Texas. In 2017, changes to the plan were implemented by the passing of HB 3158. The Combined Plan is a retirement fund for police officers and firefighters employed by the City of Dallas. The system is administered by an eleven member board of trustees of the Dallas Police and Fire Pension System (DPFP System) composed of one elected from active members of the police department, one elected from active members of the fire rescue department, three elected by the nominations committee, and six appointed by the Mayor in consultation with city council. It is comprised of a single defined benefit pension plan designed to provide retirement, death, and disability benefits for firefighters and police officers (members). All active, eligible police officers and firefighters employed by the City are required to participate. The DPFP System issues a stand-alone financial report which is available at: [www.dpfp.org/-Financial-/Financial-Reports](http://www.dpfp.org/-Financial-/Financial-Reports).

Supplemental Police and Fire Pension Plan of the City of Dallas (Supplemental Plan): The legal authority for the Supplemental Plan is Subsection 35 of Chapter II of the Charter of the City of Dallas and Ordinance 14084 of 1973. The plan is administered by the board of trustees for the DPFP System. This plan includes officials in the Fire and Police Departments who hold rank higher than the highest corresponding Civil Service rank available as a result of competitive examination and who have elected participation. The Supplemental Plan issues a stand-alone financial report which is available at: [www.dpfp.org/-Financial-/Financial-Reports](http://www.dpfp.org/-Financial-/Financial-Reports).

B. Benefits provided

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

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

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

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

**CITY OF DALLAS, TEXAS**  
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Note 17. Pension Plans (continued)

Combined Plan: The Combined Plan provides comprehensive retirement, disability, and survivor benefits for the City's police officers, firefighters and their beneficiaries as authorized through Article 6243a-1 of the Revised Civil Statutes of Texas. The Combined Plan consists of Group A and Group B membership. No member elected contribution under Group A.

Under Group A, members may elect to receive one of two benefit structures (Options 1 and 2):

- Option 1 entitles members with 20 years or more of pension service to normal monthly pension benefits beginning at age 50 equal to 50 percent of the base pay as defined as the maximum monthly civil service pay established by the City at the time of retirement plus 50 percent of the longevity pay the member was receiving at the time he or she left active service with the City or the effective date the member joined the Deferred Retirement Option Plan (DROP). Benefit payments are adjusted annually according to changes in active service base pay, if any. Additionally, a member is eligible to receive 50 percent of the difference between any annualized City service incentive pay granted to the member less annual longevity pay.
- Option 2 entitles members with 20 years or more of pension service to normal monthly pension benefits beginning at age 55 equal to 3 percent of the base pay computed, as noted in Option 1, for each year of pension service with a maximum of 32 years. In addition, a member receives 50 percent of the longevity pay and 1/24 of any City service incentive pay the member was receiving at the time he or she left active service with the City or the effective date the member joined DROP. Prior to September 1, 2017, pension benefit payments increased annually on October 1<sup>st</sup> by 4 percent of the initial benefit amount. After September 1, 2017, pension benefit payments are eligible for an ad hoc cost of living increase as approved by the Board, if certain funding requirements are met.

Under Group B, members receive one of two benefit structures:

- Members who began membership before March 1, 2011 with 5 or more years of pension service are entitled to monthly pension benefits beginning at age 50 equal to 3% of the member's average base pay plus education and longevity pay (Computation Pay) determined over the highest 36 consecutive months of Computation Pay, multiplied by the number of years of pension service prior to September 1, 2017. The monthly pension benefit for service earned after September 1, 2017 is based on the highest 60 consecutive months of Computation Pay multiplied by a 2.5% multiplier at age 58. The multiplier is reduced to between 2.0% and 2.4% for retirement beginning at age 53 and prior to age 58. The member cannot accrue a monthly pension benefit that exceeds 90% of the member's average Computation Pay. Certain members may receive a 2.5% multiplier for pension service after September 1, 2017 prior to age 58 if the combination of their pre and post September 1, 2017 pension service calculations using the 2.5% multiplier for post September 1, 2017 meets or exceeds the 90% maximum benefit. Certain members who meet the service prerequisite or were 45 prior to September 1, 2017 may elect to take early retirement with reduced benefits starting at age 45, or earlier if the member has 20 years of pension service.
- Members who began membership after February 28, 2011 are entitled to monthly pension benefits after accruing 5 years of pension service and the attainment of age 58. Pension benefits are equal to the member's average Computation Pay determined over the highest 60 consecutive months of Computation Pay, multiplied by 2.5% for the number of years of pension service. The member cannot accrue a monthly pension benefit that exceeds 90% of the member's average Computation Pay. Certain members who meet the service prerequisite may elect to take early retirement with reduced benefits starting at age 53.

Members who are eligible to retire are allowed to enter the DROP program. The member's monthly benefit remains in a DROP account which does not accumulate interest. Upon retirement from the City, the member is able to withdraw annuitized benefits from their DROP account; however, under certain circumstances, members may be eligible to withdraw a lump sum amount. The total DROP account balance was \$1.04 billion at December 31, 2019.

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

**CITY OF DALLAS, TEXAS**  
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Note 17. Pension Plans (continued)

Supplemental Plan: The Supplemental Plan provides benefits designed to supplement Combined Plan Group B benefits for members holding a rank higher than the highest corresponding civil service rank because their Combined Plan benefits are capped by the definition of “considered compensation.” Benefits provided by the Supplemental Plan were approved by the Dallas City Council through passage of City Ordinance 14084 of 1973 as authorized in City Charter Chapter II, Subsection 35. Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age 50. Members receive a supplemental pension based upon the difference between compensation for the civil service position held before entrance into the Supplemental Plan and compensation while participating in the Supplemental Plan. The formula used to determine the member’s Combined Plan Group B benefit is also used to determine the member’s benefit under the Supplemental Plan; therefore, the same length of time is used to determine the average computation pay for both the Combined Plan and the Supplemental Plan, as well as provisions for the application for benefits.

Members who are eligible to retire are allowed to enter the DROP program. The member’s monthly benefit remains in a DROP account which does not accumulate interest. Upon retirement from the City, the member is able to withdraw annuitized benefits from their DROP account; however, under certain circumstances, members may be eligible to withdraw a lump sum amount. The total DROP account balance was \$7.1 million at December 31, 2019.

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, 2019, the following numbers of employees were covered by the benefit terms:

	ERF	Combined Plan	Supplemental Plan
Retirees and beneficiaries currently receiving benefits	7,405	5,039	139
Inactive members entitled to benefits but not yet receiving them	1,666	242	2
Current members	7,427	5,121	41
Total	16,498	10,402	182

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, 2020. The City’s contribution of 22.68 percent is divided into 14.20 percent cash to the Plan and 8.48 percent for debt service payments on the pension obligation bonds. For fiscal year 2020, the City contribution was \$62 million.

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

Prior to September 6, 2017, the City made statutorily required contributions of 27.5 percent of total wages and salaries as defined in the Combined Plan document and Article 6243a-1. After September 1, 2017, the City contributes 34.5 percent of computation pay, with a floor for seven years, plus \$13 million per year until 2024. No member elected contribution under Group A. Group B members are required to contribute 13.5 percent of their computation pay. For fiscal year 2020, the City contribution was \$159 million.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 17. Pension Plans (continued)

Supplemental Plan: Ordinance 14084 of 1973 establishes contribution requirements. Changes to the contribution amounts or percentages may be made by City Council ordinance.

Members of the Supplemental Plan contribute 13.5 percent of their pay that is applicable to the Supplemental Plan. The City makes an annual contribution to the Supplemental Plan based on the results of an actuarial study. For fiscal year 2020, the City contribution was \$1.5 million.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2019. 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, 2019 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, 2020

Note 17. Pension Plans (continued)

	ERF	Combined Plan	Supplemental Plan
Inflation	2.50%	2.50%	2.50%
Salary Increases	3.0% to 8.25%, including inflation	2.5% to 3.25%, including inflation	2.5% to 3.25%, including inflation
Investment Rate of Return	7.25%	7.00%	7.00%
Mortality	<p><b>For actives:</b>  Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019).</p> <p><b>For healthy retirees:</b>  2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019).</p> <p><b>For all disabled lives:</b>  2019 Texas Municipal Retirees Mortality Table, set forward four years for males and three years for females, using Scale UMP (Ultimate MP-2019).</p>	<p><b>For actives:</b>  Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.</p> <p><b>For healthy retirees:</b>  Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.</p> <p><b>For all disabled lives:</b>  Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.</p>	<p><b>For actives:</b>  Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.</p> <p><b>For healthy retirees:</b>  Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.</p> <p><b>For all disabled lives:</b>  Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.</p>
Cost of Living Adjustments	The percentage of change in the price index for October of the current year over October of the previous year, or the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment. The maximum COLA for Tier A retirees is 5%, and the maximum for Tier B retirees is 3%.	Ad hoc granted by the Board when the Combined Plan is 70 percent funded after accounting for the COLA. 2% of original benefit, beginning October 1, 2063.	Ad hoc granted by the Board when the Combined Plan is 70 percent funded after accounting for the COLA. 2% of original benefit, beginning October 1, 2063.
Long-term expected rate of return	Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.	Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.	Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 17. Pension Plans (continued)

The target allocation and best estimates of arithmetic real rates of return (RROR) for each of the plans, by major asset class, are summarized in the following table:

Asset Class	ERF	
	Target Allocation	Long-term RROR
Domestic equity	12.5%	6.00%
International equity	12.5%	6.75%
Global equity	7.5%	6.45%
Global low volatility equity	12.5%	6.41%
Investment grade fixed income	15.0%	2.70%
High yield	10.0%	4.20%
Credit opportunities	5.0%	5.35%
Global public infrastructure	5.0%	7.23%
REIT	2.5%	4.70%
Private real estate - core	5.0%	5.40%
Private real estate - value add	2.5%	8.00%
Private equity	7.5%	8.05%
Marketable alternatives	2.5%	4.42%
Total	100.0%	

Asset Class	Combined Plan		Supplemental Plan	
	Target Allocation	Long-term RROR	Target Allocation	Long-term RROR
Global equity	40%	5.29%	40%	5.29%
Emerging markets equity	10%	6.47%	10%	6.47%
Private equity	5%	8.19%	5%	8.19%
Cash	3%	0.62%	3%	0.62%
Short-term investment grade bonds	12%	0.71%	12%	0.71%
Investment grade bonds	4%	1.00%	4%	1.00%
High yield bonds	4%	3.18%	4%	3.18%
Bank loans	4%	2.85%	4%	2.85%
Global bonds	4%	0.97%	4%	0.97%
Emerging markets debt	4%	3.58%	4%	3.58%
Real estate	5%	3.85%	5%	3.85%
Natural resources	5%	5.54%	5%	5.54%
Total	100%		100%	

G. Discount Rate

ERF: The discount rate used to measure the total pension liability was 5.93 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 2.75 percent. The projection of cash flows used to determine the discount rate assumed that that (1) plan member contributions and City contributions will be made at the projected future contribution rates outlined in Chapter 40A of the Dallas City Code, under which employees contribute 37 percent of the CATOR; the City contributes 63 percent of the CATOR, reduced by the amount required to pay current debt service on the 2005 pension obligation bonds; (2) the ERF annually earns 7.25 percent on its market value of assets; and (3) the number of active members remains constant in the future. Based on those assumptions and the ERF's funding policy, the last year in the single discount rate projection period for which projected benefit payments were fully funded was 2058, and the resulting single discount rate is 5.93 percent.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

Combined Plan: The discount rate used to measure the total pension liability was 7.00 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 7.00 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, 2020

Note 17. Pension Plans (continued)

H. Changes in the Net Pension Liability

The following table shows the net pension liabilities as of December 31, 2019.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Employees' Retirement Fund</b>			
Balances at 12/31/18	\$ 5,547,964	\$ 3,282,313	\$ 2,265,651
Changes for the year:			
Service cost	124,288	-	124,288
Interest	325,766	-	325,766
Changes of assumptions	(43,032)	-	(43,032)
Differences between expected and actual experience	(7,819)	-	(7,819)
Contributions - City	-	62,177	(62,177)
Contributions - Employee	-	58,314	(58,314)
Net investment income	-	550,942	(550,942)
Benefit payments, including refunds of employee contribution	(288,443)	(288,443)	-
Administrative expense	-	(7,513)	7,513
Other changes	-	298	(298)
Net Changes	110,760	375,775	(265,015)
Balances at 12/31/19	<u>\$ 5,658,724</u>	<u>\$ 3,658,088</u>	<u>\$ 2,000,636</u>
<b>Combined Plan</b>			
Balances at 12/31/18	\$ 4,501,670	\$ 2,041,914	\$ 2,459,756
Changes for the year:			
Service cost	49,156	-	49,156
Interest	318,703	-	318,703
Changes of assumptions	155,569	-	155,569
Differences between expected and actual experience	16,723	-	16,723
Contributions - City	-	155,721	(155,721)
Contributions - Employee	-	52,268	(52,268)
Net investment income	-	124,260	(124,260)
Benefit payments, including refunds of employee contribution	(309,861)	(309,861)	-
Administrative expense	-	(6,445)	6,445
Net Changes	230,290	15,943	214,347
Balances at 12/31/19	<u>\$ 4,731,960</u>	<u>\$ 2,057,857</u>	<u>\$ 2,674,103</u>
<b>Supplemental Plan</b>			
Balances at 12/31/18	\$ 31,831	\$ 18,318	\$ 13,513
Changes for the year:			
Service cost	212	-	212
Interest	2,223	-	2,223
Changes of assumptions	1,332	-	1,332
Differences between expected and actual experience	3,007	-	3,007
Contributions - City	-	1,530	(1,530)
Contributions - Employee	-	111	(111)
Net investment income	-	169	(169)
Benefit payments, including refunds of employee contribution	(2,766)	(2,766)	-
Administrative expense	-	(55)	55
Net Changes	4,008	(1,011)	5,019
Balances at 12/31/19	<u>\$ 35,839</u>	<u>\$ 17,307</u>	<u>\$ 18,532</u>



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

The net pension liability for the ERF has been allocated between governmental activities and business-type activities based on the percentage of contribution by each. The net pension liability for the Combined Plan and Supplemental Plan is reported in the governmental activities. For governmental activities, the total net pension liability was \$4,071,001 and for business-type activities, \$676,270. The amount of the ERF net pension liability allocated by business-type activity is \$389,659 to Dallas Water Utilities, \$26,182 to Convention Center, \$55,041 to Airport Revenues, \$124,747 to Sanitation and \$80,641 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 5.93 percent for ERF, 7.00 percent for the Combined Plan and 7.00 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 (4.93 percent for ERF, 6.00 percent for the Combined Plan and 6.00 percent for the Supplemental Plan) or 1-percentage-point higher (6.93 percent for ERF, 8.00 percent for the Combined Plan and 8.00 percent for the Supplemental Plan) than the current rates:

	1% Decrease	Current Discount Rate	1% Increase
ERF	\$ 2,748,259	\$ 2,000,636	\$ 1,382,052
Combined Plan	\$ 3,212,526	\$ 2,674,103	\$ 2,224,767
Supplemental Plan	\$ 21,763	\$ 18,532	\$ 15,763

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, 2020, the City recognized total pension expense of \$88,677, \$164,349 of which was for the ERF, (\$82,120) for the Combined Plan, and \$6,448 for the Supplemental Plan. At September 30, 2020, 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	\$ 2,585	\$ 24,981	\$ 14,334	\$ 114,107	\$ -
Changes of assumptions	550,823	95,583	133,345	1,588,995	-
Net difference between projected and actual earnings on pension plan investments	-	50,586	101,004	-	1,160
Contributions subsequent to the measurement date	46,889	-	121,700	-	1,777
Total deferred outflows/inflows	<u>\$ 600,297</u>	<u>\$ 171,150</u>	<u>\$ 370,383</u>	<u>\$ 1,703,102</u>	<u>\$ 2,937</u>

Deferred outflows of resources reported in the amounts of \$46,889, \$121,700 and \$1,777 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, 2021. Deferred outflows and inflows of resources reported in the amount of (\$1,071,001) related to pensions will be recognized in pension expense as shown on the following page. The Convention Center enterprise fund had net deferred outflows related to the difference between projected and actual earnings on pension plan investments in the amount of \$736 thousand at September 30, 2020. This amount has been combined with net deferred inflows from the difference between projected and actual interest earnings on plan investments in the governmental activities and all other enterprise funds in the table shown above.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

	ERF	Combined Plan	Supplemental Plan
Year ending 9/30:			
2021	\$ 132,303	\$ (607,785)	\$ 369
2022	216,828	(450,549)	336
2023	96,680	(460,892)	232
2024	(63,553)	15,581	223
2025	-	24,613	-
Thereafter	-	24,613	-
Total	<u>\$ 382,258</u>	<u>\$ (1,454,419)</u>	<u>\$ 1,160</u>

Note 18. Commitments and Contingencies

A. Pending Lawsuits and Claims

Various claims and lawsuits are pending against the City and its officers and employees acting in their official capacities (hereafter collectively "City" for purposes of Note 18 A). Those lawsuits and claims, excluding condemnation proceedings, which are considered "probable" and estimable are accrued as a liability, while those claims and judgments, excluding condemnation proceedings, which are considered "reasonably possible" are disclosed but not accrued.

At September 30, 2020, approximately \$52.4 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 \$19 million as of September 30, 2020.

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, and HOME 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, 2020. These projects are evidenced by contractual commitments and include the following: \$455 million for General Purpose Capital Improvements and \$453 million for Water Utilities Capital Improvements.

As discussed in note 2.B., Budgets and Budgetary Basis of Accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability, and to facilitate effective cash planning and control. As of September 30, 2020, the amount of encumbrances expected to be honored upon performance by the vendor in a subsequent year were as follows:

	Encumbrance Amount
General fund	\$ 41,071
Nonmajor governmental funds	541,956
Total	<u>\$ 583,027</u>

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 19. Dallas Water Utilities Prepaid Escrow

On October 1, 1981, the City of Dallas purchased water supply rights for Lake Fork, a water source owned and operated by the Sabine River Authority (Authority), for approximately \$117 million. Lake Fork is located on Lake Fork Creek, a tributary of the Sabine River, in Wood, Hopkins, and Rains Counties, approximately 70 miles east of the City of Dallas. Financial obligations of the City's share of Lake Fork water supply rights were fully paid as of December 2004. The City now has a contract with the Authority for 74 percent of the water available from Lake Fork.

The City was required to pay the Authority for a pro rata share of the operation and maintenance costs associated with Lake Fork, which was approximately \$12.5 million in the fiscal year ended September 30, 2020. The pro rata share of the operation and maintenance costs owed to the Authority for the renewal of the Lake Fork contract was to be mutually negotiated with the Authority pursuant to the terms of the contract. Negotiation attempts with the Authority failed and in October 2014, the Authority unilaterally established a rate which would require the City to pay approximately an additional \$24 million annually for the water to which it is entitled. The City challenged the rate by filing petitions with the Public Utilities Commission of Texas (PUC) and district courts in Travis and Orange counties in Texas. The PUC ordered an administrative law judge to consider setting an interim rate while this dispute was pending.

On April 2, 2015, the administrative law judge ruled that the interim rate must be paid by the City of Dallas until the rate case was resolved. The rate was set by the Authority on a take-or-pay basis, without a cost escalator. This interim rate was retroactive to November 2, 2014. The amounts the City paid in accordance with the interim rate were expensed and deposited into an interest-bearing escrow account, established by the Authority, pending the final outcome of the rate case.

A settlement agreement was approved by City Council on October 11, 2017 and by the Authority Board of Directors on October 12, 2017.

