EMPLOYEES' RETIREMENT FUND
OF THE CITY OF DALLAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEARS ENDED
DECEMBER 31, 2024 & 2023



A COMPONENT UNIT OF THE CITY OF DALLAS, TX

2024 AT – A – GLANCE

(unaudited)

($ in thousands)

Active Members	8,070
Benefit Recipients	8,042
Inactive Members	2,049
Fund Net Position	$3,757,482
Benefits Paid	$348,938
Refunds	$12,369
Member Contributions	$74,831
City Contributions	$80,782
Investment Rate of Return	9.14%

The Employees' Retirement Fund provides retirement, disability and death benefits to permanent civilian employees of the City of Dallas.

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024

FISCAL YEARS ENDED
DECEMBER 31, 2024 AND 2023

Prepared by the Staff of The Employees' Retirement Fund

CHERYL D. ALSTON
EXECUTIVE DIRECTOR

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS
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INTRODUCTORY SECTION



Employees' Retirement Fund
of the City of DALLAS ®

LETTER OF TRANSMITTAL

June 24, 2025

Board of Trustees and Fund Members
Employees' Retirement Fund of the City of Dallas
1920 McKinney Avenue - 10th Floor
Dallas, Texas 75201

Dear Board of Trustees and Fund Members:

The Annual Comprehensive Financial Report ("Annual Report" or "ACFR") of the Employees' Retirement Fund of the City of Dallas ("ERF" or "Plan") for the fiscal years ended December 31, 2024 and 2023 is submitted herewith. Our mission is to provide retirement benefits and superior service to advance the financial security of our members. The management of ERF assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control 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.

Weaver and Tidwell, L.L.P. have issued an unmodified ("clean") opinion on the financial statements as of and for the year ended December 31, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Plan Overview

ERF was established by ordinance in November 1943 and became effective in January 1944 after ratification by the voters of the City of Dallas. ERF is a single-employer defined benefit pension plan sponsored by the City of Dallas, Texas (the "City") and governed by Chapter 40-A of the City Code. It provides retirement, disability, and death benefits to its members. All employees of the City are members except police officers, firefighters, elected officers, non-salaried appointee members of administrative boards or commissions, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency. Members are entitled to retirement benefits at the date of eligibility for retirement or disability or to survivor benefits after two years of service.

Investments

The Board of Trustees oversees ERF's portfolio, managers, and performance, as well as reviews and approves potential investment opportunities, with input from the investment consultant and staff. The Board follows the "prudent person rule" which states that fiduciaries shall discharge their duties solely in the interest of ERF and its participants and beneficiaries with the degree of diligence, care and skill which a prudent person would ordinarily exercise under similar circumstances in such a position.

An integral part of the overall investment policy is the strategic asset allocation policy. This policy is designed to provide an optimal diversification to reduce risk and maximize the total rate of return relative to risk. This emphasizes a maximum diversification of the portfolio that protects ERF from declines that a particular asset class may experience in a given period. The Plan had a return of 9.14% for 2024 and 10.09% for 2023, and -8.04% for 2022. The Plan

Employees' Retirement Fund
of the City of DALLAS ®

expects and assumes an investment rate of 7.25% over the long term, which encompasses many years in the future.

Additions to Plan Net Position

The collection of employer and member contributions, as well as income from investments, is intended to provide the reserves needed to finance retirement benefits. Contribution and net investment income, including unrealized gains and losses, for 2024 total $481 million.

City and member contributions for the fiscal year were approximately $156.0 million, an increase of $11.6 million from the prior year. This is primarily attributed to merit pay increases for civilian employees and an overall increase in hiring. The City's net contribution rate toward the pension plan was 14.44% in 2024. The City's total contribution rate was 22.68%, of which 8.24% was for debt service payments on pension obligation bonds. The members' contribution rate remained unchanged at 13.32% in 2024. The City's contributions received in 2024 were $81 million and members' contributions were $75 million.

Deductions to Plan Net Position

The principal purpose for which ERF was established is to provide retirement benefits, survivor benefits, and total and permanent disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, refund of contributions to terminated employees, and the cost of administering ERF.

Deductions for fiscal year 2024 totaled $372 million representing an increase of 6.02% compared to 2023. This increase can be attributed to several factors, including the average number of retirees and beneficiaries, the cost-of-living adjustment of 4.43% for Tier A and 3% for Tier B, as well as higher average benefit payments for new retirees compared to retirees who have passed away. Additionally, administrative expenses, which are controlled by a budget approved by the Board of Trustees, increased by $822 thousand compared to the previous year due to inflation, merit increases and hiring.

Accounting System and Internal Controls

This ACFR was prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") that apply to government accounting for fiduciary funds. The accompanying financial statements are prepared using the accrual basis of accounting. Member and employer contributions are recognized in the period in which employee services are performed. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government. The statistical section is a required part of an ACFR.

In developing and evaluating ERF's accounting system, it was determined that internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Funding

A pension fund is well funded when it is receiving enough money to meet all expected future obligations to its participants. ERF's funding objective is to meet long-term benefit payments through contributions that remain approximately level as a percent of member payroll. For Fiscal year 2024 the funded ratio is 66.9%. The actuarial accrued liability and actuarial value of assets of ERF as of December 31, 2024 amounted to $5.61 billion and $5.48 billion, respectively. A detailed discussion of funding is provided in the Actuarial Section of this report.

