

Dallas

The Truth



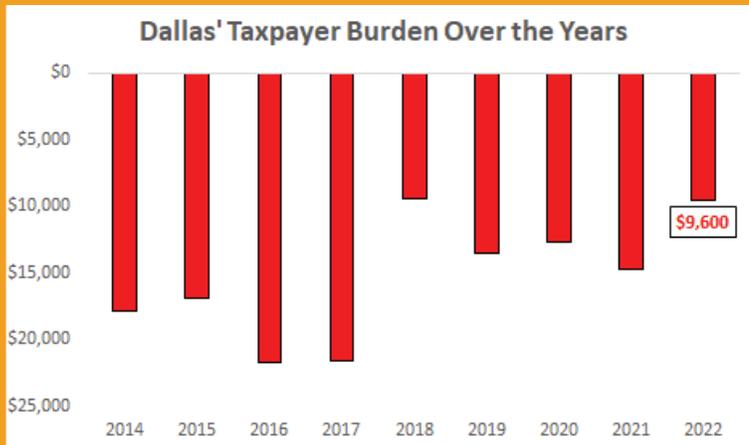
Money Needed to Pay Bills
\$3.7 billion



Taxpayer Burden™
\$9,600



Financial Grade
D



Financial State of Dallas

The financial condition of Dallas has not significantly improved over the years. Pension and retiree healthcare liabilities continue to be left out of budget decisions, giving taxpayers a false sense of fiscal reality. Truth in Accounting's fiscal analysis adds those liabilities into the equation to show taxpayers the total cost of their government, giving them the necessary information to be knowledgeable participants in political discourse.

Our analysis finds that Dallas has a Taxpayer Burden™ of \$9,600, earning it a “D” grade from Truth in Accounting.

Our calculations are based on subtracting the city's earned and promised retirement benefits from the market value of the pension assets. Stock market volatility has a direct negative or positive impact on the valuation of pension assets, which affects the amount of money a city has available to pay its bills. Actuaries determine the amount of money a city should transfer from the general fund to fund its pensions properly. However, no law requires a city to allocate the actuarially determined amount.

Unfortunately, the city set aside only 61 cents for every dollar of promised pension benefits and zero cents for every dollar of promised retiree health care benefits.

Dallas elected officials prioritized a spending plan that left the city with a debt burden of \$3.7 billion. Because the pension and OPEB liabilities have been ignored or obscured through flawed budgeting and accounting standards, the city's financial problems keep accumulating, causing the city to struggle to maintain current levels of government services and benefits.

We recommend the city adopt full accrual accounting for all of its financial reports and budget calculations and always contribute the actuarially determined amount to its pension and OPEB funds. These simple changes will bring more transparency and accountability to the process and allow spending to be prioritized for the people, not political expediency.

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 Daniels College of Business
UNIVERSITY OF DENVER
School of Accountancy

The data included in this report is derived from Dallas' 2022 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other cities' financial, demographic, and economic information, go to Data-Z.org.

Dallas' Financial Breakdown

Fast Facts

- Dallas had \$3.4 billion available to pay \$7.1 billion worth of bills.
- The outcome was a \$3.7 billion shortfall, which breaks down to a burden of \$9,600 per taxpayer.
- Dallas attributed much of its condition to COVID 19, which was mentioned 17 times in its financial report. Despite receiving \$355.4 in COVID-related grants funds and \$53 million increase in tax revenues, Dallas still did not have enough money to pay its bills.

The City's Bills Exceeded Its Assets

Total Assets	\$17,195,274,000
Minus: Capital Assets	-\$12,783,088,000
Restricted Assets	-\$984,399,000
Assets Available to Pay Bills	\$3,427,787,000
Minus: Total Bills*	-\$7,090,146,000
Money Needed to Pay Bills	\$3,662,359,000
Each Taxpayer's Share of this Burden	\$9,600

*Breakdown of Total Bills

Bonds	\$6,283,812,000
Other Liabilities	\$2,631,041,000
Minus: Debt Related to Capital Assets	-\$6,075,523,000
Unfunded Pension Benefits	\$4,029,245,000
Unfunded Retiree Health Care Benefits	\$221,571,000
Total Bills	\$7,090,146,000

Grade:

D

Bottom line: Dallas would need \$9,600 from each of its taxpayers to pay all of its outstanding bills and received a "D" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a "D" grade.

Truth in Accounting is a 501(c)(3) nonprofit committed to educating and empowering you with understandable, reliable, and transparent government financial information so you can be a knowledgeable participant in your government and its budget process.