The interest-bearing escrow account balance was \$68.7 million on September 30, 2018. Terms of the settlement agreement required that \$23.4 million be paid immediately from the escrow account as additional compensation to the Authority for the period November 2, 2014 through September 30, 2018. The remaining escrow amount of \$45.3 million at September 30, 2017, plus the accrued September escrow contribution of \$2 million (total \$47.3 million) will be used to offset future payments of additional compensation by the City to the Authority, until the escrow account balance is depleted, and has been recorded as Prepaid Escrow on the statement of net position. The escrow balance was \$24.7 million on September 30, 2020. The remaining balance is estimated to be fully depleted in three to four years.

Note 20. Other Postemployment Benefits

A. Plan Description

In addition to pension benefits, the City provides certain healthcare benefits for retired employees through various Council resolutions. The postemployment benefit plan is a single-employer plan administered by Cigna (pre-65 retirees) and UHC (post-65 retirees utilizing Medicare). Employees who are permanent, full-time employees are eligible to participate in the benefits 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 \$628 (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 3,743 retired participants and surviving spouses in the health plan at September 30, 2020, 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 subsidizes the Medicare Advantage plans for the retirees. The City provides Part A premiums for retirees that do not contribute to Medicare for enough quarters to qualify for free Part A.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 20. Other Postemployment Benefits (continued)

C. Employees Covered by Benefit Terms

At September 30, 2020, membership was as follows:

Inactive employees or beneficiaries currently receiving benefit payments	3,743	
Active employees	5,433	
Total participants	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">9,176</td> </tr> </table>	9,176
9,176		

D. Total OPEB Liability

The City's total OPEB liability of \$530,989 was measured as of September 30, 2020 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 \$423,411 and for business-type activities, \$107,578, with allocations of \$60,983 to Dallas Water Utilities fund, \$4,568 to Convention Center, \$10,229 to Airport Revenues, \$20,664 to Sanitation, and \$11,134 to nonmajor enterprise funds.

E. Actuarial Assumptions

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	<b>Police and Fire:</b> 2.5% to 3.25%, including inflation <b>Non-Uniformed:</b> 3.0% to 8.25%, including inflation
Discount Rate	2.41%, based on the 20-year yield for tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Mortality	<b>Uniform (pre-retirement):</b> Pub-2010 Public Safety Employee Amount-Weighted Table, set forward five years for males, projected generationally using Scale MP-2019. <b>Uniform (post-retirement):</b> Pub-2010 Public Safety Retiree Amount-Weighted Table set back one year for females, projected generationally using Scale MP-2019. <b>Non-Uniformed (pre-retirement):</b> Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019). <b>Non-Uniformed (post-retirement):</b> 2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019)
Healthcare Cost Trend Rates	<b>Pre-65 Trend:</b> 6.8% for fiscal year 2021 and trending down to an ultimate 4.04% using the Getzen model. <b>Post-65 Trend:</b> 5.40% for fiscal year 2021 and trending down to an ultimate 4.04% using the Getzen model.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 20. Other Postemployment Benefits (continued)

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an experience study on the healthcare-specific participation assumptions, plus assumption changes included in the September 30, 2020 valuation.

F. Changes to the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2019	\$ 565,370
Changes for the year:	
Service cost	16,491
Interest	15,775
Differences between expected and actual experience	(198)
Changes of assumptions	(47,877)
Benefit payments	(18,572)
Net Changes	(34,381)
Balance at September 30, 2020	\$ 530,989

Changes of assumptions reflect the following changes: a change in the participation rate from 75 percent to 65 percent, changes in salary scales, turnover rates, retirement rates, mortality tables, mortality improvement tables and a decrease in the discount rate from 2.75 percent to 2.41 percent.

G. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the City, calculated using the discount rate of 2.41 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 (1.41 percent) or 1-percentage-point higher (3.41 percent) than the current rates:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 620,896	\$ 530,989	\$ 456,648

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	\$ 449,178	\$ 530,989	\$ 628,193

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 20. Other Postemployment Benefits (continued)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2020, the City recognized total OPEB expense of \$26,732. At September 30, 2020, the City also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 2,668	\$ 25,774
Changes of assumptions	49,597	48,800
Total deferred outflows/inflows	\$ 52,265	\$ 74,574

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

Year ending 9/30:	OPEB Expense
2021	\$ (5,536)
2022	(5,536)
2023	(1,621)
2024	(9,616)
Total	\$ (22,309)

Note 21. Subsequent Events

A. Debt Items

In November of 2020, the City issued General Obligation Refunding and Improvement Bonds Series 2020A, in the amount of \$208.9 million, and with a premium of \$22.7 million for a total of \$231.6 million. The average coupon interest rate on the bonds is 3.173%. The proceeds were used to refund \$47.5 million of General Obligation Bonds; refund \$163.5 million of General Obligation Commercial Paper Notes; \$18 million was placed in a project fund; and the remaining amount was used for cost of issuance. The bonds will mature on February 15, 2041.

In November of 2020, the City issued \$76.9 million in General Obligation Refunding Bonds, Taxable Series 2020B with an average coupon interest rate of .835%. The bonds will mature on February 15, 2024.

In November of 2020, the City issued \$24.5 million in Equipment Acquisition Contractual Obligations, Series 2020B with an average coupon interest rate of 5.00%. The obligations will mature on February 15, 2026.

From October 1, 2020 through the date of the independent auditors' report, the City issued \$225.9 million of general obligation commercial paper notes, with an average interest rate of .177%.

From October 1, 2020 through the date of the independent auditors' report, the City issued \$132.6 million of Dallas Water Utilities commercial paper notes, with an average interest rate of .147%.

On October 30, 2020, S&P Global Ratings downgraded the Love Field Airport Modernization Corporation General Airport Revenue Bonds issued for Love Field Airport to from A to A- and assigned a rating outlook of negative as of October 30, 2020.

B. COVID-19 Pandemic

In response to the COVID-19 pandemic, the City continues to closely monitor the impact of the pandemic on its revenue sources and costs, while taking advantage of any federal and state grant opportunities available. The full extent of the operational and financial impact the COVID-19 pandemic may have on the City depends on the duration and spread of the outbreak and related advisories and restrictions that may result, all of which are highly uncertain and unpredictable at this time.

On January 21, 2021, the City received \$40.6 million from the U.S. Department of the Treasury as part of the Consolidated Appropriations Act of 2021 to provide emergency rental assistance services for individuals directly and indirectly impacted by the COVID-19 pandemic.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2020

Note 21. Subsequent Events (continued)

On March 11, 2021, President Biden signed the American Rescue Plan to provide additional relief during the COVID-19 pandemic. The bill is intended to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and ongoing recession and includes a number of funding streams available to state and local governments. The City is estimated to receive approximately \$377 million under this program.

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

	2020			2019			2018		
	ERF	DPPF - Combined Plan	DPPF - Supplemental Plan	ERF	DPPF - Combined Plan	DPPF - Supplemental Plan	ERF	DPPF - Combined Plan	DPPF - Supplemental Plan
<b>Total Pension Liability</b>									
Service cost	\$ 124,288	\$ 49,156	\$ 212	\$ 84,843	\$ 44,792	\$ 223	\$ 81,178	\$ 148,552	\$ 111
Interest	325,766	318,703	2,223	332,011	318,536	2,359	325,620	348,171	2,799
Changes of assumptions	(43,032)	155,569	1,332	1,020,969	(31,460)	28	-	(2,851,241)	(479)
Differences between expected and actual experience	(7,819)	16,723	3,007	4,793	(46,556)	(2,628)	(59,066)	(134,665)	(1,435)
Plan changes	-	-	-	-	16,091	889	-	(1,167,597)	(5,306)
Benefit payments, including refunds	(288,445)	(309,859)	(2,766)	(272,496)	(297,081)	(2,708)	(261,690)	(296,154)	(2,669)
Net change	110,758	230,292	4,008	1,170,120	4,322	(1,837)	86,042	(3,952,934)	(6,979)
Total Pension Liability, Beginning	5,547,967	4,501,668	31,831	4,377,847	4,497,346	33,668	4,291,805	8,450,280	40,647
Total Pension Liability, Ending <sup>(a)</sup>	5,658,725	4,731,960	35,839	5,547,967	4,501,668	31,831	4,377,847	4,497,346	33,668
<b>Plan Fiduciary Net Position</b>									
Contributions - City	62,177	155,721	1,530	60,924	149,357	1,980	58,966	126,318	2,077
Contributions - Employee	58,314	52,268	111	56,772	49,332	75	55,175	32,977	66
Net investment income	550,942	124,260	169	(167,783)	42,822	1,220	413,511	98,911	740
Benefit payments, including refunds	(288,443)	(309,861)	(2,766)	(272,496)	(297,081)	(2,708)	(261,690)	(296,154)	(2,669)
Administrative expense	(7,513)	(6,445)	(55)	(7,485)	(5,861)	(53)	(5,951)	(8,089)	(69)
Other changes	298	-	-	121	-	-	207	(1,280)	(11)
Net change	375,775	15,943	(1,011)	(329,947)	(61,431)	514	260,218	(47,317)	134
Plan Fiduciary Net Position, Beginning	3,282,314	2,041,914	18,318	3,612,261	2,103,345	17,804	3,352,043	2,150,662	17,670
Plan Fiduciary Net Position, Ending <sup>(b)</sup>	3,658,089	2,057,857	17,307	3,282,314	2,041,914	18,318	3,612,261	2,103,345	17,804
City's Net Pension Liability <sup>(a) - (b)</sup>	\$ 2,000,636	\$ 2,674,103	\$ 18,532	\$ 2,265,653	\$ 2,459,754	\$ 13,513	\$ 765,586	\$ 2,394,001	\$ 15,864
Plan Fiduciary Net Position as a percentage of Total Pension Liability	65%	43%	48%	59%	45%	58%	83%	47%	53%
Covered payroll	\$ 433,890	\$ 396,955	\$ 584	\$ 423,723	\$ 363,117	\$ 622	\$ 421,269	\$ 346,037	\$ 916
City's Net Pension Liability as a percentage of covered payroll	461%	674%	3173%	535%	677%	2173%	182%	692%	1732%



2017			2016			2015		
ERF	DPFP - Combined Plan	DPFP - Supplemental Plan	ERF	DPFP - Combined Plan	DPFP - Supplemental Plan	ERF	DPFP - Combined Plan	DPFP - Supplemental Plan
\$ 133,457	\$ 167,432	\$ 70	\$ 78,020	\$ 125,441	\$ 36	\$ 62,065	\$ 131,312	\$ 28
305,826	360,567	2,911	313,850	359,023	2,953	290,948	369,408	2,969
(1,227,079)	(712,004)	(917)	1,238,431	908,988	(601)	292,137	-	-
(38,327)	(77,463)	1,106	(26,829)	379,461	929	(21,967)	(4,453)	336
-	-	-	-	-	-	-	(329,794)	(526)
(249,639)	(825,092)	(5,912)	(239,960)	(285,003)	(2,640)	(230,243)	(245,932)	(3,415)
(1,075,762)	(1,086,560)	(2,742)	1,363,512	1,487,910	677	392,940	(79,459)	(608)
5,367,567	9,536,840	43,389	4,004,055	8,048,930	42,712	3,611,115	8,128,389	43,320
4,291,805	8,450,280	40,647	5,367,567	9,536,840	43,389	4,004,055	8,048,930	42,712
56,130	119,345	3,064	50,721	114,886	2,443	45,833	109,792	1,817
53,436	25,518	35	50,742	25,676	43	46,536	29,333	49
294,918	164,791	1,141	(53,344)	(235,338)	(1,690)	207,992	(138,893)	(517)
(249,639)	(825,092)	(5,912)	(239,960)	(285,003)	(2,640)	(230,243)	(245,932)	(3,415)
(5,343)	(9,492)	(78)	(4,598)	(8,417)	(61)	(4,150)	(8,003)	(56)
333	(4,532)	(37)	162	(5,875)	(43)	157	(7,361)	(51)
149,835	(529,462)	(1,787)	(196,277)	(394,071)	(1,948)	66,125	(261,064)	(2,173)
3,202,208	2,680,124	19,457	3,398,485	3,074,195	21,405	3,332,360	3,335,259	23,578
3,352,043	2,150,662	17,670	3,202,208	2,680,124	19,457	3,398,485	3,074,195	21,405
\$ 939,762	\$ 6,299,618	\$ 22,977	\$ 2,165,359	\$ 6,856,716	\$ 23,932	\$ 605,570	\$ 4,974,735	\$ 21,307
78%	25%	43%	60%	28%	45%	85%	38%	50%
\$ 409,433	\$ 357,414	\$ 525	\$ 393,186	\$ 365,210	\$ 725	\$ 353,650	\$ 383,006	\$ 557
230%	1763%	4377%	551%	1877%	3301%	171%	1299%	3825%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Employees Retirement Fund</b>				
Actuarially determined contribution	\$ 92,567	\$ 85,945	\$ 91,977	\$ 88,547
Contributions in relation to the actuarially determined contribution	\$ 61,798	\$ 62,462	\$ 60,589	\$ 58,045
Contribution deficiency (excess)	\$ 30,769	\$ 23,483	\$ 31,388	\$ 30,502
Covered payroll	\$ 435,198	\$ 434,064	\$ 420,754	\$ 405,062
Contributions as a percentage of covered payroll	14%	14%	14%	14%
<b>Dallas Police and Fire Pension - Combined Plan</b>				
Actuarially determined contribution	\$ 193,748	\$ 157,368	\$ 157,997	\$ 202,167
Contributions in relation to the actuarially determined contribution	\$ 161,928	\$ 151,850	\$ 151,850	\$ 120,351
Contribution deficiency (excess)	\$ 31,820	\$ 5,518	\$ 6,147	\$ 81,816
Statutorily required contribution	N/A	N/A	N/A	N/A
Contributions in relation to the statutorily required contribution	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A
Covered payroll	\$ 414,790	\$ 375,759	\$ 348,011 (1)	\$ 427,867
Contributions as a percentage of covered payroll	39%	40%	44%	28%
<b>Dallas Police and Fire Pension - Supplemental Plan</b>				
Actuarially determined contribution	\$ 1,777	\$ 1,881	\$ 2,274	\$ 2,087
Contributions in relation to the actuarially determined contribution	\$ 1,777	\$ 1,881	\$ 2,274	\$ 2,087
Covered payroll	\$ 584	\$ 723	\$ 916	\$ 525
Contributions as a percentage of covered payroll	304%	260%	248%	398%

(1) Beginning in September 2017, the Texas House Bill 3158 required that contributions to the Plan be based computation pay. Per the House Bill, computation pay is based on the biweekly rate of pay of a member, educational incentive pay, longevity pay, and city service incentive pay. Overtime, assignment pay, and lump sum payments are not included.

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
\$ 81,838	\$ 68,100	\$ 62,756	\$ 54,289	\$ 37,822	\$ 32,865
\$ 56,987	\$ 49,135	\$ 44,816	\$ 35,515	\$ 28,917	\$ 27,303
\$ 24,851	\$ 18,965	\$ 17,940	\$ 18,774	\$ 8,905	\$ 5,562
\$ 389,706	\$ 376,421	\$ 357,887	\$ 336,483	\$ 317,551	\$ 318,408
15%	13%	13%	11%	9%	9%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$ 118,508	\$ 113,026	\$ 108,268	\$ 105,753	\$ 102,431	\$ 106,633
\$ 118,508	\$ 113,026	\$ 108,268	\$ 105,753	\$ 102,431	\$ 106,633
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 432,082	\$ 414,373	\$ 378,000	\$ 361,000	\$ 349,000	\$ 365,000
27%	27%	29%	29%	29%	29%
\$ 3,064	\$ 2,443	\$ 1,817	\$ 1,936	\$ 1,954	\$ 1,543
\$ 3,064	\$ 2,443	\$ 1,817	\$ 1,936	\$ 1,954	\$ 1,543
\$ 725	\$ 556	\$ 521	\$ 450	\$ 621	\$ 886
423%	439%	349%	430%	315%	174%

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

Employees' Retirement Fund

Valuation date	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10
Timing	The actuarially determined contribution rate is effective October 1 after the valuation date.									
Actuarial cost method	Entry age normal.									
Amortization method	30-year open group projection. The City ordinance authorizing the plan specifies that the rate may not change from year-to-year if the calculated rate is less than 300 basis points different from the current rate.									
Asset valuation method	5-year smoothed market value of assets.									
Inflation	2.50%	2.75%			3%					
Salary increases	3.0% to 8.25%, including inflation		3.25% to 6.25%, including inflation		3.5% to 7%, including inflation					
Discount rate	5.93%	5.98%	7.75%		8.00%		8.25%			
Cost of Living Adjustment	The greater of (a) the percentage of change in the price index for October of the current year over October of the previous year, or (b) the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment. The maximum change per year is 5% for Tier A and 3% for Tier B members.				The greater of (a) the percentage of change in the price index for October of the current year over October of the previous year, up to 5%, or (b) the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment, up to 5%.					
Mortality	<b>For actives:</b> Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019). <b>For healthy retirees:</b> 2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019). <b>For all disabled lives:</b> 2019 Texas Municipal Retirees Mortality Table, set forward four years for males and three years for females, projected using Scale UMP (Ultimate MP-2019).	<b>For actives:</b> Males - RP-2000 Employee Mortality Table for male employees, set forward 4 years. Females - RP-2000 Employee Mortality Table for female employees, set back 5 years. <b>For healthy retirees:</b> Males - RP-2000 Combined with Blue Collar adjustment for male annuitants, with a 109% multiplier and fully generational mortality using improvement scale BB Females - RP-2000 Combined with Blue Collar adjustment for female annuitants, with a 103% multiplier and fully generational mortality using improvement scale BB <b>For all disabled lives:</b> RP-2000 Disabled Mortality Table for male annuitants, set forward one year.	<b>For actives:</b> Males - RP-2000 Healthy Mortality Table for male employees, set forward 4 years. Females - RP-2000 Healthy Mortality Table for female employees, set back 5 years. <b>For healthy retirees:</b> Males - RP-2000 Healthy Mortality Table for male annuitants, projected to 2007 using mortality improvement scale BB, set forward two years. P2000 Healthy Mortality Table for female annuitants. <b>For all disabled lives:</b> RP-2000 Disabled Mortality Table for male annuitants, set forward one year.	<b>For actives:</b> Males - RP-2000 Healthy Mortality Table for male employees, set forward 4 years. Females - RP-2000 Healthy Mortality Table for female employees, set back 5 years. <b>For healthy retirees:</b> Males - RP-2000 Healthy Mortality Table for male annuitants, projected to 2007 using mortality improvement scale AA, set forward two years. P2000 Healthy Mortality Table for female annuitants. <b>For all disabled lives:</b> RP-2000 Disabled Mortality Table for male annuitants, set forward one year.	<b>For actives:</b> Males - 1994 Uninsured Pension Mortality Table for males, base table rates multiplied by 87%. Females - 1994 Uninsured Pension Mortality Table for females, base table rates multiplied by 125%. <b>For healthy retirees:</b> Males - 1994 Uninsured Pension Mortality Table for males, set forward two years. Females - 1994 Uninsured Pension Mortality Table for females, base table rates multiplied by 125% for ages less than 85 and up. <b>For all disabled lives:</b> 1965 Railroad Retirement Board Disabled Annuitants Mortality Table (without select rates). For females, the rates are multiplied by 60%.					