Employees' Retirement Fund
of the City of DALLAS ®

Major Initiatives

On August 14, 2024, the City Council approved amendments to Chapter 40Aof the Dallas City Code. This amendment was also approved by a majority of the city's qualified voters at an election held on November 5, 2024. Beginning on October 1, 2025, employees' contribution will be capped at 14% for Tier A. Tier B contribution will remain unchanged at 13.32%. The total contribution rate cap of 36% was eliminated, and will instead be the actuarially determined contribution rate after a 5-year phase-in period. The new changes will be sufficient to amortize the unfunded actuarial accrued liability as of December 31, 2024, within 30 years.

Professional Services

Consultants are appointed by the Board of Trustees to perform professional services that are essential to the effective and efficient operation of ERF. An opinion from the certified public accounting firm of Weaver and Tidwell, L.L.P., the actuarial report from Gabriel, Roeder, Smith & Company, and the investment consultant letter from Wilshire Associates Inc. are included in this report. The consultants appointed by the Board of Trustees are listed in the Introductory Section.

Awards and Acknowledgments

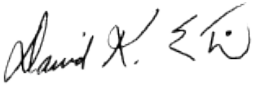
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Employees' Retirement Fund of the City of Dallas for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the eighth consecutive year that ERF had achieved this prestigious award. To be awarded a Certificate of Achievement, the ERF had to publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfied both GAAP and applicable program requirements.

A Certificate of Achievement is valid for a period of 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 compilation of this report reflects the combined effort of the staff under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the funds of ERF. The report is available to all members of ERF.

We would like to express our gratitude to the Board, staff, advisors, and others who have worked so diligently to ensure the successful operation of ERF.

Respectfully submitted,



David K Etheridge
Executive Director



Edward R. Scott
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Employees' Retirement Fund of the City of Dallas Texas

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrill

Executive Director/CEO

BOARD OF TRUSTEES

As of December 31, 2024

Henry Talavera - Chair
Council Appointed Member

Dr. John W. Peavy III – Vice Chair
Council Appointed Member

John Jenkins
Employee Elected Member

T. Dupree Scovell
Council Appointed Member

Mark S. Swann
City Auditor

Sunil King
Employee Elected Member

Tina B. Richardson
Employee Elected Member

ADMINISTRATIVE STAFF

As of December 31, 2024

Cheryl D. Alston
Executive Director/Chief Investment Officer

David K. Etheridge
Deputy Executive Director

Edward R. Scott, CPA
Chief Financial Officer

Natalie Jenkins Sorrell
Deputy Chief Investment Officer

Duc Lam
Chief Technology Officer

Melissa Harris
Chief of Communications

Juan Carlos Ayala
Senior Pension Specialist

Andrew Barker, CPA
Controller

Joshua Berman
Investment Officer

Ruby Castelano
Senior Pension Specialist

Thalia Dominique
Brand Manager

Micaela Galicia
Pension System Specialist

Yvonne Garcia
Senior Pension Specialist

Todd Green
Pension Officer

Andrea Houston
Pension Officer

Patricia Jack
Pension Officer

Jessie Jeyakumar
System Analyst

Kaleb Jones
Pension Officer

Naveed Khan
Senior Accounting Specialist

Margaret Lara
Senior Pension Specialist

Tiffany McGraw
Senior Pension Specialist

Calvin Nguyen
Senior Accounting Specialist

Aditi Patel
Communications Specialist

Al Perez
Pension Officer

Phong Pham
Cyber Security Administrator

Katie Shaw
Learning & Development Manager

Diann Salone
Pension Payroll Manager

Jaladhi Shukla
Senior Investment Officer

Nicole Spencer-Berry
Senior Pension Specialist

Jody Thigpen
Senior Web Developer

Jason Thompson
System Administrator

Trevor Thompson
Desktop Support Engineer

Mubina Tukulic
Communications Specialist

Saki Vimal
Financial Planning & Analysis Manager

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PROFESSIONAL SERVICE PROVIDERS

As of December 31, 2024

MASTER CUSTODIAN
The Northern Trust Company

CONSULTING ACTUARY
Gabriel, Roeder, Smith & Company

INVESTMENT CONSULTANT
Wilshire Advisors LLC
Bloomberg Inc

INVESTMENT ACCOUNTING FIRM
STP Investment Services

AUDITOR
Weaver and Tidwell, L.L.P.

LEGAL ADVISORS
Baker& Hostetler LLP
Foster Garvey PC
Locke Lord LLP

PLAN SUMMARY

Summary of Key Provisions
Employees' Retirement Fund of the City of Dallas
As of December 31, 2024

Membership

An employee becomes a member upon permanent employment and contributes to the Plan. Tier A members were hired prior to January 1, 2017. An amendment to the governing documents passed by voters on November 8, 2016 created a new tier of benefits, Tier B, for members hired on or after January 1, 2017.

Contributions

Member: 37% of the current adjusted total obligation rate. New rates effective October 1 after the valuation date.

City: 63% of the current adjusted total obligation rate. New rates effective October 1 after the valuation date.

Definitions

Final Average Salary:

Tier A
Average monthly salary over the member's highest three years of service.

Tier B
Average monthly salary over the member's highest five years of service.