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

**Dallas Police and Fire Pension - Combined Plan**

Valuation date	01/01/20	01/01/19	01/01/18	01/01/17	01/01/16	01/01/15	01/01/14	01/01/13	01/01/12	01/01/11
Timing	The actuarially determined contribution is included in the report for informational purposes only, beginning in January 1, 2017.									
Actuarial cost method	Entry age normal.									
Amortization method	Level percentage of payroll.									
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.									
Inflation	2.50% to 3.25%, including inflation	2.75%								
Salary increases	3.0% to 8.25%, including inflation.	2.0% to 5.0%, including inflation.	3.0% to 5.2%, including inflation.	2.75%						
Discount rate	7%	7.25%		7.25%	7.25%					
Cost of Living Adjustment	Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2063.	Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2050.	Ad hoc granted by the Board when the Plan is 70 percent funded and other financial benchmarks have been met.	0% prior to October 1, 2049. 2% on original benefit beginning October 1, 2049.						
Mortality	<b>For actives:</b> Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019. <b>For healthy retirees:</b> Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019. <b>For all disabled lives:</b> Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.	<b>For actives:</b> RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015 <b>For healthy retirees:</b> RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015 <b>For all disabled lives:</b> Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.	<b>For actives:</b> Sex distinct RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015. <b>For healthy retirees:</b> RP-2014 Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015. <b>For all disabled lives:</b> Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.							

**Dallas Police and Fire Pension - Supplemental Plan**

Valuation date	01/01/20	01/01/19	01/01/18	01/01/17	01/01/16	01/01/15	01/01/14	01/01/13	01/01/12	01/01/11
Timing	The actuarially determined contribution is due September 30 after the valuation date.									
Actuarial cost method	Entry age normal.									
Amortization method	Level percentage of payroll.									
Asset valuation method	Market value of assets.									
Inflation	2.50%	2.75%		4%						
Salary increases	2.50% to 3.25%, including inflation	2.0% to 5.0%, including inflation.	3.0% to 5.2%, including inflation.	2.75%	4% - 9.64%, including inflation					
Discount rate	7%	7.25%		8.50%						
Cost of Living Adjustment	Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2063.	Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2050.	None	4% for members hired on or before December 31, 2006. New members hired after December 31, 2006 are not eligible for an automatic increase.						
Mortality	<b>For actives:</b> Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019. <b>For healthy retirees:</b> Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019. <b>For all disabled lives:</b> Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.	<b>For actives:</b> RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015 <b>For healthy retirees:</b> RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015 <b>For all disabled lives:</b> Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.	<b>For actives:</b> Sex distinct RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015. <b>For healthy retirees:</b> RP-2014 Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015. <b>For all disabled lives:</b> Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015.	<b>For actives:</b> RP-2000 Combined Healthy Mortality Table projected ten years beyond the valuation date using Scale AA. <b>For healthy retirees:</b> RP-2000 Combined Healthy Mortality Table projected ten years beyond the valuation date using Scale AA. <b>For all disabled lives:</b> RP-2000 Combined Healthy Mortality Table with a one-year set forward.	1994 Group Annuity Mortality Table for males and females, set back one year for males and females.					

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

	2020	2019	2018*
Total OPEB Liability			
Service cost	\$ 16,491	\$ 14,006	\$ 14,817
Interest	15,775	19,813	18,420
Changes of assumptions	(47,877)	82,662	(26,244)
Differences between expected and actual experience	(198)	(42,693)	6,669
Benefit payments	(18,573)	(19,537)	(21,343)
Net change	(34,382)	54,251	(7,681)
Total OPEB Liability, Beginning	565,371	511,120	518,801
Total OPEB Liability, Ending	<u>\$ 530,989</u>	<u>\$ 565,371</u>	<u>\$ 511,120</u>
Covered payroll	\$ 959,102	\$ 914,916	\$ 877,768
Total OPEB Liability as a Percentage of Covered Employee Payroll	55%	62%	58%

\* Prior year information was not available.



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

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Community Development Fund – to account for funds received by the City of Dallas pursuant to the Community Development Act of 1974, as amended, and grant funds for community development type programs.

Health and Human Services Fund – to account for private and grant funds received for public health and human services programs.

Library Fund – to account for private and grant funds received for acquisition of library materials and expansion of library services.

Police Fund – to account for private and grant funds received for crime prevention and law enforcement programs.

Recreation Fund – to account for private and grant funds received for summer recreation and other recreation programs.

Transportation Fund – to account for private and grant funds received for transportation studies and construction.

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.

Storm Water Operations Fund – to account for the administration and operational activities of the Storm Water Program. Financing is provided by a Storm Water fee.

Municipal Fund – to account for private contributions restricted to the provision of various employee and citizen municipal purposes.

General Citizen Fund – to account for private contributions restricted to the provision of various general governmental projects.

Arts and Cultural Fund – to account for private contributions restricted for the financing arts and cultural activities.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets which are not financed by Enterprise Funds, Internal Service Funds, and Trust Funds.

Neighborhood Projects – to account for construction of neighborhood facilities and paving projects.

Parks – to account for construction of parks, playgrounds, and recreational facilities.

Streets and Drainage – to account for construction of streets and storm sewers.

Buildings – to account for construction of City-owned buildings

Transportation – to account for construction of traffic signals and controls.



## **NONMAJOR GOVERNMENTAL FUNDS**

### **PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs that is, for the benefit of the government or its citizenry.

Samuell Park – to account for the private donation by Dr. W.W. Samuell. The income from this fund is restricted to the operation and improvement of Samuell Park.

Grauwylers Memorial – to account for the private donation by Mrs. Emma H. Grauwylers. The income from the trust is to be used to improve and beautify Grauwylers Park.

Craddock Park – to account for the private donation by Mr. and Mrs. L. Craddock. The earnings from the trust are to be used for improving and maintaining Craddock Park.

Martin Weiss Park – to account for the private donations by Mr. and Mrs. Martin Weiss, the earnings from which are restricted to the use for further improvements of the Martin Weiss Park.

Hale Davis – to account for private donations by Hale Davis, restricted for municipal purposes.

**CITY OF DALLAS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2020  
(in thousands)

	Special Revenue				
	Community Development	Health and Human Services	Library	Police	Recreation
<b>Assets</b>					
Pooled cash and cash equivalents	\$ 4,868	\$ -	\$ 3,752	\$ 13,335	\$ 35,584
Other investments, at fair value	-	-	1,000	-	-
Receivables:					
Notes	39,132	-	-	-	43
Special assessments-paving notes	-	-	-	-	-
Accounts	1,952	-	8	692	36
Accrued interest	6	1	3	10	135
Allowance for uncollectible accounts	(16,141)	-	-	-	-
Due from other governments	12,994	5,665	22	4,655	14
Prepaid expenses	132	145	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Notes receivable from other funds	-	-	-	-	-
Total assets	<u>42,943</u>	<u>5,811</u>	<u>4,785</u>	<u>18,692</u>	<u>35,812</u>
<b>Liabilities, deferred inflows, and fund balances</b>					
<b>Liabilities</b>					
Accrued payroll	130	207	1	20	4
Accounts payable	4,691	529	207	1,875	114
Due to other governments	-	-	-	-	-
Due to other funds	-	3,569	-	-	-
Unearned revenue	393	9	1	2,850	21
Construction accounts payable	-	-	-	-	-
Notes payable to other funds	-	-	-	-	5,329
Customer deposits	-	-	-	-	-
Contracts payable	-	-	-	-	-
Other liabilities	139	-	-	78	35
Total liabilities	<u>5,353</u>	<u>4,314</u>	<u>209</u>	<u>4,823</u>	<u>5,503</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	25,142	-	-	-	132
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted	12,448	1,497	4,576	13,869	-
Committed	-	-	-	-	30,177
Total fund balances	<u>12,448</u>	<u>1,497</u>	<u>4,576</u>	<u>13,869</u>	<u>30,177</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 42,943</u>	<u>\$ 5,811</u>	<u>\$ 4,785</u>	<u>\$ 18,692</u>	<u>\$ 35,812</u>

Transportation	Management Improvement	Public Improvement Districts	Storm Water Operations	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
\$ 16,936	\$ 164,512	\$ 1,232	\$ 73,808	\$ 38,140	\$ 2,933	\$ 4,219	\$ 359,319
-	-	-	-	-	-	2,235	3,235
-	-	-	-	15,893	-	-	55,068
-	-	-	-	-	-	-	-
-	535	671	11,398	2,077	-	-	17,369
15	151	1	15	177	2	25	541
-	-	(78)	(5,333)	(3,118)	-	-	(24,670)
865	428	-	-	196	-	-	24,839
-	-	-	-	-	-	-	277
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>17,816</u>	<u>165,626</u>	<u>1,826</u>	<u>79,888</u>	<u>53,365</u>	<u>2,935</u>	<u>6,479</u>	<u>435,978</u>

-	-	-	296	105	-	-	763
1,405	15,666	1,810	1,793	14	1	68	28,173
-	1	-	-	-	-	-	1
-	-	-	-	-	-	-	3,569
-	118,714	-	-	-	-	-	121,988
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,329
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
29	20	-	335	-	7	-	643
<u>1,434</u>	<u>134,401</u>	<u>1,810</u>	<u>2,424</u>	<u>119</u>	<u>8</u>	<u>68</u>	<u>160,466</u>

-	-	-	2,993	13,664	-	-	41,931
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-	-	-	-	-	-	-	-
16,382	31,225	16	74,471	39,582	2,927	6,411	203,404
-	-	-	-	-	-	-	30,177
<u>16,382</u>	<u>31,225</u>	<u>16</u>	<u>74,471</u>	<u>39,582</u>	<u>2,927</u>	<u>6,411</u>	<u>233,581</u>

<u>\$ 17,816</u>	<u>\$ 165,626</u>	<u>\$ 1,826</u>	<u>\$ 79,888</u>	<u>\$ 53,365</u>	<u>\$ 2,935</u>	<u>\$ 6,479</u>	<u>\$ 435,978</u>
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continued

**CITY OF DALLAS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
September 30, 2020  
(in thousands)

	Capital Projects					Total Nonmajor Capital Project Funds
	Neighborhood Projects	Parks	Streets and Drainage	Building	Trans- portation	
<b>Assets</b>						
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other investments, at fair value	-	-	-	-	-	-
Receivables:						
Notes	1,823	-	-	1,500	-	3,323
Special assessments-paving notes	-	-	5,889	-	-	5,889
Accounts	25,588	2,239	-	227	-	28,054
Accrued interest	98	26	104	124	285	637
Allowance for uncollectible accounts	-	-	(4,956)	(1,500)	-	(6,456)
Due from other governments	-	51	-	3,209	12,552	15,812
Prepaid expenses	-	-	-	-	-	-
Restricted cash and cash equivalents	132,891	43,867	135,029	141,725	358,474	811,986
Notes receivable from other funds	-	-	4,161	-	-	4,161
Total assets	<u>160,400</u>	<u>46,183</u>	<u>140,227</u>	<u>145,285</u>	<u>371,311</u>	<u>863,406</u>
<b>Liabilities, deferred inflows, and fund balances</b>						
<b>Liabilities</b>						
Accrued payroll	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds	2,271	-	-	44	-	2,315
Unearned revenue	-	1,000	-	98	13,776	14,874
Construction accounts payable	232	2,382	5,362	2,284	4,964	15,224
Notes payable to other funds	4,491	-	-	-	-	4,491
Customer deposits	-	-	9	57	-	66
Contracts payable	33,017	9,213	15,011	5,870	20,228	83,339
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>40,011</u>	<u>12,595</u>	<u>20,382</u>	<u>8,353</u>	<u>38,968</u>	<u>120,309</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue	1,823	-	864	-	-	2,687
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	118,566	33,588	118,981	136,932	332,343	740,410
Committed	-	-	-	-	-	-
Total fund balances	<u>118,566</u>	<u>33,588</u>	<u>118,981</u>	<u>136,932</u>	<u>332,343</u>	<u>740,410</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 160,400</u>	<u>\$ 46,183</u>	<u>\$ 140,227</u>	<u>\$ 145,285</u>	<u>\$ 371,311</u>	<u>\$ 863,406</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
September 30, 2020  
(in thousands)

	Permanent Funds					Total Permanent Funds	Total Nonmajor Governmental Funds
	Samuell Park	Grauwylor Memorial	Craddock Park	Martin Weiss Park	Hale Davis		
<b>Assets</b>							
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,319
Other investments, at fair value	8,465	131	1,213	117	400	10,326	13,561
Receivables:							
Notes	-	-	-	-	-	-	58,391
Special assessments-paving notes	-	-	-	-	-	-	5,889
Accounts	-	-	-	-	-	-	45,423
Accrued interest	-	-	-	-	-	-	1,178
Allowance for uncollectible accounts	-	-	-	-	-	-	(31,126)
Due from other governments	-	-	-	-	-	-	40,651
Prepaid expenses	-	-	-	-	-	-	277
Restricted cash and cash equivalents	-	-	-	-	-	-	811,986
Notes receivable from other funds	-	-	-	-	-	-	4,161
Total assets	<u>8,465</u>	<u>131</u>	<u>1,213</u>	<u>117</u>	<u>400</u>	<u>10,326</u>	<u>1,309,710</u>
<b>Liabilities, deferred inflows, and fund balances</b>							
<b>Liabilities</b>							
Accrued payroll	-	-	-	-	-	-	763
Accounts payable	-	-	-	-	-	-	28,173
Due to other governments	-	-	-	-	-	-	1
Due to other funds	-	-	-	-	-	-	5,884
Unearned revenue	-	-	-	-	-	-	136,862
Construction accounts payable	-	-	-	-	-	-	15,224
Notes payable to other funds	-	-	-	-	-	-	9,820
Customer deposits	-	-	-	-	-	-	66
Contracts payable	-	-	-	-	-	-	83,339
Other liabilities	-	-	-	-	-	-	643
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>280,775</u>
<b>Deferred inflows of resources</b>							
Unavailable revenue	-	-	-	-	-	-	44,618
<b>Fund balances</b>							
Nonspendable	8,465	131	1,213	117	400	10,326	10,326
Restricted	-	-	-	-	-	-	943,814
Committed	-	-	-	-	-	-	30,177
Total fund balances	<u>8,465</u>	<u>131</u>	<u>1,213</u>	<u>117</u>	<u>400</u>	<u>10,326</u>	<u>984,317</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 8,465</u>	<u>\$ 131</u>	<u>\$ 1,213</u>	<u>\$ 117</u>	<u>\$ 400</u>	<u>\$ 10,326</u>	<u>\$ 1,309,710</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2020  
(in thousands)

	Special Revenue				
	Community Development	Health and Human Services	Library	Police	Recreation
Revenues:					
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -
Tax increment financing, intergovernmental	-	-	-	-	-
Franchise fees	-	-	-	-	1
Licenses and permits	-	-	-	-	570
Intergovernmental	39,829	15,944	149	8,176	14
Customer charges	-	-	-	-	-
Service to others	17,130	-	5	-	3,027
Fines and forfeitures	-	9	-	112	-
Investment income	76	12	58	180	399
Special assessments	-	-	-	-	-
Contributions and gifts	-	367	369	93	1,736
Confiscated money awards	-	-	-	2,661	-
Other revenues	54	-	3	14	9
Total revenues	<u>57,089</u>	<u>16,332</u>	<u>584</u>	<u>11,236</u>	<u>5,756</u>
Expenditures:					
Current					
General government	16,297	-	-	-	-
Public safety	-	-	-	9,321	-
Code enforcement	-	-	-	-	-
Environmental and health services	-	15,691	-	-	-
Streets, public works, and transportation	-	-	-	-	-
Equipment and building services	-	-	-	-	-
Culture and recreation	504	-	179	-	2,627
Human services	21,806	-	-	-	-
Debt service:					
Principal	15,833	-	-	-	-
Interest and fiscal charges	421	-	-	-	-
Capital outlay	3,021	-	293	1,698	1,212
Total expenditures	<u>57,882</u>	<u>15,691</u>	<u>472</u>	<u>11,019</u>	<u>3,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(793)</u>	<u>641</u>	<u>112</u>	<u>217</u>	<u>1,917</u>
Other financing sources (uses):					
Transfers in	1,385	639	-	-	2,875
Transfers out	-	-	-	-	(8)
Premium on bonds issued	-	-	-	-	-
Issuance of certificates of obligation	-	-	-	-	-
Inception of capital lease	-	-	-	-	-
Issuance of notes	-	-	-	-	-
Total other financing sources (uses)	<u>1,385</u>	<u>639</u>	<u>-</u>	<u>-</u>	<u>2,867</u>
Net change in fund balances	<u>592</u>	<u>1,280</u>	<u>112</u>	<u>217</u>	<u>4,784</u>
Fund balances, beginning of year	<u>11,856</u>	<u>217</u>	<u>4,464</u>	<u>13,652</u>	<u>25,393</u>
Fund balances, end of year	<u>\$ 12,448</u>	<u>\$ 1,497</u>	<u>\$ 4,576</u>	<u>\$ 13,869</u>	<u>\$ 30,177</u>

Transportation	Management Improvement	Public Improvement Districts	Storm Water Operations	Municipal	General Citizen	Arts and Cultural	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1
-	-	-	29	-	-	-	599
722	116,756	-	-	301	-	-	181,891
-	-	-	-	-	-	-	-
2,345	2,180	-	61,393	4,563	5	200	90,848
184	429	-	-	-	-	-	734
268	1,333	17	224	464	29	88	3,148
-	-	27,306	-	-	-	-	27,306
1	136	-	-	2,246	251	-	5,199
-	-	-	-	-	-	-	2,661
-	-	-	-	-	-	-	80
<u>3,520</u>	<u>120,834</u>	<u>27,323</u>	<u>61,646</u>	<u>7,574</u>	<u>285</u>	<u>288</u>	<u>312,467</u>
-	60,541	27,490	43,350	13,285	142	-	161,105
-	52,187	-	-	-	-	-	61,508
-	3,440	-	-	-	-	-	3,440
-	-	-	-	-	-	-	15,691
1,900	903	-	-	-	-	-	2,803
-	2,161	-	-	-	-	-	2,161
-	3,586	-	-	-	-	314	7,210
-	-	-	-	-	-	-	21,806
-	-	-	104	-	-	-	15,937
-	-	-	17	-	-	-	438
365	1,424	-	7,180	32	-	-	15,225
<u>2,265</u>	<u>124,242</u>	<u>27,490</u>	<u>50,651</u>	<u>13,317</u>	<u>142</u>	<u>314</u>	<u>307,324</u>
<u>1,255</u>	<u>(3,408)</u>	<u>(167)</u>	<u>10,995</u>	<u>(5,743)</u>	<u>143</u>	<u>(26)</u>	<u>5,143</u>
-	12,583	-	-	10,195	127	-	27,804
-	-	-	(848)	(3,067)	-	-	(3,923)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	12,583	-	(848)	7,128	127	-	23,881
<u>1,255</u>	<u>9,175</u>	<u>(167)</u>	<u>10,147</u>	<u>1,385</u>	<u>270</u>	<u>(26)</u>	<u>29,024</u>
<u>15,127</u>	<u>22,050</u>	<u>183</u>	<u>64,324</u>	<u>38,197</u>	<u>2,657</u>	<u>6,437</u>	<u>204,557</u>
<u>\$ 16,382</u>	<u>\$ 31,225</u>	<u>\$ 16</u>	<u>\$ 74,471</u>	<u>\$ 39,582</u>	<u>\$ 2,927</u>	<u>\$ 6,411</u>	<u>\$ 233,581</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, 2020  
(in thousands)