Credited Service:
Length of time as an employee of the City of Dallas and while making contributions to the Plan.

Retirement Pension Eligibility

Tier A

a. Attainment of age 60; or
b. Attainment of age 55 (if credited service began before May 9, 1972); or
c. At any age after completion of 30 years of credited service with a reduced benefit before age 50; or
d. Attainment of age 50, if the sum of an active member's age and credited service is at least equal to 78.

Tier B

a. Attainment of age 65 and 5 years of service; or
b. At any age after completion of 40 years of credited service; or
c. At any age if the sum of an active member's age and credited service is at least equal to 80. Under this eligibility rule, the member's pension will be actuarially reduced for each year prior to the age of 65 that the member retires.

Retirement Benefits

Tier A

The retirement benefit equals 2-3/4% multiplied by average monthly salary multiplied by credited service limited to a maximum of 36.3636 years plus a monthly $125 health supplement (prorated for service less than 5 years).

Tier B

The retirement benefit equals 2-1/2% multiplied by average monthly salary multiplied by credited service limited to a maximum of 40 years (no monthly health supplement).

Form of Payment

Tier A

An unreduced pension benefit under a joint and one-half survivor option with 10 years guaranteed or a ten-year certain and life option. An actuarially equivalent joint and full survivor option is also available after 15 years of service.

Tier B

An unreduced pension payable for life with 10 years guaranteed. Actuarially equivalent joint and survivor options (50% and 100%) are also available.

Deferred Retirement

Eligibility:

Deferred retirement pension benefit commencing at age 60 for Tier A members or at age 65 for Tier B members with at least five (5) years of credited service if accumulated contributions are left on deposit with the Fund.

Monthly Benefit:

The deferred retirement benefit is equal to the retirement pension based on earnings and credited service at the time of termination.

Disability Retirement Pension

Non-Service Disability:

Eligibility:

Five (5) years of service if active or ten (10) years of service if deferred vested and totally and permanently incapacitated for duty.

Monthly Benefit:

Computed based on average monthly earnings and credited service at time of disability but not less than 10 times the percentage multiplied by the average monthly earning.

Service Disability:

Eligibility:

Totally and permanently incapacitated from the further performance of duty as a result of injury while in the course of employment for the City.

Monthly Benefit:

Calculated as a non-service disability pension but not less than $1,000 per month.

Death Benefits

Form:

Benefit paid in accordance with the option on file; or the eligible option; or, if no eligible beneficiary, a lump sum equivalent of 10 years of benefit payments to the member's estate.

Monthly Benefit:

Based on average monthly earnings and credited service at death but not less than 10 times the percentage multiplier multiplied by the average monthly earnings.

Minimum Service Death Benefit:

Not less than $1,000 per month if death resulted from a service-related injury.

Return of Accumulated Contributions

A member at the time of termination is entitled to be paid accumulated member contributions without interest.

Cost-of-Living Adjustment

An annual cost-of-living adjustment to the base pension benefit shall be made based on 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% for Tier A and 3% for Tier B 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% for Tier A and 3% for Tier B.

FINANCIAL
SECTION





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

Independent Auditor's Report

To the Board of Trustees of the
Employees' Retirement Fund of the City of Dallas, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Employees' Retirement Fund of the City of Dallas (the Plan), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as of December 31, 2024 and 2023, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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The Board of Trustees of the
Employees' Retirement Fund of the City of Dallas

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of money-weighted rates of return, and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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The Board of Trustees of the
Employees' Retirement Fund of the City of Dallas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The schedule of administrative expenses, schedule of investment expenses, and schedule of payments for professional services are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of administrative expenses, schedule of investment expenses, and schedule of payments for professional services are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
June 24, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Management's Discussion and Analysis of the Employees' Retirement Fund of the City of Dallas ("ERF" or "the Plan") financial performance provides an overview of the financial activities and funding conditions for the fiscal years ended December 31, 2024, 2023, and 2022. The intent of this discussion and analysis is to give a narrative overview and analysis of the Plan's financial performance as a whole. For more detailed information regarding performance, readers should also review the Financial Statements, Notes to the Financial Statements, and Required Supplementary Information to enhance their understanding of the Plan's financial performance.

FINANCIAL STATEMENTS

The Plan is a defined benefit plan that provides retirement, disability, and death benefits to permanent full-time and part-time civilian employees of the City of Dallas ("the City"). The Plan has two basic Financial Statements:

- A Statement of Fiduciary Net Position that provides information about the fair value and composition of plan assets, plan liabilities, and fiduciary net position; and
- A Statement of Changes in Fiduciary Net Position that provides information about the year-to-year Changes in Fiduciary Net Position.

There are also notes to the Financial Statements that include a brief Plan description, a summary of significant accounting policies, and information about contributions, legally required reserves, investment concentrations, and the Net Pension Liability. The report also contains the required supplementary information in addition to the basic financial statements. Collectively, this information presents the Net Position Restricted for Pension Benefits and summarizes the Changes in Net Position for those benefits.

FINANCIAL HIGHLIGHTS

Fiscal year 2024 experienced an increase in investments. The Plan's Financial Highlights for fiscal year ended December 31, 2024, are as follows:

- The Plan had a return of 9.14% for the year, a 5-year return of 6.16% and a 10-year return of 6.27%.
- As of December 31, 2024, the Net Position Restricted for Pension Benefits was $3.8 billion, reflecting a $108 million increase from the previous year due to higher investments.
- Total contributions for fiscal year 2024 were $155.61 million, an increase of approximately $11.65 million from last fiscal year. This is primarily attributed to a merit pay increase for civilian employees and additional full-time employees eligible to accrue retirement benefits.
- Pension benefits paid to retirees and beneficiaries increased $20.6 million in 2024 compared to 2023, bringing the total benefit payments to $349 million. Refunds of contributions paid to former members after termination of employment were $12 million for 2024 and $13 million for 2023.
- Net Investment Income (net appreciation/depreciation) in the fair value of investments, plus interest and dividend income, less investment expenses), excluding Other Income, decreased $15 million compared to last fiscal year.
- Administrative Expenses of $10 million in 2024 were higher than 2023 by $822 thousand due to many factors such as inflation, employees' salary increments, and benefits.

CONDENSED FINANCIAL INFORMATION

($ in thousands)

As of and for the FY Ended December 31,	2024	2023	2022
Fiduciary Net Position			
Assets	$5,082,186	$4,520,902	$4,199,708
Liabilities	1,324,704	871,800	683,428
Fiduciary Net Position Restricted for Pension Benefits	$3,757,482	$3,649,102	$3,516,280
Changes in Fiduciary Net Position			
Additions:			
Employer contributions	$80,782	$73,939	$67,288
Employee contributions	74,831	70,025	63,427
Investment & other income/(loss), net	324,929	339,878	(368,929)
Deductions:			
Benefit payments	$348,938	$328,296	$317,528
Refund of contributions	12,369	12,700	12,158
Administrative expenses	10,005	9,183	8,206
Depreciation expense	850	841	829
Change in Fiduciary Net Position Restricted for Pension Benefits	$108,380	$132,822	($576,935)
Net Position Restricted for Pension Benefits:			
Beginning of Year	3,649,102	3,516,280	4,093,215
End of Year	$3,757,482	$3,649,102	$3,516,280

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Plan's total investment return for fiscal year 2024 was 9.14% as compared to 10.09% in 2023 and -8.38% in 2022. The one-year return was below the policy benchmark of 11.76%. The Plan has performed well over longer time periods. The Plan's 5-year return is 6.16% which is slightly below the policy benchmark of 6.59%. The 10-year return is 6.27%, which is slightly below the policy benchmark of 6.43%.

ERF has a global, diversified investment program. The best performing asset classes in 2024 were Global Listed Infrastructure Composite and Domestic Equity Composite. ERF's Global Listed Infrastructure Composite and Domestic Equity Composite earned 31.69% and 21.68%, respectively. The Fund's real estate investments consist of real estate investment trust, core and value-add real estate funds. Real Estate earned 1.93% for the fiscal year ended December 31, 2024.

Additions to the Plan's Fiduciary Net Position consist of employer and employee contributions and investment income. The Plan's Fiduciary Net Position increased from $3.649 billion in fiscal year 2023 to $3.757 billion in 2024, an increase of approximately $108 million. This increase is primarily due to

investment income, lower investment expenses and employees' and employer's contribution. City and employee contributions for fiscal year 2024 were $81 million and $75 million, respectively. Total contributions for 2024 were $155.6 million compared to $143.9 million in 2023 and $130.7 million in 2022.

Net investment income/(loss) is presented net of investment expenses and is comprised of interest, dividend income, gains/(losses) from the sale of investments, net unrealized appreciation/(depreciation) in the fair value of investments, and net income from securities lending activities. For fiscal year 2024, the Plan had net investment income of $325 million, (excluding non-investment Other Income of $257 thousand) compared to net investment income of $340 million in fiscal year 2023 and a net investment loss of $369 million in 2022.

Fiscal year 2024 liabilities of $1.325 billion showed an increase of 52% from fiscal year 2023 liabilities of $872 million. Liabilities for 2023 increased by $188 million or 28% over 2022. The increase in 2024 was primarily due to an increase in currency contracts by the managers to hedge against changes in foreign currency rates, in accordance with the managers' investment strategies and goals. This was slightly offset by a decrease in liabilities attributed to payable for securities purchased and securities lending collateral.

Year-end balances for securities purchased were $17 million in 2024, $37 million in 2023 and $47 million in 2022. Foreign currency contracts at year-end were $1.096 billion in 2023, $586 million in 2023 and $279 million in 2022. The changes were due to the investment managers' portfolio management.

Deductions from Fiduciary Net Position are largely from benefit payments. During fiscal year 2024, the increase in deductions is attributable to new retirements as well as a Cost-of-Living Adjustment (COLA), as was the increase between 2023 and 2022.

New retirements were 311, 326, and 293, respectively, for fiscal years 2024, 2023 and 2022. COLAs were 4.43% in 2024 for Tier A members, and 3% for Tier B members. For 2023 and 2022, COLAs were 5% for Tier A and 3% for Tier B. A COLA is granted effective January 1 of each year if there is an increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) based on the greater of either a) the change from October of the prior year to October of the current year; b) the monthly average change; or c) zero.

During fiscal year 2024, refunds of contributions amounted to $12 million (967 refunds), compared to 2023 refunds of $13 million (919 refunds) and 2022 refunds of $12 million (812 refunds). The fiscal year 2024 refund amount reflects a decrease in average refund amount per application as compared to fiscal year 2023. Administrative expenses of approximately $10 million represent approximately 2.7% of total deductions for the year.