	Capital Projects			
	Neighborhood Projects	Parks	Streets and Drainage	Building
<b>Revenues:</b>				
Ad valorem tax	\$ 82,938	\$ -	\$ -	\$ -
Tax increment financing, intergovernmental	12,553	-	-	-
Franchise fees	-	-	4,976	-
Licenses and permits	-	-	-	-
Intergovernmental	-	586	-	3,249
Customer charges	-	-	-	-
Service to others	872	2,160	645	-
Fines and forfeitures	-	-	-	-
Investment income	1,434	459	2,305	1,483
Special assessments	-	-	-	-
Contributions and gifts	25,588	2,375	1	555
Confiscated money awards	-	-	-	-
Other revenues	-	28	720	1,283
<b>Total revenues</b>	<b>123,385</b>	<b>5,608</b>	<b>8,647</b>	<b>6,570</b>
<b>Expenditures:</b>				
<b>Current</b>				
General government	121,332	-	-	8,036
Public safety	-	-	-	-
Code enforcement	-	-	-	-
Environmental and health services	-	-	-	-
Streets, public works, and transportation	-	-	23,141	1,408
Equipment and building services	-	-	-	1,371
Culture and recreation	-	9,415	-	538
Human services	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	283
Capital outlay	1,761	61,123	92,684	56,367
<b>Total expenditures</b>	<b>123,093</b>	<b>70,538</b>	<b>115,825</b>	<b>68,003</b>
 Excess (deficiency) of revenues over (under) expenditures	 292	 (64,930)	 (107,178)	 (61,433)
<b>Other financing sources (uses):</b>				
Transfers in	1,008	8,957	19,430	-
Transfers out	(1,881)	-	(7,577)	-
Premium on bonds issued	-	-	-	3,798
Issuance of certificates of obligation	-	-	-	45,665
Inception of capital lease	-	-	-	2,456
Issuance of notes	6,000	51,000	62,900	35,100
<b>Total other financing sources (uses)</b>	<b>5,127</b>	<b>59,957</b>	<b>74,753</b>	<b>87,019</b>
 Net change in fund balance	 5,419	 (4,973)	 (32,425)	 25,586
 Fund balances, beginning of year	 113,147	 38,561	 151,406	 111,346
 Fund balances, end of year	 <b>\$ 118,566</b>	 <b>\$ 33,588</b>	 <b>\$ 118,981</b>	 <b>\$ 136,932</b>



<u>Trans- portation</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ -	\$ 82,938
-	12,553
-	4,976
-	-
9,775	13,610
-	-
-	3,677
-	-
4,752	10,433
-	-
1	28,520
-	-
8	2,039
<u>14,536</u>	<u>158,746</u>
-	129,368
-	-
-	-
-	-
1,920	26,469
-	1,371
-	9,953
-	-
-	-
-	283
55,222	267,157
<u>57,142</u>	<u>434,601</u>
<u>(42,606)</u>	<u>(275,855)</u>
77	29,472
-	(9,458)
-	3,798
-	45,665
-	2,456
5,000	160,000
<u>5,077</u>	<u>231,933</u>
<u>(37,529)</u>	<u>(43,922)</u>
<u>369,872</u>	<u>784,332</u>
<u>\$ 332,343</u>	<u>\$ 740,410</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, 2020  
(in thousands)

	Permanent Funds		
	Samuell Park	Grauwyler Memorial	Craddock Park
<b>Revenues:</b>			
Ad valorem tax	\$ -	\$ -	\$ -
Tax increment financing, intergovernmental	-	-	-
Franchise fees	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Service to others	-	-	-
Fines and forfeits	-	-	-
Investment income	733	9	86
Special assessments	-	-	-
Contributions and gifts	-	-	-
Confiscated money awards	-	-	-
Other revenues	-	-	-
Total revenues	<u>733</u>	<u>9</u>	<u>86</u>
<b>Expenditures:</b>			
<b>Current</b>			
General government	-	-	-
Public safety	-	-	-
Code enforcement	-	-	-
Environment and health services	-	-	-
Streets, public works, and transportation	-	-	-
Equipment and building services	-	-	-
Culture and recreation	-	-	-
Human services	-	-	-
<b>Debt service:</b>			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>733</u>	<u>9</u>	<u>86</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(468)	-	-
Premium on bonds issued	-	-	-
Issuance of certificates of obligation	-	-	-
Inception of capital lease	-	-	-
Issuance of notes	-	-	-
Total other financing sources (uses)	<u>(468)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>265</u>	<u>9</u>	<u>86</u>
Fund balances, beginning of year	<u>8,200</u>	<u>122</u>	<u>1,127</u>
Fund balances, end of year	<u>\$ 8,465</u>	<u>\$ 131</u>	<u>\$ 1,213</u>

	Martin Weiss Park	Hale Davis	Total Permanent Funds	Total Nonmajor Governmental Funds
\$	-	\$ -	\$ -	\$ 82,938
	-	-	-	12,553
	-	-	-	4,977
	-	-	-	599
	-	-	-	195,501
	-	-	-	94,525
	-	-	-	734
	9	34	871	14,452
	-	-	-	27,306
	-	-	-	33,719
	-	-	-	2,661
	-	-	-	2,119
	<u>9</u>	<u>34</u>	<u>871</u>	<u>472,084</u>
	-	-	-	290,473
	-	-	-	61,508
	-	-	-	3,440
	-	-	-	15,691
	-	-	-	29,272
	-	-	-	3,532
	-	-	-	17,163
	-	-	-	21,806
	-	-	-	15,937
	-	-	-	721
	-	-	-	<u>282,382</u>
	-	-	-	<u>741,925</u>
	<u>9</u>	<u>34</u>	<u>871</u>	<u>(269,841)</u>
	-	-	-	57,276
	-	(14)	(482)	(13,863)
	-	-	-	3,798
	-	-	-	45,665
	-	-	-	2,456
	-	-	-	<u>160,000</u>
	-	<u>(14)</u>	<u>(482)</u>	<u>255,332</u>
	<u>9</u>	<u>20</u>	<u>389</u>	<u>(14,509)</u>
	<u>108</u>	<u>380</u>	<u>9,937</u>	<u>998,826</u>
\$	<u>117</u>	<u>\$ 400</u>	<u>\$ 10,326</u>	<u>\$ 984,317</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, 2020  
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets:			
Pooled cash and cash equivalents	\$ 993	\$ 61,892	\$ 62,885
Receivables:			
Accounts	364	323	687
Accrued interest	1	53	54
Allowance for uncollectible accounts	(14)	-	(14)
Total current assets	<u>1,344</u>	<u>62,268</u>	<u>63,612</u>
Capital assets:			
Land	-	900	900
Construction in progress	207	-	207
Buildings	337	-	337
Improvements other than buildings	273	-	273
Equipment	2,509	2,690	5,199
Accumulated depreciation	(2,606)	(1,906)	(4,512)
Total capital assets	<u>720</u>	<u>1,684</u>	<u>2,404</u>
Total assets	<u>2,064</u>	<u>63,952</u>	<u>66,016</u>
<b>Deferred outflows of resources</b>			
Deferred loss on refunding	2	12	14
Deferred outflows of resources related to pensions	1,189	24,154	25,343
Deferred outflows of resources related to other postemployment benefits	30	1,116	1,146
Total deferred outflows of resources	<u>1,221</u>	<u>25,282</u>	<u>26,503</u>
<b>Liabilities</b>			
Current liabilities:			
Accrued payroll	16	525	541
Accounts payable	54	352	406
Compensated absences	35	1,055	1,090
Pension obligation bonds - current	121	891	1,012
Other liabilities	4	2,406	2,410
Unearned revenue	-	6,803	6,803
Accrued bond interest payable	5	34	39
Total current liabilities	<u>235</u>	<u>12,066</u>	<u>12,301</u>
Noncurrent liabilities:			
Accreted interest on pension obligation bonds	667	4,900	5,567
Pension obligation bonds	1,292	9,055	10,347
Total long-term debt	<u>1,959</u>	<u>13,955</u>	<u>15,914</u>
Other noncurrent liabilities			
Compensated absences	48	1,423	1,471
Other postemployment benefits	329	10,805	11,134
Net pension liability	5,273	75,368	80,641
Total other noncurrent liabilities	<u>5,650</u>	<u>87,596</u>	<u>93,246</u>
Total long-term liabilities	<u>7,609</u>	<u>101,551</u>	<u>109,160</u>
Total liabilities	<u>7,844</u>	<u>113,617</u>	<u>121,461</u>
<b>Deferred inflows of resources</b>			
Deferred inflows of resources related to pensions	303	6,847	7,150
Deferred inflows of resources related to other postemployment benefits	52	1,602	1,654
Total deferred inflows of resources	<u>355</u>	<u>8,449</u>	<u>8,804</u>
<b>Net position</b>			
Net investment in capital assets	720	1,684	2,404
Unrestricted (deficit)	(5,634)	(34,516)	(40,150)
Total net position (deficit)	<u>\$ (4,914)</u>	<u>\$ (32,832)</u>	<u>\$ (37,746)</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, 2020  
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
Operating revenues:			
Customer charges	\$ 1,500	\$ 32,866	\$ 34,366
Other revenues	5	145	150
Total operating revenues	<u>1,505</u>	<u>33,011</u>	<u>34,516</u>
Operating expenses:			
Personnel services	2,038	26,169	28,207
Supplies and materials	65	334	399
Contractual and other services	563	9,192	9,755
Depreciation	98	105	203
Total operating expenses	<u>2,764</u>	<u>35,800</u>	<u>38,564</u>
Operating income (loss)	<u>(1,259)</u>	<u>(2,789)</u>	<u>(4,048)</u>
Nonoperating revenues (expenses):			
Investment income	14	836	850
Interest on bonds and notes	(106)	(789)	(895)
Total nonoperating revenues (expenses)	<u>(92)</u>	<u>47</u>	<u>(45)</u>
Income before contributions and transfers	<u>(1,351)</u>	<u>(2,742)</u>	<u>(4,093)</u>
Transfers out	<u>-</u>	<u>(238)</u>	<u>(238)</u>
Change in net position	<u>(1,351)</u>	<u>(2,980)</u>	<u>(4,331)</u>
Net position (deficit), beginning of year	<u>(3,563)</u>	<u>(29,852)</u>	<u>(33,415)</u>
Net position (deficit), end of year	<u>\$ (4,914)</u>	<u>\$ (32,832)</u>	<u>\$ (37,746)</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
For the Year Ended September 30, 2020  
(in thousands)

	Municipal Radio	Building Inspection	Total Nonmajor Enterprise Funds
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 1,515	\$ 31,106	\$ 32,621
Cash payments to suppliers for goods and services	(25)	(248)	(273)
Cash payments to employees for services	(987)	(22,707)	(23,694)
Cash payments for contractual services	(572)	(9,516)	(10,088)
Other operating cash receipts (payments)	5	145	150
Net cash provided by (used in) operating activities	<u>(64)</u>	<u>(1,220)</u>	<u>(1,284)</u>
<b>Cash flows from non capital financing activities:</b>			
Principal paid on pension obligation bonds	(34)	(259)	(293)
Interest paid on pension obligation bonds	(117)	(852)	(969)
Transfers from other funds	-	-	-
Transfers to other funds	-	(238)	(238)
Net cash provided by (used in) non capital financing activities	<u>(151)</u>	<u>(1,349)</u>	<u>(1,500)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(37)	(239)	(276)
Net cash provided by (used in) capital and related financing activities	<u>(37)</u>	<u>(239)</u>	<u>(276)</u>
<b>Cash flows from investing activities:</b>			
Investment income	14	846	860
Net cash provided by (used in) investing activities	<u>14</u>	<u>846</u>	<u>860</u>
Net increase (decrease) in cash and cash equivalents	(238)	(1,962)	(2,200)
Cash and cash equivalents, beginning of year	1,231	63,854	65,085
Cash and cash equivalents, end of year	<u>\$ 993</u>	<u>\$ 61,892</u>	<u>\$ 62,885</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	<u>\$ (1,259)</u>	<u>\$ (2,789)</u>	<u>\$ (4,048)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>			
Depreciation	98	105	203
<b>Change in assets and liabilities</b>			
(Increase) Decrease in accounts and other receivables	15	(145)	(130)
(Increase) Decrease in deferred outflows for other postemployment benefits	10	379	389
(Increase) Decrease in deferred outflows for pension contributions	2,007	20,559	22,566
Increase (Decrease) in accounts payable	40	86	126
Increase (Decrease) in accrued payroll	(2)	142	140
Increase (Decrease) in compensated absences	5	158	163
Increase (Decrease) in unearned revenue	-	(1,615)	(1,615)
Increase (Decrease) in other post employment benefits	(28)	(752)	(780)
Increase (Decrease) in net pension liability	(506)	(10,875)	(11,381)
Increase (Decrease) in other liabilities	(9)	(324)	(333)
Increase (Decrease) in deferred inflows for other postemployment benefits	22	557	579
Increase (Decrease) in deferred inflows for pension contributions	(457)	(6,706)	(7,163)
Total adjustments	<u>1,195</u>	<u>1,569</u>	<u>2,764</u>
Net cash provided by (used in) operating activities	<u>\$ (64)</u>	<u>\$ (1,220)</u>	<u>\$ (1,284)</u>
<b>Current Assets:</b>			
Pooled cash and cash equivalents	<u>\$ 993</u>	<u>\$ 61,892</u>	<u>\$ 62,885</u>
Total cash and cash equivalents end of year	<u>\$ 993</u>	<u>\$ 61,892</u>	<u>\$ 62,885</u>
<b>Noncash investing, capital, and financing activities:</b>			
Premium/discount amortization	\$ (15)	\$ (110)	\$ (125)
Accretion on capital appreciation bonds	4	34	38
Amortization of deferred gain/loss on refunding	(1)	(5)	(6)

## **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, 2020

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
<b>Assets</b>							
Current assets:							
Pooled cash and cash equivalents	\$ 20,710	\$ 2,729	\$ 4,395	\$ 39,628	\$ 62,236	\$ 467	\$ 130,165
Receivables:							
Accounts	-	22	-	39	-	-	61
Accrued interest	1	2	3	28	18	-	52
Inventories, at cost	3,020	248	61	-	-	-	3,329
Prepaid expenses	-	-	-	-	29	-	29
Other assets	-	-	-	-	2,804	-	2,804
Total current assets	<u>23,731</u>	<u>3,001</u>	<u>4,459</u>	<u>39,695</u>	<u>65,087</u>	<u>467</u>	<u>136,440</u>
Capital assets:							
Land	1,696	-	-	-	-	-	1,696
Buildings	2,772	1,663	-	-	-	-	4,435
Improvements other than buildings	365	456	-	248	-	-	1,069
Infrastructure	1,137	685	-	-	-	-	1,822
Equipment	78,243	15,230	210	21,135	336	8	115,162
Construction in progress	129	-	-	-	-	-	129
Accumulated depreciation	(66,244)	(17,211)	(210)	(18,847)	(336)	-	(102,848)
Total capital assets	<u>18,098</u>	<u>823</u>	<u>-</u>	<u>2,536</u>	<u>-</u>	<u>8</u>	<u>21,465</u>
Total assets	<u>41,829</u>	<u>3,824</u>	<u>4,459</u>	<u>42,231</u>	<u>65,087</u>	<u>475</u>	<u>157,905</u>
<b>Deferred outflows of resources</b>							
Deferred outflows of resources related to pensions	17,640	1,971	592	20,624	3,837	9,583	54,247
Deferred outflows of resources related to other postemployment benefits	909	55	29	672	191	552	2,408
Total deferred outflows of resources	<u>18,549</u>	<u>2,026</u>	<u>621</u>	<u>21,296</u>	<u>4,028</u>	<u>10,135</u>	<u>56,655</u>
<b>Liabilities</b>							
Current liabilities:							
Accrued payroll	369	34	15	471	103	280	1,272
Accounts payable	4,551	228	160	7,059	2,154	631	14,783
Compensated absences	646	62	22	1,078	202	569	2,579
Estimated unpaid health claims	-	-	-	-	8,375	-	8,375
Estimated unpaid claims - general	-	-	-	-	4,454	-	4,454
Workers' compensation	-	-	-	-	7,054	-	7,054
Other liabilities	-	-	-	-	5,973	-	5,973
Total current liabilities	<u>5,566</u>	<u>324</u>	<u>197</u>	<u>8,608</u>	<u>28,315</u>	<u>1,480</u>	<u>44,490</u>
Noncurrent liabilities:							
Estimated unpaid claims - general	-	-	-	-	55,496	-	55,496
Workers' compensation	-	-	-	-	34,306	-	34,306
Compensated absences	871	84	30	1,454	271	767	3,477
Other postemployment benefits	10,236	744	252	7,066	2,092	5,318	25,708
Net pension liability	62,309	7,591	2,307	63,378	11,088	30,020	176,693
Total noncurrent liabilities	<u>73,416</u>	<u>8,419</u>	<u>2,589</u>	<u>71,898</u>	<u>103,253</u>	<u>36,105</u>	<u>295,680</u>
Total liabilities	<u>78,982</u>	<u>8,743</u>	<u>2,786</u>	<u>80,506</u>	<u>131,568</u>	<u>37,585</u>	<u>340,170</u>
<b>Deferred inflows of resources</b>							
Deferred inflows of resources related to pensions	4,966	672	199	5,523	1,264	1,443	14,067
Deferred inflows of resources related to other postemployment benefits	1,374	93	45	1,004	295	666	3,477
Total deferred inflows of resources	<u>6,340</u>	<u>765</u>	<u>244</u>	<u>6,527</u>	<u>1,559</u>	<u>2,109</u>	<u>17,544</u>
<b>Net position</b>							
Net investment in capital assets	18,098	823	-	2,536	-	8	21,465
Unrestricted (deficit)	(43,042)	(4,481)	2,050	(26,042)	(64,012)	(29,092)	(164,619)
Total net position (deficit)	<u>\$ (24,944)</u>	<u>\$ (3,658)</u>	<u>\$ 2,050</u>	<u>\$ (23,506)</u>	<u>\$ (64,012)</u>	<u>\$ (29,084)</u>	<u>\$ (143,154)</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, 2020  
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
<b>Operating revenues</b>							
Charges to other city departments	\$ 54,157	\$ 11,485	\$ 2,386	\$ 79,985	\$ 129,323	\$ 13,611	\$ 290,947
Charges to employees/retirees	669	-	-	-	59,992	21	60,682
Other revenues	-	135	131	-	471	-	737
Total operating revenues	<u>54,826</u>	<u>11,620</u>	<u>2,517</u>	<u>79,985</u>	<u>189,786</u>	<u>13,632</u>	<u>352,366</u>
<b>Operating expenses</b>							
Personnel services	20,640	2,219	795	21,844	15,829	11,245	72,572
Supplies and materials	21,813	1,665	754	1,769	18	140	26,159
Contractual and other services	8,043	2,000	424	54,346	214,669	1,401	280,883
Depreciation	3,282	98	-	592	-	-	3,972
Total operating expenses	<u>53,778</u>	<u>5,982</u>	<u>1,973</u>	<u>78,551</u>	<u>230,516</u>	<u>12,786</u>	<u>383,586</u>
Operating income (loss)	<u>1,048</u>	<u>5,638</u>	<u>544</u>	<u>1,434</u>	<u>(40,730)</u>	<u>846</u>	<u>(31,220)</u>
<b>Nonoperating revenues (expenses):</b>							
Investment income (loss)	34	10	43	403	509	-	999
Gain (loss) on property disposals	394	-	-	-	-	-	394
Total nonoperating revenues (expenses)	<u>428</u>	<u>10</u>	<u>43</u>	<u>403</u>	<u>509</u>	<u>-</u>	<u>1,393</u>
Income (loss) before transfers	<u>1,476</u>	<u>5,648</u>	<u>587</u>	<u>1,837</u>	<u>(40,221)</u>	<u>846</u>	<u>(29,827)</u>
<b>Transfers</b>							
Transfers in	1,005	-	-	2,367	-	-	3,372
Transfers out	(1,069)	(5,418)	-	(5,421)	(286)	-	(12,194)
Total transfers	<u>(64)</u>	<u>(5,418)</u>	<u>-</u>	<u>(3,054)</u>	<u>(286)</u>	<u>-</u>	<u>(8,822)</u>
Change in net position	<u>1,412</u>	<u>230</u>	<u>587</u>	<u>(1,217)</u>	<u>(40,507)</u>	<u>846</u>	<u>(38,649)</u>
Net position (deficit), beginning of year	<u>(26,356)</u>	<u>(3,888)</u>	<u>1,463</u>	<u>(22,289)</u>	<u>(23,505)</u>	<u>(29,930)</u>	<u>(104,505)</u>
Net position (deficit), end of year	<u>\$ (24,944)</u>	<u>\$ (3,658)</u>	<u>\$ 2,050</u>	<u>\$ (23,506)</u>	<u>\$ (64,012)</u>	<u>\$ (29,084)</u>	<u>\$ (143,154)</u>