CAPITAL ASSETS

The Plan's investment in capital assets as of December 31, 2024, amounts to approximately $4.7 million (net of accumulated depreciation). This investment in capital assets includes $33 thousand in Furniture and Fixtures, and $4.7 million in Intangible Assets. The total net decrease in capital assets for the current fiscal year was -15% compared to last year due to depreciation expense.

Additional information on the Plan's Capital Assets can be found in Note 8 of this report.

CURRENT ENVIRONMENT

Plan membership for active members increased during fiscal year 2024 from 7,894 to 8,070 members, an increase of 2.2%. For 2024, the number of new retirements was 311 compared to 326 in 2023. The trend of benefit payments continues to increase. Similar to most mature plans, benefit payments exceed the level of contribution revenue received, and cash generated from investments is needed in order to meet benefit payments.

An actuarial valuation of the Plan's assets and benefit obligations is performed annually by an independent firm, Gabriel, Roeder, Smith & Company ("GRS"). Based on the actuarial value of assets, the funded ratio of the Plan decreased from 70.10% in 2023 to 66.9% in 2024 primarily due to investment returns. The Unfunded Actuarial Accrued Liability ("UAAL") increased from $1.641 billion as of December 31, 2023, to $1.857 billion as of December 31, 2024. Based on accounting principles generally accepted in the United States of America ("GAAP"), the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 66.92% in 2024 as compared to 54.90% in 2023 and 54.07% in 2022. This is due to a blended discount rate of 7.25% in 2024. See Note 10 (c) for more information.

CONTACTING THE PLAN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Plan's finances. Questions and requests for additional information should be addressed to the Employees' Retirement Fund of the City of Dallas, 1920 McKinney Avenue, 10th Floor, Dallas, TX 75201.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Statements of Fiduciary Net Position Restricted for Pensions
December 31, 2024 and 2023
($ in thousands)

	2024	2023
ASSETS:		
Cash and short-term investments	$ 105,936	$ 95,324
Collateral on loaned securities	199,812	237,524
	305,748	332,848
Capital Asset:		
Intangible Assets	4,713	5,551
Furniture and Fixtures, net	33	63
Total capital assets (net)	4,746	5,614
Receivables:		
Currency contracts	1,095,968	585,982
Currency Contract gains	1,064	-
Accrued dividends	5,590	6,150
Accrued interest	10,736	11,504
Accrued real estate income	1,365	1,288
Accrued securities lending	86	107
Securities sold	5,511	14,111
Employer contributions	1,527	878
Employee contributions	1,409	808
Total receivables	1,123,256	620,828
Investments, at fair value:		
Commingled index funds	200,399	116,640
Domestic equities	1,174,945	1,372,894
United States and foreign government fixed income securities	254,931	316,628
Domestic corporate fixed-income securities	878,448	731,923
International equities	430,941	312,048
Investments, at estimated fair value:		
Private equities	369,482	371,556
Real estate	339,290	339,923
Total investments	3,648,436	3,561,612
Total assets	5,082,186	4,520,902
LIABILITIES:		
Accounts payable	8,343	7,269
Payable for securities purchased	17,392	37,169
Investment fees payable	3,189	3,081
Currency contracts	1,095,968	585,982
Currency contract losses	-	775
Securities lending collateral	199,812	237,524
Total liabilities	1,324,704	871,800
NET POSITION RESTRICTED FOR PENSION :	$ 3,757,482	$ 3,649,102

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Statements of Fiduciary Net Position Restricted for Pensions
December 31, 2024 and 2023
($ in thousands)

	2024	2023
ADDITIONS:		
Contributions:		
Employer	$ 80,782	$ 73,939
Employee	74,831	70,025
Total contributions	155,613	143,964
NET INVESTMENT INCOME:		
Dividends	67,707	69,189
Interest	60,455	55,464
Real estate dividend income	8,209	8,769
Net appreciation/(depreciation) in fair value of investments	206,920	225,506
Securities lending rebates paid by borrowers	(12,082)	(16,251)
Securities lending income	13,428	17,840
Total investment income/(loss)	344,637	360,517
LESS INVESTMENT EXPENSES:		
Investment management fees	(18,850)	(19,899)
Custody fees	(110)	(111)
Consultant fees	(736)	(597)
Securities lending management fees	(269)	(317)
Total investment expenses	(19,965)	(20,924)
Net investment income/(loss)	324,672	339,593
OTHER INCOME:	257	285
Total additions	480,542	483,842
DEDUCTIONS:		
Benefit payments	348,938	328,296
Refund of contributions	12,369	12,700
Administrative expenses	10,005	9,183
Depreciation expense	850	841
Total deductions	372,162	351,020
Net increase/(decrease) in Net Position Restricted for Pensions	108,380	132,822
NET POSITION :		
RESTRICTED FOR PENSION		
Beginning of year	3,649,102	3,516,280
End of year	$ 3,757,482	$ 3,649,102

The accompanying Notes are an integral part of these financial statements.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

1) Description of the Plan

a) General

The Employees' Retirement Fund of the City of Dallas ("ERF" or the "Plan") is a single employer defined benefit pension plan that provides retirement, disability, and death benefits to its members, and is sponsored by the City of Dallas, Texas (the "City"). All employees of the City are members in the Plan, except police officers, firefighters, elected officers, non-salaried appointee members of administrative 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. Members are entitled to retirement benefits after five years of service and to survivor benefits after two years of service or at the date of eligibility for retirement. The Plan was established and derives its authority to continue in operation from Chapter 40A of the Dallas City Code ("Chapter 40A"). The description of the Plan provisions in this report is for financial disclosure only. It is not intended to create or reduce legal rights. The rights and responsibilities of the Board of Trustees, the Plan, the members, and the retirees are governed by the Plan as set forth in Chapter 40A. As of December 31, 2024 and 2023, the Plan's membership consisted of:

	2024	2023
Retirees and beneficiaries currently receiving benefits and inactive members entitled to benefits but not yet receiving them.	10,091	10,021
Current members:		
Vested	4,086	4,138
Non-vested	3,984	3,756
Total current members	8,070	7,894
Total membership	18,161	17,915

b) Plan Administration

The Plan is governed by seven Board members, consisting of three members appointed by the City Council who may be Council members, three employee members of the Plan (elected by the membership) and the City Auditor (serving ex officio). The Board has general powers and duties to administer the Plan, including appointing an administrator to carry out the business of the Board, investing the assets of the Plan, making expenditures from the Plan, and determining members' eligibility for benefits.

Based on a Plan amendment passed by the voters of the City of Dallas in November 2004, the Board annually increases or decreases contribution rates in a ratio where the City pays 63% and the employee pays 37% of the contribution rate as determined by the actuarial valuation. The Plan requires notice to the City of the contribution rates and provides procedures by which the City may review and challenge those rates; codifying the Board's policies and procedures relating to the Plan's actuarial process and the City's participation in the selection of an actuarial firm to perform a peer

review/audit; increasing the Board from five members to seven by adding another employee-elected representative and another council-appointed representative effective March 1, 2005; increasing from three to four the number of Board members required to constitute a quorum; increasing the terms of the employee-elected representatives from two to three years; requiring Council approval before the Board may grant temporary or permanent discretionary adjustments to retirement benefits over and above the regular cost-of-living increases; correcting section references to the term "qualified recipient"; and authorizing either the Council or the Board to propose amendments to Chapter 40A, subject to approval by the Board, the Council, and the voters of the City.

Based on a Plan amendment passed by the voters of the City of Dallas in November 2016, a new tier of benefits was added to the Plan (Tier B), effective January 1, 2017. Benefits provided to each tier of membership are outlined below.

The Plan may be terminated only by ordinance recommended by the Board adopted by the City Council and approved by a majority of the voters of the City voting in a general or special election. The Plan does not address allocation of the net position in the event of termination.

c) Pension Benefits

Tier A

Members of the Plan hired before January 1, 2017, are entitled to pension benefits equal to 2.75% of the average monthly earnings for each year of credited service. Average monthly earnings are based on the most beneficial to the member and are determined based on the member's earnings for the highest three calendars years, last 6,240 hours of credited service, or the length of credited service if less than three years. Normal retirement age is 55 if credited service began before May 9, 1972 or age 60.

Tier A members are also eligible to retire at age 50 if the sum of the member's age and credited service is equal to or greater than 78. Members who have completed 30 years of credited service may alternatively elect retirement before age 50; however, the pension benefits will be actuarially reduced based on the member's age at retirement.

Tier B

Members of the Plan hired on or after January 1, 2017, are entitled to pension benefits equal to 2.5% of the average monthly earnings of the member for each year of credited service. Average monthly earnings are based on the most beneficial to the member and are determined based on the member's earnings for the five highest calendar years, last 10,400 hours of credited service, or the length of credited service if less than five years. Normal retirement age is 65 with five years of credited service.

Tier B members who have completed 40 years of credited service may elect retirement at any age and are entitled to full pension benefits. Members who elect retirement before age 65 are entitled to an actuarially reduced pension benefit depending upon the age of the member. Active members may also elect to retire with actuarially reduced benefit once a combination of their age and years of credited service equal at least 80.

d) Cost of Living Adjustments

Cost of living adjustments for retirees are made each year on the first of January by adjusting the pension base by the percentage change of the Consumer Price Index ("CPI"), not to exceed 5% for Tier A and 3% for Tier B members. The cost-of-living adjustment effective January 2024 was 4.433% for Tier A members and 3% for Tier B members.

e) Disability and Death Benefits

Members who become totally and permanently disabled may qualify for a service-connected disability with no minimum service requirement, or a non-service connected disability with five or more years of credited service. Non-service connected benefits are based on actual credited service or a minimum of 10 years. Service-connected benefits are equal to normal retirement benefits or a minimum of $1,000.

Upon the death of an active married member with less than 15 years of service, the joint and one-half survivor option is the automatic death benefit.

If an active married member has at least 15 years of service and is eligible to retire or has reached normal retirement age, the member may elect the joint and full survivor option. Under this option, the member receives a reduced base pension payment which is actuarially computed based on the member's age, average monthly earnings, years of credited service at retirement, and the relative age of the spouse. Upon the death of the member, this option pays the full amount of the member's pension payment to the surviving spouse for life.