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2020  
(in thousands)

	Equipment Services	Communication Equipment Services	Office Services	Information Systems	Risk Funds	Bond Program Administration	Total
<b>Cash flows from operating activities:</b>							
Cash received from customers	\$ 54,157	\$ 11,485	\$ 2,404	\$ 79,985	\$ 189,322	\$ 13,632	\$ 350,985
Cash payments to suppliers for goods and services	(20,263)	(1,933)	(752)	(1,110)	(3,025)	214	(26,869)
Cash payments to employees for services	(16,529)	(1,864)	(543)	(18,549)	(8,893)	(12,551)	(58,929)
Cash payments for contractual services	(8,080)	(2,000)	(442)	(54,469)	(169,642)	(1,401)	(236,034)
Other operating cash receipts (payments)	669	135	131	-	471	-	1,406
Net cash provided by (used in) operating activities	9,954	5,823	798	5,857	8,233	(106)	30,559
<b>Cash flows from non capital financing activities:</b>							
Transfers from other funds	1,005	-	-	2,367	-	-	3,372
Transfers to other funds	(1,069)	(5,418)	-	(5,421)	(286)	-	(12,194)
Net cash provided by (used in) non capital financing activities	(64)	(5,418)	-	(3,054)	(286)	-	(8,822)
<b>Cash flows from capital and related financing activities:</b>							
Acquisition and construction of capital assets	(5,966)	-	-	(52)	-	(8)	(6,026)
Proceeds from sale of capital assets	492	-	-	-	-	-	492
Net cash provided by (used in) capital and related financing activities	(5,474)	-	-	(52)	-	(8)	(5,534)
<b>Cash flows from investing activities:</b>							
Investment income	37	9	47	407	557	-	1,057
Net cash provided by (used in) investing activities	37	9	47	407	557	-	1,057
Net increase (decrease) in cash and cash equivalents	4,453	414	845	3,158	8,504	(114)	17,260
Cash and cash equivalents, beginning of year	16,257	2,315	3,550	36,470	53,732	581	112,905
Cash and cash equivalents, end of year	\$ 20,710	\$ 2,729	\$ 4,395	\$ 39,628	\$ 62,236	\$ 467	\$ 130,165
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>							
Operating income (loss)	\$ 1,048	\$ 5,638	\$ 544	\$ 1,434	\$ (40,730)	\$ 846	\$ (31,220)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>							
Depreciation	3,282	98	-	592	-	-	3,972
<b>Change in assets and liabilities</b>							
(Increase) Decrease in accounts and other receivables	-	-	18	-	7	-	25
(Increase) Decrease in inventories	73	(13)	8	-	-	-	68
(Increase) Decrease in deferred outflows for other postemployment benefits	314	18	10	231	67	177	817
(Increase) Decrease in deferred outflows for pension contributions	19,796	2,638	865	16,002	2,846	9,170	51,317
Increase (Decrease) in accounts payable	1,477	(255)	(6)	659	(3,007)	354	(778)
Increase (Decrease) in accrued payroll	125	8	3	199	42	98	475
Increase (Decrease) in compensated absences	(56)	(35)	(4)	211	127	(65)	178
Increase (Decrease) in other post employment benefits	(655)	(49)	(22)	(478)	(138)	(356)	(1,698)
Increase (Decrease) in estimated unpaid health claims	-	-	-	-	6,666	-	6,666
Increase (Decrease) in estimated unpaid claims - general	-	-	-	-	48,155	-	48,155
Increase (Decrease) in workers' compensation	-	-	-	-	(235)	-	(235)
Increase (Decrease) in net pension liability	(7,621)	(871)	(283)	(9,196)	(1,921)	(5,205)	(25,097)
Increase (Decrease) in other liabilities	(37)	-	(18)	(123)	(3,128)	-	(3,306)
Increase (Decrease) in deferred inflows for other postemployment benefits	478	41	17	352	95	153	1,136
Increase (Decrease) in deferred inflows for pension contributions	(8,270)	(1,395)	(334)	(4,026)	(613)	(5,278)	(19,916)
Total adjustments	8,906	185	254	4,423	48,963	(952)	61,779
Net cash provided by (used in) operating activities	\$ 9,954	\$ 5,823	\$ 798	\$ 5,857	\$ 8,233	\$ (106)	\$ 30,559

## FIDUCIARY FUNDS

Trust and Agency Funds – to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's Trust and Agency Funds include Pension Trust Funds and Agency Funds.

Pension Trust Funds are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The Pension Trust Funds are used to account for the assets of the City's Employees' Retirement Fund, the Dallas Police and Fire Pension System, and the Police and Fire Supplemental Pension Fund.

Agency Funds are purely custodial and do not involve measurement of results of operations.

Cash Escrow Deposit Fund – to account for cash escrow bonds collected by the municipal court.

Confiscated Money Fund – to account for property confiscated in drug violation arrests.

Deferred Compensation Fund – to account for the employees' 401k, tax-deferred compensation deductions.

Employee Benefits Fund – to account for employees' Dental, Vision, AD&D, and Dependent Life Insurance deductions and Health Maintenance Organization (HMO) employees' and City deductions. The City collects and remits premiums on behalf of the participants.

Dallas Tourism Public Improvement District (PID) Deposit Fund – to account for the collection and distribution of Tourism Public Improvement District recovery assessment fees for the Tourism PID.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF PLAN NET POSITION**  
**PENSION TRUST FUNDS**  
September 30, 2020 (1)  
(in thousands)

	Employees' Retirement Fund	Dallas Police & Fire Pension System	Police & Fire Supplemental Pension Fund	Total Pension Trust Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 111,496	\$ 88,715	\$ 747	\$ 200,958
Invested securities lending collateral	208,368	12,916	109	221,393
Receivables:				
Accounts	442,728	56,405	444	499,577
Accrued interest and dividends	13,879	4,422	37	18,338
Short-term investments	-	25,100	211	25,311
Equity securities	-	550,594	4,636	555,230
Domestic equities	1,361,555	-	-	1,361,555
U.S. and foreign government fixed income securities	199,586	550,747	4,638	754,971
Domestic corporate fixed income	797,531	-	-	797,531
International equities and fixed income	511,041	-	-	511,041
Commingled index funds	176,734	-	-	176,734
Real assets	230,183	562,451	4,736	797,370
Private equities and venture capital funds	267,422	265,352	2,234	535,008
Forward currency contracts	-	647	5	652
Prepaid expenses	-	399	3	402
Capital assets, net	5,445	12,226	103	17,774
Total assets	<u>4,325,968</u>	<u>2,129,974</u>	<u>17,903</u>	<u>6,473,845</u>
<b>Liabilities</b>				
Accounts payable	7,267	4,702	28	11,997
Payable for securities purchased	14,884	54,498	459	69,841
Securities lending collateral	208,368	12,916	109	221,393
Other liabilities	437,361	-	-	437,361
Total liabilities	<u>667,880</u>	<u>72,116</u>	<u>596</u>	<u>740,592</u>
<b>Net Position</b>				
Net investment in capital assets	5,445	12,226	103	17,774
Restricted for pensions	3,652,643	2,045,631	17,204	5,715,478
Total net position	<u>\$ 3,658,088</u>	<u>\$ 2,057,857</u>	<u>\$ 17,307</u>	<u>\$ 5,733,252</u>

(1) Although the City has a fiscal year-end of September 30, the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2019.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION**  
**PENSION TRUST FUNDS**  
For the Year Ended September 30, 2020 (1)  
(in thousands)

	Employees' Retirement Fund	Dallas Police & Fire Pension System	Police & Fire Supplemental Pension Fund	Total Pension Trust Funds
Additions:				
Contributions				
Employer	\$ 62,177	\$ 155,721	\$ 1,530	\$ 219,428
Employee	58,314	52,268	111	110,693
Total contributions	<u>120,491</u>	<u>207,989</u>	<u>1,641</u>	<u>330,121</u>
Net investment income:				
Interest and dividends	113,822	37,657	319	151,798
Net appreciation (depreciation) in fair value of investments	453,838	94,213	(86)	547,965
Securities lending income	1,411	113	1	1,525
Less investment expenses:				
Investment management fees	(17,270)	(8,081)	(68)	(25,419)
Custody fees	(125)	-	-	(125)
Consultant fees	(452)	-	-	(452)
Securities lending management fees	(282)	-	-	(282)
Total investment expenses	<u>(18,129)</u>	<u>(8,081)</u>	<u>(68)</u>	<u>(26,278)</u>
Net investment income	550,942	123,902	166	675,010
Other income	298	358	3	659
Total increases	<u>671,731</u>	<u>332,249</u>	<u>1,810</u>	<u>1,005,790</u>
Deductions:				
Benefit payments	278,007	307,243	2,765	588,015
Refund of contributions	10,436	2,618	1	13,055
Administrative expenses	7,513	6,445	55	14,013
Total deductions	<u>295,956</u>	<u>316,306</u>	<u>2,821</u>	<u>615,083</u>
Net increase (decrease) in net position available for benefits	375,775	15,943	(1,011)	390,707
Net position, beginning of year	<u>3,282,313</u>	<u>2,041,914</u>	<u>18,318</u>	<u>5,342,545</u>
Net position, end of year	<u>\$ 3,658,088</u>	<u>\$ 2,057,857</u>	<u>\$ 17,307</u>	<u>\$ 5,733,252</u>

(1) Although the City has a fiscal year-end of September 30, the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2019.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**

For the Year Ended September 30, 2020  
(in thousands)

	Balance, September 30, 2019	Additions	Deductions	Balance, September 30, 2020
<b>CASH ESCROW DEPOSIT FUND</b>				
Assets				
Cash and other assets	\$ 78	\$ 497	\$ 452	\$ 123
Liabilities				
Due to other governments and other liabilities	78	497	452	123
<b>CONFISCATED MONEY FUND</b>				
Assets				
Cash and other assets	1,026	3,604	2,559	2,071
Liabilities				
Other liabilities	1,026	3,604	2,559	2,071
<b>DEFERRED COMPENSATION FUND</b>				
Assets				
Investments and other assets	24	56,046	54,554	1,516
Liabilities				
Due to employees - deferred compensation and other liabilities	24	56,046	54,554	1,516
<b>EMPLOYEE BENEFITS FUND</b>				
Assets				
Cash	200	16,783	15,482	1,501
Liabilities				
Other liabilities	200	16,783	15,482	1,501
<b>TOTALS - ALL AGENCY FUNDS</b>				
Assets				
Cash and other assets	1,328	76,930	73,047	5,211
Liabilities				
Due to other funds and other liabilities	\$ 1,328	\$ 76,930	\$ 73,047	\$ 5,211

## **DEBT SERVICE FUND**

The City maintains one fund to account for payment of principal and interest on the following general obligation debt: bonds, certificates of obligation, and equipment acquisition notes.



**CITY OF DALLAS, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
Year Ended September 30, 2020  
(in thousands)

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget-- Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 287,449	\$ 287,449	\$ 287,862	\$ 413
"Build America Bonds" Federal Subsidy	1,279	1,279	1,219	(60)
Investment income	200	200	1,138	938
Total revenues	<u>288,928</u>	<u>288,928</u>	<u>290,219</u>	<u>1,291</u>
Expenditures:				
Principal	162,856	162,856	159,341	3,515
Interest and fiscal charges	120,461	120,461	101,684	18,777
Other	22,163	22,163	22,163	-
Total expenditures	<u>305,480</u>	<u>305,480</u>	<u>283,188</u>	<u>22,292</u>
Deficiency of revenues over expenditures	<u>(16,552)</u>	<u>(16,552)</u>	<u>7,031</u>	<u>23,583</u>
Other financing sources:				
Transfers	<u>16,609</u>	<u>16,609</u>	<u>5,223</u>	<u>(11,386)</u>
Deficiency of revenues and other financing sources over expenditures	<u>57</u>	<u>57</u>	<u>12,254</u>	<u>12,197</u>
Fund balance, beginning of year	<u>19,086</u>	<u>19,086</u>	<u>19,086</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,143</u>	<u>\$ 19,143</u>	<u>\$ 31,340</u>	<u>\$ 12,197</u>

## **DISCRETELY PRESENTED COMPONENT UNITS**

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.

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.

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.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**

As of September 30, 2020  
(in thousands)

	Governmental-type Activities Component Units							Business-Type Activities
	Housing Finance Corporation *	Housing Acquisition and Development Corporation	Dallas Development Fund	Downtown Dallas Development Authority	North Oak Cliff Municipal Management District	Cypress Waters Municipal Management District	Total Governmental	Dallas Convention Center Hotel Development Corporation *
<b>Assets:</b>								
<b>Current assets:</b>								
Cash and cash equivalents	\$ 2,706	\$ 477	\$ 3,677	\$ 41,762	\$ 7	\$ -	\$ 48,629	\$ 122,824
Investments, at fair value	2,502	-	12	-	-	-	2,514	-
Receivables	910	-	309	-	-	-	1,219	6,077
Inventory	-	-	-	-	-	-	-	719
Prepaid expenses	13	-	17	-	-	-	30	5,442
Land held for resale	-	408	-	-	-	-	408	-
Franchise fee (net of accumulated amortization)	-	-	-	-	-	-	-	114
Other assets	-	-	1,185	-	-	-	1,185	-
<b>Restricted assets:</b>								
Cash and cash equivalents	-	-	566	8,280	-	-	8,846	30,838
Investments, at fair value	-	-	-	-	-	-	-	37,052
<b>Capital assets:</b>								
Buildings	-	-	-	-	-	-	-	332,813
Furniture, fixtures, and equipment	-	-	-	-	-	-	-	47,154
Land	1,270	-	-	-	-	-	1,270	27,511
Construction in progress	-	-	-	-	-	-	-	13,226
Less: Accumulated depreciation	-	-	-	-	-	-	-	(108,530)
<b>Total assets</b>	<b>7,401</b>	<b>885</b>	<b>5,766</b>	<b>50,042</b>	<b>7</b>	<b>-</b>	<b>64,101</b>	<b>515,240</b>
Deferred outflows of resources	-	-	-	-	-	-	-	484
<b>Liabilities:</b>								
Accrued payroll	-	-	-	-	-	-	-	1,461
Accounts payable	-	14	145	225	-	-	384	5,339
Developer payable	-	-	-	25,363	-	-	25,363	-
Accrued expenses	-	-	-	-	-	-	-	1,082
Accrued taxes payable	-	-	-	-	-	-	-	736
Unearned revenue	944	-	566	-	-	-	1,510	8,248
Accrued interest payable	-	-	-	181	-	-	181	15,054
Accounts payable Omni	-	-	-	-	-	-	-	1,807
Other liabilities	-	-	337	-	-	326	663	75
<b>Long-term liabilities:</b>								
Due within one year	-	-	-	3,208	-	-	3,208	10,325
Due in more than one year	-	-	-	87,605	-	-	87,605	447,551
<b>Total liabilities</b>	<b>944</b>	<b>14</b>	<b>1,048</b>	<b>116,582</b>	<b>-</b>	<b>326</b>	<b>118,914</b>	<b>491,678</b>
Deferred inflows of resources	-	-	-	-	-	-	-	25
<b>Net position:</b>								
Net investment in capital assets	326	-	-	-	-	-	326	(62,346)
Restricted for debt service	-	276	-	8,099	-	-	8,375	-
Unrestricted	6,131	595	4,718	(74,639)	7	(326)	(63,514)	86,367
<b>Total net position</b>	<b>\$ 6,457</b>	<b>\$ 871</b>	<b>\$ 4,718</b>	<b>\$ (66,540)</b>	<b>\$ 7</b>	<b>\$ (326)</b>	<b>\$ (54,813)</b>	<b>\$ 24,021</b>

\* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2019.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
Year Ended September 30, 2020  
(in thousands)

	Governmental-type Activities Component Units						Business-Type Activities
	Housing Finance Corporation *	Housing Acquisition and Development Corporation	Dallas Development Fund	Downtown Dallas Development Authority	North Oak Cliff Municipal Management District	Cypress Waters Municipal Management District	Dallas Convention Center Hotel Development Corporation *
Operating revenues:							
Charges for services	\$ 584	\$ -	\$ 2,306	\$ -	\$ -	\$ -	\$ 2,890
Other revenues	2	369	23	-	-	-	394
Intergovernmental	-	-	-	33,095	-	-	33,095
Total operating revenues	<u>586</u>	<u>369</u>	<u>2,329</u>	<u>33,095</u>	<u>-</u>	<u>-</u>	<u>36,379</u>
Operating expenses:							
Personnel services	-	32	-	-	-	-	32
Contractual and other services	75	216	1,781	25,593	-	-	27,665
Interest and service charges	-	-	-	5,377	-	-	5,377
Depreciation and amortization	-	-	-	-	-	-	-
Total operating expenses	<u>75</u>	<u>248</u>	<u>1,781</u>	<u>30,970</u>	<u>-</u>	<u>-</u>	<u>33,074</u>
Operating income (loss)	<u>511</u>	<u>121</u>	<u>548</u>	<u>2,125</u>	<u>-</u>	<u>-</u>	<u>3,305</u>
Nonoperating revenues (expenses):							
Interest and dividends	-	-	-	131	-	-	131
Interest on bonds	-	-	-	-	-	-	-
City tax revenue	-	-	-	-	-	-	-
Other revenues (expenses)	621	-	-	-	-	-	621
Total nonoperating revenues (expenses)	<u>621</u>	<u>-</u>	<u>-</u>	<u>131</u>	<u>-</u>	<u>-</u>	<u>752</u>
Change in net position	<u>1,132</u>	<u>121</u>	<u>548</u>	<u>2,256</u>	<u>-</u>	<u>-</u>	<u>4,057</u>
Net position, beginning of year	<u>5,325</u>	<u>750</u>	<u>4,170</u>	<u>(68,796)</u>	<u>7</u>	<u>(326)</u>	<u>(58,870)</u>
Net position, end of year	<u>\$ 6,457</u>	<u>\$ 871</u>	<u>\$ 4,718</u>	<u>\$ (66,540)</u>	<u>\$ 7</u>	<u>\$ (326)</u>	<u>\$ (54,813)</u>

\* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2019.

**CITY OF DALLAS, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS BY SOURCE**

As of September 30, 2020  
(in thousands)

Governmental funds capital assets:		
Land	\$	514,331
Construction in progress		541,672
Buildings		1,461,695
Improvements other than buildings		752,511
Equipment		672,109
Infrastructure		2,944,919
Artwork		49,953
Total governmental funds capital assets	<u>\$</u>	<u>6,937,190</u>
Investments in governmental funds capital assets by source:		
General fund	\$	258,565
Other trust and agency funds - municipality		130,919
Special revenue fund		224,986
Capital projects fund		5,328,260
Transfer from (to) enterprise funds		405,338
Gifts and forfeitures		589,122
Total investments in governmental funds capital assets by source	<u>\$</u>	<u>6,937,190</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF DALLAS, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**

As of September 30, 2020  
(in thousands)

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other than Buildings	Equipment	Infrastructure	Artwork	Total
General government								
City attorney	\$ -	\$ -	\$ -	\$ 8	\$ 383	\$ -	\$ -	\$ 391
City auditor	-	-	-	-	112	-	-	112
Office of financial services	-	-	4	1,424	42,208	1,487	-	45,123
Municipal Court	-	-	826	-	4,044	30	-	4,900
City secretary	-	-	-	-	129	-	-	129
Civil service	-	-	-	-	118	-	-	118
Planning and development	24,296	-	33,745	43,472	22,529	128,796	-	252,838
Employee retirement	-	-	-	-	13	-	-	13
Equipment, communications and information services	1,609	-	61,468	3,345	114,517	12,259	-	193,198
Human resources	-	-	-	-	5,653	-	-	5,653
International Affairs	-	-	-	-	28	-	-	28
Mayor and council	-	-	-	-	431	-	-	431
Police and fire pension	-	-	-	-	30	-	-	30
Public safety								
Fire	3,493	-	26,847	52	127,864	21	-	158,277
Police	9,329	-	94,018	50	40,750	3,181	-	147,328
Public market	4,771	-	4,355	515	199	741	-	10,581
Code Compliance	-	-	1,071	-	2,080	-	-	3,151
Environmental and health services	3,741	-	7,234	866	924	478	-	13,243
Public works and transportation	264,764	-	606,682	97,820	139,314	2,657,157	528	3,766,265
Culture and recreation	164,871	-	512,344	603,125	32,068	31,513	49,365	1,393,286
Library	1,178	-	63,255	29	132,047	348	-	196,857
Housing	6,846	-	10,106	1,805	462	13,539	60	32,818
Unallocated - Primarily assets acquired prior to 1977	29,433	-	39,740	-	6,206	95,369	-	170,748
Construction in progress	-	541,672	-	-	-	-	-	541,672
<b>Total Capital Assets of governmental funds</b>	<b>\$ 514,331</b>	<b>\$ 541,672</b>	<b>\$ 1,461,695</b>	<b>\$ 752,511</b>	<b>\$ 672,109</b>	<b>\$ 2,944,919</b>	<b>\$ 49,953</b>	<b>\$ 6,937,190</b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF DALLAS, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

As of September 30, 2020  
(in thousands)

Function and Activity	Governmental Funds Capital Assets 09/30/19	Additions	Dispositions	Governmental Funds Capital Assets 09/30/20
General government				
City attorney	\$ 352	\$ 39	\$ -	\$ 391
City auditor	112	-	-	112
Office of financial services	44,981	142	-	45,123
Municipal court	4,621	279	-	4,900
City secretary	129	-	-	129
Civil service	118	-	-	118
Planning and development	240,915	11,922	-	252,837
Employee retirement	13	-	-	13
Equipment, communications and information services	181,616	14,316	2,735	193,197
Human resources	5,653	-	-	5,653
International affairs	28	-	-	28
Mayor and council	212	219	-	431
Police and fire pension	30	-	-	30
Public safety	-			
Fire	154,808	11,940	8,471	158,277
Police	146,255	1,165	92	147,328
Public market	10,581	-	-	10,581
Code compliance	2,198	953	-	3,151
Environmental and health services	13,243	-	-	13,243
Public works and transportation	3,634,381	131,946	60	3,766,267
Culture and recreation	1,380,182	13,116	9	1,393,289
Housing	31,496	1,322	-	32,818
Library	192,912	3,944	-	196,856
Unallocated - primarily assets acquired prior to 1977	170,746	-	-	170,746
Construction in progress	426,684	256,235	141,247	541,672
Total capital assets used in the operation of governmental funds	<u>\$ 6,642,266</u>	<u>\$ 447,538</u>	<u>\$ 152,614</u>	<u>\$ 6,937,190</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.



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



# **STATISTICAL SECTION**

## STATISTICAL SECTION

(Unaudited)

The City of Dallas comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall health.

		<b>Tables</b>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-4
<b>Revenue Capacity</b>	These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.	5-9
<b>Debt Capacity</b>	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	10-15
<b>Demographic &amp; Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	16-17
<b>Operating information</b>	These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	18-20

**Sources:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 <sup>(1)</sup></u>
Governmental Activities				
Net investment in capital assets	\$ 2,144,338	\$ 2,201,645	\$ 2,241,628	\$ 2,406,821
Restricted	188,549	159,022	216,280	144,269
Unrestricted	<u>(270,121)</u>	<u>(279,979)</u>	<u>(294,490)</u>	<u>(306,474)</u>
Total Governmental Activities net position	<u>2,062,766</u>	<u>2,080,688</u>	<u>2,163,418</u>	<u>2,244,616</u>
Business-Type Activities				
Net investment in capital assets	2,586,775	2,648,976	2,738,208	2,770,931
Restricted for debt service	172,515	214,249	212,472	223,230
Unrestricted	<u>273,611</u>	<u>290,977</u>	<u>292,801</u>	<u>362,862</u>
Total Business-Type Activities net position	<u>3,032,901</u>	<u>3,154,202</u>	<u>3,243,481</u>	<u>3,357,023</u>
Primary government				
Net investment in capital assets	4,731,113	4,850,621	4,979,836	5,177,752
Restricted	361,064	373,271	428,752	367,499
Unrestricted	<u>3,490</u>	<u>10,998</u>	<u>(1,689)</u>	<u>56,388</u>
Total primary government net position	<u>\$ 5,095,667</u>	<u>\$ 5,234,890</u>	<u>\$ 5,406,899</u>	<u>\$ 5,601,639</u>

<sup>(1)</sup> 2014 was not restated because the information was not available.

<sup>(2)</sup> In fiscal year 2016, Sanitation was reclassified from governmental activities to business-type activities.

<sup>(3)</sup> 2017 was not restated because the information was not available.

<sup>(4)</sup> The 2018 classifications of net position for the Business-Type Activities have been updated to be consistent with the 2019 presentation.

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

**Table 1**

2015	2016 <sup>(2)</sup>	2017 <sup>(3)</sup>	2018 <sup>(4)</sup>	2019	2020
\$ 2,520,158	\$ 2,640,551	\$ 2,746,024	\$ 2,818,586	\$ 2,776,179	\$ 2,779,462
195,210	169,538	180,303	263,184	272,002	477,600
<u>(5,393,940)</u>	<u>(6,163,516)</u>	<u>(6,773,455)</u>	<u>(5,903,832)</u>	<u>(5,752,159)</u>	<u>(5,560,832)</u>
<u>(2,678,572)</u>	<u>(3,353,427)</u>	<u>(3,847,128)</u>	<u>(2,822,062)</u>	<u>(2,703,978)</u>	<u>(2,303,770)</u>
2,778,732	2,917,498	3,009,285	3,200,152	3,292,594	3,389,626
261,399	288,970	360,630	362,960	394,465	421,790
<u>239,436</u>	<u>1,946</u>	<u>(50,473)</u>	<u>(142,755)</u>	<u>(224,444)</u>	<u>(285,914)</u>
<u>3,279,567</u>	<u>3,208,414</u>	<u>3,319,442</u>	<u>3,420,357</u>	<u>3,462,615</u>	<u>3,525,502</u>
5,298,890	5,558,049	5,755,309	6,018,738	6,068,773	6,169,088
456,609	458,508	540,933	626,144	666,467	899,390
<u>(5,154,504)</u>	<u>(6,161,570)</u>	<u>(6,823,928)</u>	<u>(6,046,587)</u>	<u>(5,976,603)</u>	<u>(5,846,746)</u>
<u>\$ 600,995</u>	<u>\$ (145,013)</u>	<u>\$ (527,686)</u>	<u>\$ 598,295</u>	<u>\$ 758,637</u>	<u>\$ 1,221,732</u>

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

<b>Expenses</b>	2011	2012	2013	2014 (1)
<b>Governmental Activities:</b>				
General government	\$ 180,347	\$ 190,927	\$ 191,643	\$ 263,147
Public safety	640,010	690,906	684,636	684,808
Code enforcement (2)	-	-	-	-
Environmental and health services	23,304	20,689	19,026	16,747
Streets, lighting, sanitation, code enforcement (3)	175,984	177,005	194,248	192,981
Public works and transportation	59,553	120,640	66,755	62,168
Equipment and building services	26,848	22,999	28,259	35,369
Cultural and recreation	128,323	119,466	135,934	142,519
Housing	7,849	10,230	12,998	10,367
Human services	32,911	25,640	21,995	24,006
Interest on long-term debt	105,350	84,824	74,193	75,133
<b>Total Governmental Activities</b>	<u>1,380,479</u>	<u>1,463,326</u>	<u>1,429,687</u>	<u>1,507,245</u>
<b>Business-Type Activities:</b>				
Dallas water utilities	431,565	429,313	436,858	429,034
Convention center	80,532	80,412	93,115	90,377
Airport revenues	63,219	65,526	77,516	91,807
Sanitation (2)	-	-	-	-
Municipal radio	3,123	2,390	2,312	2,047
Building inspection	16,793	17,579	21,021	23,647
<b>Total Business-Type Activities</b>	<u>595,232</u>	<u>595,220</u>	<u>630,822</u>	<u>636,912</u>
<b>Total primary government expenses</b>	<u>1,975,711</u>	<u>2,058,546</u>	<u>2,060,509</u>	<u>2,144,157</u>
<b>Program revenues</b>				
<b>Governmental Activities:</b>				
Charges for services				
General government	100,470	92,813	101,896	100,673
Public safety	59,955	64,196	74,746	59,061
Code enforcement (2)	103,828	108,354	102,117	102,621
Environmental and health services	4	-	-	-
Streets, public works, and transportation (3)	10,356	8,113	13,361	13,143
Equipment and building services	571	911	807	882
Cultural and recreation	16,286	16,862	19,503	21,021
Housing	2,557	1,899	3,488	2,234
Human Services	9,333	1,728	142	146
Operating grants and contributions	118,369	112,654	77,534	70,935
Capital grants and contributions	32,267	13,823	39,035	85,718
<b>Total Governmental Activities</b>	<u>453,996</u>	<u>421,353</u>	<u>432,629</u>	<u>456,434</u>
<b>Business-Type Activities:</b>				
Charges for services				
Dallas water utilities	524,281	527,374	551,498	564,546
Convention center	20,640	28,727	27,936	24,207
Airport revenues	64,456	64,052	70,553	84,426
Sanitation (2)	-	-	-	-
Municipal radio	3,008	2,398	1,920	1,908
Building inspection	23,107	23,429	26,867	28,208
Operating grants and contributions	-	606	5,192	5,699
Capital grants and contributions	33,754	21,734	53,977	16,586
<b>Total Business-Type Activities</b>	<u>669,246</u>	<u>668,320</u>	<u>737,943</u>	<u>725,580</u>
<b>Total primary government program revenues</b>	<u>1,123,242</u>	<u>1,089,673</u>	<u>1,170,572</u>	<u>1,182,014</u>
<b>Net (Expense) Revenue</b>				
Governmental Activities	(926,483)	(1,041,973)	(997,058)	(1,050,811)
Business-Type Activities	74,014	73,100	107,121	88,668
<b>Total primary government net expense</b>	<u>(852,469)</u>	<u>(968,873)</u>	<u>(889,937)</u>	<u>(962,143)</u>
<b>General Revenues:</b>				
Taxes:				
Ad valorem tax	659,400	649,459	659,693	687,573
Sales taxes	217,148	231,327	243,697	257,467
Franchise taxes	128,757	129,508	131,009	136,951
Tax increment financing, intergovernmental	6,601	6,172	6,937	4,108
Special assessments	-	-	-	-
Interest on investments	6,830	6,469	2,526	2,667
Miscellaneous	18,252	17,558	14,448	11,235
Transfer	15,787	19,402	21,478	32,008
<b>Total general revenues</b>	<u>1,052,775</u>	<u>1,059,895</u>	<u>1,079,788</u>	<u>1,132,009</u>
<b>Business-Type Activities:</b>				
Hotel occupancy tax	44,969	40,047	45,182	50,374
Motor vehicle tax	3,470	-	-	-
Alcohol beverage tax	7,656	6,728	7,648	10,256
Investment Income	4,439	3,626	1,964	2,416
Miscellaneous	887	866	908	208
Transfer	(15,787)	(19,402)	(21,478)	(32,008)
Special item	-	(13,664)	(22,066)	(6,372)
<b>Total Business-Type Activities</b>	<u>45,634</u>	<u>18,201</u>	<u>12,158</u>	<u>24,874</u>
<b>Change in Net Position</b>				
Governmental Activities	126,292	17,922	82,730	81,198
Business-Type Activities	119,648	91,301	119,279	113,542
<b>Total primary government</b>	<u>\$ 245,940</u>	<u>\$ 109,223</u>	<u>\$ 202,009</u>	<u>\$ 194,740</u>

(1) Fiscal year 2014 beginning net position was not restated because information was not available.

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

(3) In fiscal year 2016, Sanitation was reclassified from governmental activities to business-type activities.

(4) Fiscal year 2017 beginning net position was not restated because information was not available.

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

Table 2

	2015	2016	2017 (4)	2018	2019	2020
\$	220,164	\$ 339,671	\$ 312,279	\$ 371,548	\$ 525,676	\$ 455,389
	594,747	1,345,492	1,284,942	(350,079)	672,991	674,112
	-	-	60,897	51,710	63,709	49,083
	18,067	19,431	17,455	18,897	16,978	16,281
	213,665	195,187	222,444	-	-	-
	74,130	88,141	-	202,815	219,484	205,933
	36,917	50,829	46,620	50,980	50,025	40,137
	160,527	222,921	201,716	213,337	224,008	188,982
	17,529	32,694	23,696	15,045	6,731	3,494
	20,451	26,789	25,703	21,294	22,908	23,493
	63,404	80,890	70,676	70,693	78,124	76,948
	<u>1,419,601</u>	<u>2,402,045</u>	<u>2,266,428</u>	<u>666,240</u>	<u>1,880,634</u>	<u>1,733,852</u>
	499,585	586,505	524,308	553,038	604,779	591,692
	92,661	105,869	105,864	106,487	115,311	84,969
	103,950	137,143	144,903	143,697	163,250	152,267
	-	116,152	103,363	100,252	132,349	116,743
	2,254	3,009	2,290	2,187	2,784	2,870
	28,704	45,988	38,338	36,729	48,510	36,589
	<u>727,154</u>	<u>994,666</u>	<u>919,066</u>	<u>942,390</u>	<u>1,066,983</u>	<u>985,130</u>
	<u>2,146,755</u>	<u>3,396,711</u>	<u>3,185,494</u>	<u>1,608,630</u>	<u>2,947,617</u>	<u>2,718,982</u>
	104,237	115,901	110,857	115,092	126,722	128,650
	74,126	102,308	116,033	100,658	77,288	83,899
	109,391	18,984	9,959	10,654	9,719	8,044
	-	71	289	-	-	120
	5,572	6,551	4,378	19,714	6,337	7,117
	979	1,157	886	1,241	463	394
	19,972	21,467	21,831	21,853	22,367	11,859
	1,994	2,973	1,646	2,782	789	375
	118	122	104	-	-	-
	77,038	75,560	73,693	72,807	72,000	202,759
	59,712	31,092	64,858	52,942	78,769	48,349
	<u>453,139</u>	<u>376,186</u>	<u>404,534</u>	<u>397,743</u>	<u>394,454</u>	<u>491,566</u>
	573,327	607,329	632,469	668,624	617,510	635,940
	28,211	32,858	32,892	34,361	41,180	29,725
	109,777	123,757	133,677	156,167	182,475	146,976
	-	102,283	106,618	110,918	123,590	122,154
	1,975	1,608	1,636	1,751	1,771	1,500
	31,378	33,648	33,552	34,387	36,871	32,866
	5,937	6,343	6,296	6,356	6,039	31,095
	21,135	37,317	22,050	34,217	29,050	22,003
	<u>771,740</u>	<u>945,143</u>	<u>969,190</u>	<u>1,046,781</u>	<u>1,038,486</u>	<u>1,022,259</u>
	<u>1,224,879</u>	<u>1,321,329</u>	<u>1,373,724</u>	<u>1,444,524</u>	<u>1,432,940</u>	<u>1,513,825</u>
	(966,462)	(2,025,859)	(1,861,894)	(268,497)	(1,486,180)	(1,242,286)
	44,586	(49,523)	50,124	104,391	(28,497)	37,129
	<u>(921,876)</u>	<u>(2,075,382)</u>	<u>(1,811,770)</u>	<u>(164,106)</u>	<u>(1,514,677)</u>	<u>(1,205,157)</u>
	735,913	791,420	854,136	914,272	998,861	1,080,445
	275,250	285,669	295,361	307,149	320,413	314,385
	132,719	140,184	144,205	151,793	140,822	125,921
	4,892	6,473	8,829	11,139	12,766	12,553
	-	-	-	31,070	33,038	28,525
	7,550	10,089	9,567	16,601	36,304	22,885
	43,588	16,771	13,792	19,372	21,530	12,645
	23,120	32,856	42,303	45,157	40,530	45,135
	<u>1,223,032</u>	<u>1,283,462</u>	<u>1,368,193</u>	<u>1,496,553</u>	<u>1,604,264</u>	<u>1,642,494</u>
	53,931	59,225	59,746	65,307	67,836	41,602
	-	-	-	-	-	-
	11,247	12,058	12,624	13,323	13,877	9,747
	5,901	6,786	6,505	13,279	28,999	18,823
	314	699	24,332	1,343	673	621
	(23,120)	(32,856)	(42,303)	(45,157)	(40,530)	(45,135)
	-	-	-	-	-	-
	<u>48,273</u>	<u>45,912</u>	<u>60,904</u>	<u>48,095</u>	<u>70,855</u>	<u>25,658</u>
	256,570	(742,397)	(493,701)	1,228,056	118,084	400,208
	92,859	(3,611)	111,028	152,486	42,358	62,787
\$	<u>349,429</u>	<u>(746,008)</u>	<u>(382,673)</u>	<u>1,380,542</u>	<u>160,442</u>	<u>462,995</u>

**CITY OF DALLAS, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**

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

	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 8,515	\$ 9,289	\$ 9,324	\$ 10,044
Restricted	7,431	11,431	8,506	11,236
Committed	1,740	1,490	1,250	1,250
Assigned	20,446	25,621	17,086	28,905
Unassigned	83,289	101,205	120,839	129,239
Total General Fund	<u>121,421</u>	<u>149,036</u>	<u>157,005</u>	<u>180,674</u>
All Other Governmental Funds				
Nonspendable	11,974	13,116	13,647	13,885
Restricted	668,328	521,775	546,308	367,619
Committed	10,748	11,540	14,406	14,541
Total All Other Governmental Funds	<u>691,050</u>	<u>546,431</u>	<u>574,361</u>	<u>396,045</u>
Total all Governmental Funds	<u>\$ 812,471</u>	<u>\$ 695,467</u>	<u>\$ 731,366</u>	<u>\$ 576,719</u>

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

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

**Table 3**

2015	2016 <sup>(1)</sup>	2017	2018	2019	2020
\$ 9,894	\$ 10,659	\$ 11,143	\$ 11,227	\$ 13,385	\$ 15,385
8,485	9,593	12,061	10,244	11,185	8,724
10,570	1,250	1,250	1,250	1,250	2,000
29,603	15,836	38,963	20,727	37,109	41,071
141,550	153,693	171,747	212,806	234,225	277,451
<u>200,102</u>	<u>191,031</u>	<u>235,164</u>	<u>256,254</u>	<u>297,154</u>	<u>344,631</u>
17,119	17,484	14,044	10,102	9,937	10,326
650,698	761,184	658,712	894,157	997,796	990,368
14,602	13,781	17,186	22,642	25,393	30,177
<u>682,419</u>	<u>792,449</u>	<u>689,942</u>	<u>926,901</u>	<u>1,033,126</u>	<u>1,030,871</u>
<u>\$ 882,521</u>	<u>\$ 983,480</u>	<u>\$ 925,106</u>	<u>\$ 1,183,155</u>	<u>\$ 1,330,280</u>	<u>\$ 1,375,502</u>