Upon the death of a member before retirement, death benefits equal to the normal retirement benefit will be paid to a qualified recipient: surviving spouse, minor child under age 18, a disabled child who became disabled before age 18, a dependent parent, or a parent over age 65. Death benefits vary depending on the beneficiary. The surviving spouse, the disabled child, or the dependent parent will receive a lifetime benefit unless the ten-year option is taken. The minor child under age 18 will receive the normal retirement benefit for ten years or until reaching age 18. If the member has less than two years of credited service, the member's contributions will be refunded.

Upon the death of a retired member, a death benefit is paid in accordance with the option selected by the member at retirement. If there are no qualified recipients at the time of death and benefits have not been paid for ten years, death benefits are paid to the designee (an estate, a person, or an entity) named by the member. The designee will receive a lump-sum payment based on ten years of benefit payments when the member's death occurs before retirement. If death occurs after retirement, the designee will receive a commuted lump-sum payment representing the balance of a guaranteed ten-year period starting from the date of retirement.

If a member does not have an eligible beneficiary, death benefits will be paid to the designee or member's estate in one commuted value payment. Benefit payments will vary depending on whether death occurred before or after retirement. Upon the death of a member before retirement, the designee or member's estate will receive a lump-sum payment based on ten years of benefit payments. Upon the death of a retired member, the designee or estate will receive a commuted value lump-sum payment representing the balance of a guaranteed ten-year period starting from the date of retirement.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

f) Contributions

If employment ends before attaining five years of service and before attaining eligibility for retirement, the member's contributions will be refunded upon written request to the Plan.

If a member's employment is terminated after five years of service, the member may elect a refund of contributions upon a written request, or the member may elect to receive pension benefits at normal retirement age equal to the amount accrued to the date of termination.

In fiscal year 2024, the employees' contribution and the City's total contribution remain unchanged from fiscal year 2023 at 13.32% and 22.68%, respectively. Effective October 1, 2024, the City's 22.68% contribution is divided into 14.44% to the Plan and 8.24% for the City's debt service payments on the pension obligation bonds. Effective October 1, 2023, the City's 22.68% contribution is divided into 14.46% to the Plan and 8.22% for debt service payments on the pension obligation bonds. The pension obligation bonds are scheduled to paid off in 2035.

The percent contributed may vary from the legally required rate as the annual required contribution is based upon covered payroll as of the actuarial valuation date, December 31, whereas contributions are calculated and paid based upon actual payrolls throughout the year. Certain factors, such as changes in benefit provisions, the size or composition of the population covered by the Plan or the actuarial assumptions used, may significantly affect the identification of trends in the amounts reported in the Schedule of Net Pension Liability and Schedule of Changes in Net Pension Liability located in the Required Supplementary Information section.

2) Summary of Significant Accounting Policies

a) Basis of Accounting

The accompanying financial statements are prepared on the economic resources measurement focus and accrual basis of accounting. Accordingly, interest earned but not received and dividends declared but not received as of the Plan's fiscal year end are recorded as accrued interest and dividends receivable, respectively. Contributions owed but not received as of the Plan's fiscal year end are recorded as contributions receivable. Benefits and refunds are recorded when paid. In addition, unsettled investment purchases and sales are accrued.

b) Administrative Expenses

Administrative expenses are paid from the Plan's contributions. The contribution rates calculated by the actuary take into consideration the expected administrative expenses.

c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

EMPLOYEES' RETIREMENT FUND OF
THE CITY OF DALLAS
Notes to the Financial Statements
December 31, 2024 and 2023

d) Investments and Investment Income

The Plan's investment policy requires that investments comply at all times with applicable local, state, and federal regulations. The Plan's investment policy is based upon an asset allocation study that considers the current and expected condition of the Plan, the expected long-term capital market outlook and the Plan's risk tolerance. Unless specifically permitted in the investment manager guidelines or other governing document, the investment policy prohibits the purchase of non-negotiable securities, short sales, selling on margin, puts, calls, straddles, options, or "letter" (restricted) stock. Also, unless specifically authorized in a manager's individual guidelines, the investment policy prohibits the use of derivatives (See derivatives disclosure in footnote 3).

Marketable Securities are valued at fair value based on quoted market prices, where available. Purchases and sales of securities and any resulting gain or loss are recorded on a trade-date basis. Net appreciation/(depreciation) include the Plan's gains and losses on investments bought and sold as well as held during the year. In May 2023, the Plan modified the asset allocation. The Plan's asset allocation is shown in the following table.

SUMMARY OF ASSET ALLOCATION TARGETS AND RANGES

	Target	Minimum	Maximum
Equity			
Domestic Equity	12.00%	10.00%	14.00%
International Equity	11.50%	9.50%	13.50%
Global Equity	5.00%	3.00%	7.00%
Global Low Volatility Equity	10.00%	8.00%	12.00%
Private Equity	10.00%	5.00%	15.00%
Total Equity	**48.50%**	**46.50%**	**50.50%**
Fixed Income			
Core Fixed Income	17.50%	15.50%	19.50%
High Yield	10.00%	8.00%	12.00%
Credit Opportunities	4.00%	2.00%	6.00%
Private Credit	2.50%	0.00%	5.00%
Total Fixed Income	**34.00%**	**32.00%**	**36.00%**
Real Assets			
Real Estate Investment Trusts	2.50%	0.50%	4.50%
Global Listed Infrastructure	5.00%	3.00%	7.00%
Private Real Estate	7.50%	2.50%	12.50%
Total Real Assets	**15.00%**	**13.00%**	**17.00%**
Diversifying Strategies			
Marketable Alternatives	2.50%	0.50%	4.50%
Total Diversifying Strategies	**2.50%**	**0.50%**	**4.50%**
TOTAL PORTFOLIO	**100.00%**		