**CITY OF DALLAS, TEXAS**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

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

	2011	2012	2013	2014
<b>REVENUES:</b>				
Ad valorem taxes	\$ 659,793	\$ 650,701	\$ 660,496	\$ 687,891
Tax increment financing, intergovernmental	6,601	6,172	6,937	4,108
Sales taxes	217,148	231,327	243,697	257,467
Franchise fees	128,757	129,508	131,009	136,951
Licenses and permits	5,798	6,185	6,271	6,232
Intergovernmental	128,400	118,042	102,879	99,326
Service to others	232,350	224,869	236,911	255,997
Fines and forfeitures	38,781	36,336	35,525	34,079
Investment income	6,664	6,350	2,454	2,542
Special assessments	-	-	-	-
Contributions and gifts	22,236	8,555	19,367	32,057
Confiscated money awards	1,784	2,883	2,253	3,493
Other revenues	5,705	4,764	3,215	7,671
Total revenues	<u>1,454,017</u>	<u>1,425,692</u>	<u>1,451,014</u>	<u>1,527,814</u>
<b>EXPENDITURES:</b>				
Current:				
General government	162,471	170,268	172,910	227,195
Public safety	622,299	623,260	643,510	656,941
Code enforcement <sup>(1)</sup>	159,052	157,829	165,875	175,853
Environmental and health services	23,419	20,623	18,629	16,662
Streets, public works, and transportation <sup>(1)(2)</sup>	15,681	20,336	28,548	19,467
Equipment and building services	19,827	17,406	21,290	25,648
Culture and recreation	105,253	101,776	110,676	120,198
Housing	7,249	8,327	9,499	10,290
Human services	33,035	26,677	22,747	20,741
Debt Service:				
Principal	152,193	154,600	147,293	147,177
Interest and fiscal charges	99,080	88,608	78,611	79,256
Payment to refunded bond escrow agent	-	-	3,204	-
Capital outlay	207,362	237,055	240,196	265,262
Total expenditures	<u>1,606,921</u>	<u>1,626,765</u>	<u>1,662,988</u>	<u>1,764,690</u>
Excess(deficiency) of revenues over expenditures	<u>(152,904)</u>	<u>(201,073)</u>	<u>(211,974)</u>	<u>(236,876)</u>
<b>OTHER FINANCING SOURCES(USES):</b>				
Transfers in	42,946	48,093	38,508	57,022
Transfers out	(21,498)	(23,330)	(14,178)	(18,647)
Proceeds from sale of capital assets	10,662	8,157	17,427	2,238
Premium on debt issued	21,613	3,261	69,304	-
Issuance of long-term debt	159,816	47,888	517,671	41,616
Payment to refunded bond escrow agent	(217,974)	-	(380,859)	-
Proceeds from repayment of notes receivable	-	-	-	-
Refunding bonds issued	58,019	-	-	-
Total other financing sources(uses)	<u>53,584</u>	<u>84,069</u>	<u>247,873</u>	<u>82,229</u>
Net change in fund balance	<u>\$ (99,320)</u>	<u>\$ (117,004)</u>	<u>\$ 35,899</u>	<u>\$ (154,647)</u>
Debt service as a percentage of noncapital expenditures	17.95%	17.50%	15.88%	15.10%

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

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

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

**Table 4**

	2015	2016 <sup>(1)</sup>	2017	2018	2019	2020
\$	734,885	\$ 791,087	\$ 853,733	\$ 912,645	\$ 1,000,380	\$ 1,076,976
	4,892	6,473	8,829	11,139	12,766	12,553
	275,250	285,669	295,361	307,149	320,413	314,385
	132,719	140,184	144,205	151,793	140,822	125,921
	6,047	6,232	5,242	10,555	12,612	9,274
	87,633	98,329	95,019	82,637	74,820	211,170
	261,685	182,959	192,420	197,862	182,517	196,546
	34,879	39,262	37,336	36,278	41,931	25,051
	7,235	9,804	9,324	15,801	34,471	21,886
	-	-	-	31,070	33,038	28,525
	25,848	15,270	18,931	23,580	29,712	33,852
	4,764	3,256	2,810	4,063	2,561	2,661
	9,401	12,640	14,898	18,129	12,566	8,615
	<u>1,585,238</u>	<u>1,591,165</u>	<u>1,678,108</u>	<u>1,802,701</u>	<u>1,898,609</u>	<u>2,067,415</u>
	203,780	224,342	240,142	314,174	380,273	440,845
	685,444	700,430	721,753	752,278	784,018	854,425
	186,631	129,472	40,509	42,717	43,779	44,628
	17,757	18,576	16,597	16,650	16,467	15,691
	17,257	18,046	112,924	107,830	128,348	126,573
	23,439	24,375	25,411	25,564	22,939	25,183
	129,866	140,566	147,098	159,837	151,242	149,912
	13,551	11,932	14,075	3,954	3,098	2,707
	20,440	25,285	25,284	19,325	22,679	21,806
	168,962	165,234	169,820	168,406	205,032	204,515
	84,543	93,109	89,778	96,318	101,030	105,692
	-	2,880	-	30,675	-	-
	204,012	228,726	213,060	266,364	268,765	296,412
	<u>1,755,682</u>	<u>1,782,973</u>	<u>1,816,451</u>	<u>2,004,092</u>	<u>2,127,670</u>	<u>2,288,389</u>
	<u>(170,444)</u>	<u>(191,808)</u>	<u>(138,343)</u>	<u>(201,391)</u>	<u>(229,061)</u>	<u>(220,974)</u>
	41,053	54,465	64,359	77,495	79,755	97,317
	(15,357)	(19,265)	(28,929)	(87,574)	(209,288)	(43,360)
	32,976	610	342	716	1,711	320
	95,392	31,556	-	36,444	51,803	3,798
	388,895	230,310	44,197	432,359	452,205	208,121
	(271,433)	-	-	-	-	-
	-	6,143	-	-	-	-
	204,720	2,880	-	-	-	-
	<u>476,246</u>	<u>306,699</u>	<u>79,969</u>	<u>459,440</u>	<u>376,186</u>	<u>266,196</u>
\$	<u>305,802</u>	<u>\$ 114,891</u>	<u>\$ (58,374)</u>	<u>\$ 258,049</u>	<u>\$ 147,125</u>	<u>\$ 45,222</u>
	16.34%	16.62%	16.19%	15.23%	16.46%	15.57%

Table 5

**CITY OF DALLAS, TEXAS**  
**ASSESSED VALUED AND ESTIMATED ACTUAL VALUE**  
**OF TAXABLE PROPERTY**

Last Ten Fiscal Years (Unaudited)  
(in thousands)

Fiscal Year	Real Property Estimated Market Value <sup>(2)</sup>	Personal Property Estimated Market Value <sup>(2)</sup>	Less: Tax-Exempt Property <sup>(2)</sup>	Total Taxable Assessed Value <sup>(1) (4)</sup>	Total Direct Tax Rate <sup>(3)</sup>
2011	\$ 94,008,753	\$ 13,706,221	\$ (24,289,495)	\$ 83,425,479	0.7970
2012	92,312,007	13,741,870	(24,060,131)	81,993,746	0.7970
2013	94,522,089	14,203,657	(25,044,024)	83,681,722	0.7970
2014	98,764,424	14,903,530	(26,416,432)	87,251,522	0.7970
2015	106,519,690	14,900,052	(28,281,532)	93,138,210	0.7970
2016	115,476,547	15,323,489	(30,481,099)	100,318,937	0.7970
2017	128,220,454	15,903,571	(33,736,396)	110,387,629	0.7825
2018	139,265,026	16,381,314	(37,331,663)	118,314,677	0.7804
2019	154,913,351	17,610,106	(42,442,471)	130,080,986	0.7767
2020	170,062,755	17,610,106	(47,435,229)	140,237,632	0.7766

## Notes:

<sup>(1)</sup> Total Taxable Assessed Value represents original certified taxable value determined by the Dallas, Collin, Denton, and Rockwall Central Appraisal District.

<sup>(2)</sup> Values for each fiscal year reflect the tax rolls of the previous year (i.e., 2019 fiscal year reflects 2018 tax roll). See Note 1 in the Notes to the Financial Statements for more information.

<sup>(3)</sup> Per \$100 of valuation.

<sup>(4)</sup> Exemptions are granted by the City within the constraints of Texas Constitutional law SC 5.

Source: Dallas Central Appraisal District

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund	\$ 0.5324	\$ 0.5379	\$ 0.5439	\$ 0.5601	\$ 0.5646	\$ 0.5646	\$ 0.5601	\$ 0.5580	\$ 0.5667	\$ 0.5691
Debt Service Fund	0.2646	0.2591	0.2531	0.2369	0.2324	0.2324	0.2224	0.2224	0.2100	0.2075
Total City Tax Rate	<u>\$ 0.7970</u>	<u>\$ 0.7970</u>	<u>\$ 0.7970</u>	<u>\$ 0.7970</u>	<u>\$ 0.7970</u>	<u>\$ 0.7970</u>	<u>\$ 0.7825</u>	<u>\$ 0.7804</u>	<u>\$ 0.7767</u>	<u>\$ 0.7766</u>

Source: Dallas Central Appraisal District

Table 7

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

Fiscal Year	City Direct Rates <sup>(1)</sup>			Overlapping Rates <sup>(2)</sup>				
	Operating General Rates	General Obligation Debt Service	Dallas County	Dallas County Community College District	Dallas Independent School District	Dallas County School Equalization	Dallas County Hospital District	Total Ad valorem Rate
2011	\$ 0.53240	\$ 0.26460	\$ 0.24310	\$ 0.09923	\$ 1.23781	\$ 0.01000	\$ 0.27100	\$ 2.65814
2012	0.53790	0.25910	0.24310	0.09967	1.29035	0.01000	0.27100	2.71112
2013	0.54390	0.25310	0.24310	0.11938	1.29035	0.00994	0.27100	2.73077
2014	0.56010	0.23690	0.24310	0.12470	1.28209	0.01000	0.27600	2.73289
2015	0.56460	0.23240	0.24310	0.12478	1.28209	0.01000	0.28600	2.74297
2016	0.56460	0.23240	0.24310	0.12365	1.28209	0.01000	0.28600	2.74184
2017	0.56010	0.22240	0.24310	0.12424	1.28209	0.01000	0.27940	2.72133
2018	0.55800	0.22240	0.24310	0.12424	1.28209	0.01000	0.27940	2.71923
2019	0.56670	0.21000	0.24310	0.12400	1.41204	0.01000	0.27940	2.84524
2020	0.56910	0.20750	0.24310	0.12400	1.31039	0.01000	0.26950	2.73359

Source: Dallas Central Appraisal District

<sup>(1)</sup> The City's basic property tax rate may be increased only by a majority vote of the City Council up to the limit of the State law, after which the City's residents may petition for a vote. Rates for debt service are set based on each year's requirements.

<sup>(2)</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Dallas.

Table 8

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

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collection Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Current tax collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2011	2010	\$ 664,901	\$ 647,605	97.40%	\$ 6,562	\$ 654,167	98.39%
2012	2011	653,490	638,999	97.78%	5,561	644,560	98.63%
2013	2012	666,943	650,496	97.53%	4,572	655,068	98.22%
2014	2013	695,395	678,179	97.52%	4,258	682,437	98.14%
2015	2014	742,312	724,668	97.62%	4,468	729,136	98.23%
2016	2015	799,542	780,733	97.65%	4,431	785,164	98.20%
2017	2016	863,783	850,200	98.43%	4,853	855,053	98.99%
2018	2017	923,328	902,849	97.78%	2,858	905,707	98.09%
2019	2018	1,010,339	989,360	97.92%	3,905	993,265	98.31%
2020	2019	1,089,085	1,066,926	97.97%	2,146	1,069,072	98.16%

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	2020		2011		Rank	Percent of Total Taxable Assessed Valuation
		Taxable Assessed Valuation	Rank	Taxable Assessed Valuation	Rank		
Oncor Electric Delivery	Electric Utility	\$ 1,039,140	1	0.74%	650,296	3	0.79%
Northpark Land Partners	Developer	740,206	2	0.57%	536,260	5	0.65%
Texas Instruments	Electronic Manufacturing	707,863	3	0.54%	710,942	2	0.87%
Southwest Airlines	Air Transportation	653,943	4	0.50%	420,767	6	0.51%
FM Village Fixed Rate LLC	Developer	565,934	5	0.44%			
AT&T Corporation	Telephone Utility	550,322	6	0.42%	\$ 730,979	1	0.89%
Atmos Energy	Gas Utility	383,822	7	0.30%		-	-
Equinix LLC	Technology	374,138	8	0.29%		-	-
Teachers Insurance	Insurance	353,658	9	0.27%		-	-
Walmart Stores, Inc.	Retailer	343,318	10	0.26%	243,864	10	0.30%
Crescent TC Investors LP/Real Estate	Developer	-	-	-	636,005	4	0.78%
PC Village Apartments Dallas LP	Developer	-	-	-	279,447	8	0.34%
Galeria Mall Investors LP	Developer	-	-	-	279,429	9	0.34%
YPI Thanksgiving Tower/Central Expy ETAL	Developer	-	-	-	312,719	7	0.38%
		<u>\$ 5,712,344</u>		<u>4.33%</u>	<u>\$ 4,800,708</u>		<u>5.85%</u>

Source: Dallas County Tax Office

Table 10

**CITY OF DALLAS, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
Year Ended September 30, 2020 (Unaudited)  
(in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>(1)</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt:			
City of Dallas			
Debt repaid with property taxes			
General obligation bonds	\$ 1,791,598		\$ 1,791,598
Certificates of obligation	21,588		21,588
Equipment Acquisition Notes	33,071		33,071
Pension obligation bonds	227,596		227,596
Other Debt			
Capital leases payable	98,185		98,185
Commercial paper	163,500		163,500
Long-term notes payable	25,484		25,484
Subtotal, direct debt	<u>2,361,022</u>	<u>100.00 %</u>	<u>2,361,022</u>
Overlapping Debt:			
Carrollton-Farmers Branch ISD	198,810	8.76 %	17,416
Cedar Hill ISD	102,473	1.40 %	1,435
Collin Co	487,405	3.73 %	18,180
Collin Co CCD	524,590	3.73 %	19,567
Community ISD	119,955	0.00 %	-
Coppell ISD	367,611	5.85 %	21,505
Dallas Co	130,445	48.29 %	62,992
Dallas Co CCD	135,375	48.29 %	65,373
Dallas Co Hosp Dist	622,000	48.29 %	300,364
Dallas Co Schools	27,204	48.29 %	13,137
Dallas ISD	3,110,910	88.38 %	2,749,422
Denton Co	611,835	1.55 %	9,483
Duncanville ISD	197,615	44.73 %	88,393
Garland ISD	511,020	1.59 %	8,125
Grand Prairie ISD	452,125	2.94 %	13,293
Highland Park ISD (Dallas)	363,035	9.97 %	36,195
Irving ISD	376,200	2.26 %	8,502
Lancaster ISD	195,737	0.38 %	744
Lewisville ISD	1,405,028	0.77 %	10,819
Mesquite ISD	748,269	0.96 %	7,183
Plano ISD	753,090	10.42 %	78,472
Richardson ISD	569,961	53.66 %	305,841
Rockwall Co	144,815	0.07 %	101
Rockwall ISD	507,656	0.08 %	406
Sunnyvale ISD	92,988	0.01 %	9
Wylie ISD [Collin]	446,292	0.02 %	89
Subtotal, overlapping debt	<u>\$ 13,202,444</u>		<u>\$ 3,837,046</u>
City Of Dallas (direct debt)	<u>2,361,022</u>	100.00 %	<u>2,361,022</u>
Total direct and overlapping debt	<u>\$ 15,563,466</u>		<u>\$ 6,198,068</u>
Ratio of Direct and Estimated Share of Overlapping Tax Debt to Taxable Assessed Valuation			4.76%
Per Capita Direct and Overlapping Tax Debt (not in thousands)			4,760

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

<sup>(1)</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. Debt outstanding data was obtained from each governmental unit.



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

Governmental

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Equipment Acquisition Notes	Pension Obligation Bonds	Capital Leases Payable	Commercial Paper	Long-term Notes Payable	Revenue and Refunding Bonds	General Obligation Bonds
2011	\$ 1,467,092	\$ 36,456	\$ 43,038	\$ 412,720	\$ 6,231	\$ -	\$ 5,826	\$ 2,280,946	\$ -
2012	1,343,278	50,031	22,385	410,168	6,526	25,000	4,702	2,368,889	-
2013	1,452,292	36,477	9,375	407,301	17,737	-	31,635	2,423,049	-
2014	1,318,947	26,457	4,685	404,248	26,991	26,475	32,402	2,316,892	-
2015	1,558,578	21,871	-	400,411	52,488	27,880	44,208	2,577,258	-
2016	1,641,422	18,011	-	261,102	59,117	10,220	42,893	2,701,953	8,396
2017	1,486,496	14,117	-	253,016	59,565	9,650	49,027	2,900,670	7,307
2018	1,699,537	10,779	-	244,418	75,788	35,160	48,058	3,006,797	6,261
2019	1,973,099	7,997	-	346,837	118,916	3,500	43,853	2,937,671	5,352
2020	1,791,598	21,588	33,071	227,596	98,185	163,500	25,484	3,134,664	4,456

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

<sup>(1)</sup> These ratios are calculated using personal income and population data (See Table 15).

<sup>(2)</sup> See Table 5 for property value data.

**Table 11**

Business-Type									
Pension Obligation Bonds	Commercial Paper	Long-term Notes Payable	Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>	Total Bonded Debt	Percentage of Estimated Actual Property Value <sup>(2)</sup>	Per Capita <sup>(1)</sup>	
\$ 139,323	\$ 36,860	\$ 10,760	\$ 4,439,252	14.78%	\$ 3,699	\$ 2,098,629	2.52%	\$ 1,749	
138,642	-	8,985	4,378,606	14.20%	3,628	1,964,504	2.40%	1,628	
137,815	-	6,867	4,522,548	14.65%	3,670	2,043,260	2.44%	1,660	
136,868	122,840	4,708	4,421,513	13.15%	3,663	1,891,205	2.17%	1,567	
135,617	90,458	2,508	4,911,277	14.41%	3,948	2,116,477	2.27%	1,701	
119,738	48,322	266	4,911,440	12.82%	3,904	2,048,669	2.04%	1,629	
116,029	18,500	-	4,914,377	12.25%	3,870	1,876,965	1.70%	1,478	
112,088	-	-	5,238,886	13.03%	4,074	2,073,083	1.75%	1,612	
159,051	164,500	-	5,760,776	12.97%	4,425	2,492,336	1.92%	1,914	
104,370	52,900	-	5,657,412	12.33%	4,250	2,182,679	1.56%	1,640	

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Assessed Valuation	\$83,425,479	\$81,993,746	\$83,681,722	\$87,251,522
Overall debt limitation - 10% of assessed valuation	<u>8,342,548</u>	<u>8,199,375</u>	<u>8,368,172</u>	<u>8,725,152</u>
Net Debt Subject to Limitation	1,798,332	1,666,007	1,691,184	1,547,227
Legal debt margin within 10% limitation (1)	<u>\$6,544,216</u>	<u>\$6,533,368</u>	<u>\$6,676,988</u>	<u>\$7,177,925</u>
Legal Debt Margin as a Percentage of the Debt Limit	78.4%	79.7%	79.8%	82.3%

(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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>\$93,138,211</u>	<u>\$100,318,937</u>	<u>\$110,387,629</u>	<u>\$118,314,677</u>	<u>\$130,080,985</u>	<u>\$140,237,631</u>
<u>9,313,821</u>	<u>10,031,894</u>	<u>11,038,763</u>	<u>11,831,468</u>	<u>13,008,099</u>	<u>14,023,763</u>
<u>1,700,335</u>	<u>1,774,889</u>	<u>1,625,654</u>	<u>1,816,873</u>	<u>2,055,841</u>	<u>1,939,270</u>
<u>\$7,613,486</u>	<u>\$8,257,005</u>	<u>\$9,413,109</u>	<u>\$10,014,595</u>	<u>\$10,952,258</u>	<u>\$12,084,493</u>
81.7%	82.3%	85.3%	84.6%	84.2%	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 <sup>(2)</sup>			Revenue Bond Coverage <sup>(3)</sup>
	Gross Revenue	Expense <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
2011	\$ 508,040	\$ 228,844	\$ 279,196	\$ 96,115	\$ 80,444	\$ 176,559	1.58
2012	535,289	235,821	299,468	96,115	77,250	173,365	1.73
2013	554,686	233,177	321,509	89,510	84,269	173,779	1.85
2014	569,822	246,141	323,681	94,545	84,134	178,679	1.81
2015	568,841	287,983	280,858	96,675	86,186	182,861	1.54
2016	619,890	306,085	313,805	100,980	79,705	180,685	1.74
2017	630,542	283,669	346,873	101,803	85,955	187,758	1.85
2018	675,938	289,470	386,468	114,210	82,735	196,945	1.96
2019	626,181	278,649	347,532	116,320	83,241	199,561	1.74
2020	657,258	306,652	350,606	125,635	83,399	209,034	1.68

<sup>(1)</sup> Operating expenses do not include depreciation or any PILOT payments or similar payments that are not considered expenses of the operation and maintenance of the Water and Wastewater System.

Operating expenses includes payments for the Water Transmission Facilities Financing Agreement in, as explained in note 11.S. Per Texas Government Code, Section 1502.056(c), "a contract between a municipality and an issuer, as defined by Section 1201.002, under which the municipality obtains from the issuer part or all of the facilities or services of a utility system to that payments made by the municipality from the revenue of the utility system are an operating expense of the municipality's utility system."

<sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

<sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest.

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

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements <sup>(2)</sup>			Revenue Bond Coverage <sup>(3)</sup>
	Gross Revenue	Expense <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
2011	\$ 77,332	\$ 38,354	\$ 38,978	\$ 2,205	\$ 16,487	\$ 18,692	2.1
2012	75,947	44,975	30,972	2,775	16,421	19,196	1.6
2013	85,820	52,850	32,970	3,675	16,282	19,957	1.7
2014	90,356	54,606	35,750	4,640	16,098	20,738	1.7
2015	99,805	57,479	42,326	5,740	15,866	21,606	2.0
2016	110,653	70,164	40,489	6,945	15,579	22,524	1.8
2017	111,515	71,123	40,392	8,250	15,232	23,482	1.7
2018	120,196	72,193	48,003	8,665	14,820	23,485	2.0
2019	131,860	81,761	50,099	9,095	14,386	23,481	2.1
2020	86,380	51,855	34,525	9,550	13,932	23,482	1.5

<sup>(1)</sup> Convention Center Revenue bond covenants require only Convention Center expenses be considered when calculating bond coverage.

<sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

<sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest.

**CITY OF DALLAS, TEXAS**  
**SCHEDULE OF REVENUE BOND COVERAGE**  
**AIRPORT REVENUES FUND**

Last Two Fiscal Years (Unaudited)  
(in thousands)

Fiscal Year	Net Revenue Available for Debt Service			Average Debt Service Requirements <sup>(2)</sup>			Revenue Bond Coverage <sup>(3)</sup>
	Gross Revenue	Expense <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
2018 <sup>(4)</sup>	\$ 130,965	\$ 74,949	\$ 56,016	\$ 12,498	\$ 6,757	\$ 19,255	2.91
2019	159,229	91,555	67,674	13,002	6,497	19,498	3.47
2020	162,761	77,693	85,068	13,298	6,223	19,521	4.36

<sup>(1)</sup> Operating expenses do not include depreciation.

<sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

<sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by average principal and interest outstanding at fiscal year end.

<sup>(4)</sup> Debt service payments from net revenues began in fiscal year 2018.

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

Fiscal Year	Population <sup>(1)</sup>	Personal Income	Per Capita Personal Income	Median Household Income	Median Age	Assessed Valuation (in thousands)	Labor Force	Unemployment <sup>(2)</sup>	Unemployment Rate <sup>(2)</sup>
2011	1,200,530 <sup>(5)</sup>	\$ 30,042,062,720 <sup>(3)</sup>	\$ 25,024 <sup>(4)</sup>	\$ 42,911 <sup>(3)</sup>	31.6 <sup>(3)</sup>	\$ 83,425,479 <sup>(7)</sup>	607,860	52,884	8.7 %
2012	1,207,420	30,842,940,190 <sup>(3)</sup>	25,545 <sup>(4)</sup>	43,804 <sup>(3)</sup>	31.7 <sup>(3)</sup>	81,993,746 <sup>(7)</sup>	580,975	44,955	7.7 %
2013	1,232,243	30,868,803,800 <sup>(3)</sup>	25,051 <sup>(4)</sup>	41,318 <sup>(3)</sup>	32.0 <sup>(3)</sup>	83,681,722 <sup>(7)</sup>	591,278	39,966	6.8 %
2014	1,232,360	33,615,083,720 <sup>(3)</sup>	27,277 <sup>(4)</sup>	41,666 <sup>(3)</sup>	32.3 <sup>(3)</sup>	87,251,522 <sup>(7)</sup>	596,473	34,977	5.9 %
2015	1,244,270	34,081,929,000 <sup>(3)</sup>	27,391 <sup>(4)</sup>	43,103 <sup>(3)</sup>	32.1 <sup>(3)</sup>	93,138,211 <sup>(7)</sup>	642,785	26,917	4.2 %
2016	1,257,730	38,299,687,300	30,451 <sup>(4)</sup>	44,461 <sup>(3)</sup>	32.5 <sup>(3)</sup>	100,318,937 <sup>(7)</sup>	661,622	25,627	3.9 %
2017	1,270,170	40,127,279,400 <sup>(3)</sup>	31,592 <sup>(4)</sup>	46,581 <sup>(3)</sup>	32.7 <sup>(3)</sup>	110,387,629	676,091	27,356	4.1 %
2018	1,286,380	40,212,238,800 <sup>(3)</sup>	31,260 <sup>(4)</sup>	47,285 <sup>(3)</sup>	32.5 <sup>(3)</sup>	118,314,677 <sup>(7)</sup>	694,383	25,302	3.7 %
2019	1,301,970	44,411,357,000 <sup>(3)</sup>	34,111 <sup>(4)</sup>	51,419 <sup>(3)</sup>	32.9 <sup>(3)</sup>	130,080,985 <sup>(7)</sup>	706,339	24,144	3.4 %
2020	1,330,612	45,878,171,148	34,479	52,580 <sup>(3)</sup>	32.7 <sup>(3)</sup>	140,237,631 <sup>(7)</sup>	695,823	45,769	6.6 %

<sup>(1)</sup> North Central Texas Council of Governments estimate

<sup>(2)</sup> U.S. Bureau of Labor Statistics

<sup>(3)</sup> Personal Income, Median Household Income, and Median Age are averages of previous two years. Personal income is the aggregate income in the past 12 months. Census Bureau.

<sup>(4)</sup> Per Capita Personal Income is derived from Population and Personal Income values. Census Bureau.

<sup>(5)</sup> The 2011 North Central Texas Council of Governments estimate is based on 2010 Census and is not a continuation of previous 2001-2009 estimates. 2014 data obtained from United States Census Bureau.

<sup>(7)</sup> Consolidated Appraisal Value from Budget Office

All values by year are current estimates as published by the source at the date of publication. Updates to the values after publication date by their source are not reflected.



Table 17

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

Name of Employers	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Dallas Independent School District <sup>(3)</sup>	22,674	1	1.91%	18,868	1	16.00%
City of Dallas <sup>(4)</sup>	13,000	2	1.10%	12,219	3	11.10%
AT&T Inc. <sup>(1)</sup>	10,876	3	0.92%	-	-	-
Medical City Dallas <sup>(2)</sup>	10,836	4	0.91%	-	-	-
Parkland Health & Hosp System <sup>(2)</sup>	10,462	5	0.88%	9,500	5	8.00%
Children's Medical Center Dallas <sup>(2)</sup>	7,781	6	0.66%	5,605	10	4.70%
Dallas County Community College <sup>(5)</sup>	6,971	7	0.59%	6,001	8	5.10%
Dallas County <sup>(6)</sup>	6,500	8	0.55%	7,427	7	6.30%
Texas Instruments Inc. <sup>(1)</sup>	6,239	9	0.53%	10,025	4	8.50%
Walmart Supercenter <sup>(2)</sup>	6,086	10	0.51%	-	-	-
Childrens Health	6,406	11	0.54%	-	-	-
Walmart Stores	5,425	12	0.46%	-	-	-
Methodist Dallas Med Ctr <sup>(2)</sup>	5,301	11	0.45%	-	-	-
Sheraton Dallas Hotel <sup>(2)</sup>	4,789	12	0.40%	-	-	-
Texas Health Resources <sup>(2)</sup>	4,618	13	0.39%	-	-	-
UT Southwestern Medical Center	-	-	-	13,053	2	11.30%
Baylor Scott & White Health	-	-	-	7,847	6	6.60%
Presbyterian Hospital of Dallas	-	-	-	5,917	9	5.00%
<b>Total</b>	<b>127,964</b>		<b>10.78%</b>	<b>96,462</b>		<b>82.60%</b>

Source <sup>(1)</sup>: CoStar, 2020; ReferenceUSA, 2020

Source <sup>(2)</sup>: ReferenceUSA, 2020

Source <sup>(3)</sup>: Dallas Independent School District, 2020

Source <sup>(4)</sup>: City of Dallas - Annual Budget, FY20-21

Source <sup>(5)</sup>: Dallas County Community College, 2020

Source <sup>(6)</sup>: Dallas County, 2020



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**CITY OF DALLAS, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last ten fiscal years (Unaudited)

Function/Program	2011	2012	2013	2014
<u>Public safety</u>				
Police stations	8	8	8	8
Fire stations	56	56	57	57
 <u>Streets, public works and transportation</u>				
Streets - paved (miles)	4,020	4,028	4,031	4,033
Lane miles	11,804	11,676	11,701	11,771
Traffic signals	1,328	1,333	1,342	1,348
Street lights	86,321	86,406	87,263	87,355
 <u>Parks and recreation</u>				
Parks	371	378	374	381
Parks acres	23,080	23,164	23,331	22,842
Miles of trails (jogging, hiking & biking)	107	125	130	130
Number of lakes	18	18	18	13
Swimming pools	22	22	20	18
Spraygrounds "Water-enhanced playground"	8	8	10	10
Athletic fields (soccer, football, baseball & rugby)	278	278	272	272
Tennis centers	5	5	5	5
Number of tennis courts	81	81	81	81
Neighborhood tennis courts	171	171	177	177
Multi-use courts	154	154	156	156
Golf courses (18 holes)	6	6	6	6
Recreation centers (community)	43	43	43	43
 <u>Water</u>				
Water mains (miles)	5,166	4,915	4,922	4,922
Fire hydrants	27,800	29,028	29,243	29,626
 <u>Wastewater</u>				
Miles of sanitary sewers	4,364	4,020	4,017	4,017
Miles of storm sewers	1,788	1,790	1,791	1,791

Source: City capital asset records

**TABLE 18**

2015	2016	2017	2018	2019	2020
8	8	8	8	8	8
58	58	58	58	58	58
4,041	4,034	4,027	4,027	4,056	4,069
11,754	11,775	11,757	11,755	11,811	11,860
1,354	1,354	1,368	1,373	1,383	1,399
87,790	87,790	91,000	88,122	92,542	92,909
380	389	396	397	397	397
23,470	23,147	20,109	20,245	20,109	23,464
144	153	158	161	162	168
13	13	13	13	40	40
18	19	19	20	19	19
11	11	11	11	11	11
271	278	274	269	287	287
5	5	5	5	5	5
81	81	99	99	99	99
177	177	157	157	157	157
153	154	158	154	159	159
6	6	6	6	6	6
43	43	43	43	43	43
4,925	4,937	4,955	4,983	4,986	5,005
29,666	29,857	30,176	30,558	30,707	30,950
4,017	4,020	4,022	4,040	4,046	4,052
1,800	1,820	1,838	1,963	1,963	1,869

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

<b>Function/Program</b>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Public Safety</b>				
<b>Police</b>				
Calls for Service	632,365	589,865	591,997	590,443
<b>Fire</b>				
Calls for Service - Fire	145,298	59,784	46,127	42,346
Calls for Service - EMS	173,666	172,032	193,820	195,802
<b>Recreation</b>				
Number of Membership Scans	N/A	N/A	348,830	545,998
<b>Building Permits</b>				
Permits Issued	34,786	43,064	38,478	36,044
Estimated Value	\$3,083,719,959	\$2,310,325,994	\$2,652,432,543	\$3,305,921,947
<b>Airport</b>				
Airport Operations (Takeoffs and Landings)	178,054	177,067	178,232	176,889
<b>Utilities (millions of gallons)</b>				
Water Usage - Peak	683	649	583	535
Water Usage - Average	428	395	391	369

Source: Department annual records

Note:

N/A - Information not available

**Table 19**

2015	2016	2017	2018	2019	2020
599,319	628,871	608,548	586,727	617,111	587,564
41,049	43,228	43,783	53,171	49,594	60,892
189,894	202,212	206,323	206,161	205,245	172,993
564,684	632,246	453,369	344,127	361,833	17,913
37,951	41,480	40,650	38,826	44,981	40,013
\$4,097,419,967	\$4,636,962,395	\$4,264,728,943	\$4,011,159,859	\$4,730,498,312	\$4,025,997,722
209,121	223,997	225,754	232,380	229,594	187,220
619	592	511	607	606	588
374	369	372	389	369	380

Table 20

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government</b>										
City Manager's Office	30	20	14	15	14	12	11	13	17	13
City Attorney	116	122	144	144	149	153	157	150	159	150
City Auditor	28	20	19	22	22	22	23	25	19	20
City Controller's Office	42	44	42	42	42	41	47	48	54	65
City Secretary	14	14	15	14	15	17	18	21	23	24
Code Compliance Services	408	401	388	397	404	440	455	345	326	329
Communication & Information Services	164	168	173	170	163	170	188	187	179	198
Dallas Animal Services	-	-	-	-	-	-	-	131	148	154
Office of Economic Development	40	40	41	41	39	36	37	27	24	30
Equipment and Building Services <sup>(2)</sup>	360	381	435	461	461	452	491	469	-	-
Equipment & Fleet Management	-	-	-	-	-	-	-	-	216	237
Building Services Department	-	-	-	-	-	-	-	-	169	176
Office of Budget	28	30	39	39	47	30	31	34	36	42
Office of Bond Program Administration	-	-	-	-	-	-	-	-	-	12
Human Resources	50	40	41	47	49	53	54	49	53	53
Housing & Neighborhood Revitalization	-	-	-	-	-	-	-	40	41	45
Housing	412	391	364	357	367	357	304	-	-	-
Office of Cultural Affairs	47	56	64	61	64	63	63	68	64	51
Municipal Court-Judiciary	37	32	34	33	32	29	32	30	27	26
Courts & Detention Services	155	161	151	145	152	158	153	140	202	197
Office of Procurement Services	40	39	39	41	41	40	36	31	34	34
Planning & Urban Design	-	-	-	-	23	28	28	26	25	26
Sustainable Development & Construction Services	-	-	-	-	-	-	-	297	310	308
Library	278	259	264	266	348	391	389	407	415	382
Management Services	137	164	160	164	160	181	199	452	505	494
<b>Subtotal</b>	<b>2,386</b>	<b>2,382</b>	<b>2,427</b>	<b>2,459</b>	<b>2,592</b>	<b>2,673</b>	<b>2,716</b>	<b>2,990</b>	<b>3,046</b>	<b>3,066</b>
<b>Public Safety</b>										
Police-Uniform	3,510	3,470	3,463	3,524	3,483	3,354	3,075	3,033	3,077	3,161
Police-Civilian	550	541	557	540	545	550	624	568	550	506
Fire-Uniform	1,738	1,874	1,870	1,867	1,901	1,878	1,811	1,940	1,986	1,986
Fire-Civilian	84	85	82	92	104	102	105	103	98	101
<b>Subtotal</b>	<b>5,882</b>	<b>5,970</b>	<b>5,972</b>	<b>6,023</b>	<b>6,033</b>	<b>5,884</b>	<b>5,615</b>	<b>5,644</b>	<b>5,711</b>	<b>5,754</b>
<b>Development Services</b>	<b>197</b>	<b>224</b>	<b>237</b>	<b>264</b>	<b>269</b>	<b>280</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public Works</b>										
Public Works & Transportation	272	140	143	144	138	137	-	-	-	-
Streets, Public Works, and Transportation <sup>(1)</sup>	400	496	485	491	510	508	609	633	-	-
Public Works	-	-	-	-	-	-	-	-	445	433
Trinity Watershed Management	147	172	170	193	205	207	209	208	-	-
Transportation	-	-	-	-	-	-	-	-	133	133
<b>Subtotal</b>	<b>819</b>	<b>808</b>	<b>798</b>	<b>828</b>	<b>853</b>	<b>852</b>	<b>818</b>	<b>841</b>	<b>578</b>	<b>566</b>
<b>Parks and Recreation</b>	<b>594</b>	<b>581</b>	<b>598</b>	<b>614</b>	<b>661</b>	<b>729</b>	<b>691</b>	<b>702</b>	<b>690</b>	<b>676</b>
<b>Water Utilities</b>	<b>1,369</b>	<b>1,406</b>	<b>1,440</b>	<b>1,432</b>	<b>1,463</b>	<b>1,439</b>	<b>1,439</b>	<b>1,363</b>	<b>1,520</b>	<b>1,473</b>
<b>Convention &amp; Events Services</b>	<b>83</b>	<b>80</b>	<b>71</b>	<b>74</b>	<b>80</b>	<b>98</b>	<b>111</b>	<b>106</b>	<b>27</b>	<b>28</b>
<b>Aviation</b>	<b>170</b>	<b>178</b>	<b>196</b>	<b>187</b>	<b>203</b>	<b>206</b>	<b>240</b>	<b>261</b>	<b>277</b>	<b>270</b>
<b>Sanitation</b>	<b>451</b>	<b>458</b>	<b>460</b>	<b>472</b>	<b>488</b>	<b>483</b>	<b>487</b>	<b>483</b>	<b>491</b>	<b>480</b>
<b>Other</b>										
Mayor & Council	35	37	37	36	39	37	40	37	39	34
Employee Retirement	20	21	22	19	23	25	28	29	31	33
Civil Services	13	15	18	20	24	22	28	26	27	24
Office of Risk Management	-	23	24	24	22	27	26	36	37	41
<b>Subtotal</b>	<b>68</b>	<b>96</b>	<b>101</b>	<b>99</b>	<b>108</b>	<b>111</b>	<b>122</b>	<b>128</b>	<b>134</b>	<b>132</b>
<b>Total</b>	<b>11,568</b>	<b>11,725</b>	<b>11,840</b>	<b>11,980</b>	<b>12,262</b>	<b>12,272</b>	<b>12,538</b>	<b>12,518</b>	<b>12,474</b>	<b>12,445</b>

Source: City Human Resources Records

<sup>(1)</sup> In fiscal year 2017, streets, public works, and transportation were combined.<sup>(2)</sup> In fiscal year 2019, Equipment and Building Services were reorganized as two separate departments - Equipment and Fleet Management and Building Services



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