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

e) Private Equity

To enhance the potential for earning higher rates of return relative to its other asset classes and to provide for broader portfolio diversification, the Plan allocates 10.00% of its total Plan portfolio to Private Equity. Recognizing that Private Equity investments have higher risk levels, this target of 10.00% is to be allocated within an acceptable range of 5.0% to 15.0% of private equity-oriented investments. Funding of committed capital in the Private Equity portfolio can occur over an extended time period and may take several years before the total allocation is fully invested. In order to reach the allocation target, a "committed" allocation up to 1.5 times the allocation is authorized. The Plan had four Private Equity managers at December 31, 2024.

Investments in these funds as a limited partner are carried at estimated fair value. Estimated fair values of investments in private limited partnerships are determined by the fund managers or general partner based on the latest investee information available, including audited financial statements and other similar data necessary to the valuation process. The Private Equity values at December 31, 2024 and December 31, 2023 were $369 million and $372 million, respectively.

f) Real Assets

The Plan is authorized to allocate 15% of its portfolio to Real Assets. The Plan has seven managers that manage Real Assets for a total value of $339 million at December 31, 2024 and $340 million at December 31, 2023. The Plan invests in Heitman's core real estate fund, Invesco's core fund, Invesco II which manages 1900 McKinney, LLC, AEW Partners, Long Wharf Capital, Virtus Real Estate Capital III, L.P and Brasa Capital management. AEW Partners manages AEW Partners Real Estate Fund IX, L.P. and Pix Oakland Park Co-invest L.P. for the Plan.

Estimated fair values of investments are determined by the fund managers based on their best estimates using fair value estimation techniques substantiated, in part, by their audited financial statements and supported by the due diligence of the Plan investment staff.

g) Real Estate Investment Trust (REIT)

The Plan is authorized to allocate 2.5% of its portfolio to REITs. The plan has two managers within this category: Adelante and Center Square. Investments are listed at net asset value.

h) Foreign Currency Transactions

The Plan may enter into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date as a hedge against specific transactions or to position the portfolio to protect the Plan against adverse currency movements. Entering into these arrangements involves the risk of dealing with counterparties and their ability to meet the terms of the contracts. These contracts are valued at fair value at the financial statement date, and any realized and unrealized gains and losses are recorded when they are incurred.

Investments denominated in foreign currencies at December 31, 2024 and 2023 were converted to U.S. dollars at the foreign exchange rates quoted at December 31, 2024 and 2023. These foreign

exchange gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

i) Securities Lending

The Board has authorized the Plan to enter into an agreement with The Northern Trust Company ("Northern Trust") 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 counterparty brokers and banks ("borrowers") for a predetermined period of time and fee.

In 2009, the Board capped the securities lending exposure at $538.2 million.

j) Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investment, net of investment fees, was 9.08%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Schedule of Money-Weighted Investment Returns

For Year Ended December 31	Annual Investment Returns
2015	-1.92%
2016	8.88%
2017	13.08%
2018	-4.99%
2019	17.33%
2020	5.75%
2021	16.25%
2022	-8.23%
2023	10.17%
2024	9.08%

k) Capital Assets

Capital Assets, which include furniture, fixture, and software, are reported in the Plan's Financial Statements. Capital Assets are defined by the Plan as assets with an initial, individual cost of more than $50,000 and an estimated useful life in excess of two years. As the Plan constructs or develops additional Capital Assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in

relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Furniture and fixtures are depreciated using the straight-line method over an estimated useful life of 5-20 years. Intangible Assets are depreciated using the straight-line method over an estimated useful life of 5-15 years. Construction in progress is not depreciated.

l) Leases

The Plan does not have any material non-cancellable leases. The Plan recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the financial statements with an initial, individual value of $50,000 or more.

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

Key estimates and judgments related to leases include how the Plan determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Plan uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Plan generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the Plan is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

  It is the policy of the plan to monitor changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liability if certain changes occur that are expected to be significant.

3) Derivatives

Derivatives are generally defined as contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate, or index. The Plan has classified the following as derivatives:

a) Currency Forward Contracts

A Currency Forward is a contractual agreement between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon

exchange rate. Forward commitments are not standardized and carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood of such loss is remote. No such losses occurred during the fiscal years 2024 and 2023. Currency forwards are usually traded over the counter. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuation and to facilitate trade settlement of foreign security transactions. Currency Forwards carry market risk resulting from adverse fluctuations in foreign exchange rates. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the Plan records the realized currency translation gain or loss based on the applicable exchange rates.

The Plan recognized a net realized loss on Currency Forward Contracts of $1.1 million as of December 31, 2024. The Plan recognized a net realized loss of $2 million as of December 31, 2023. These gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

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EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

Currency Forward Contracts outstanding at December 31, 2024, and 2023 were approximately $1,096 billion and $586 million, respectively, with a fair value of $1,120 million and $598 million, respectively. The futures value for December 31, 2024 was ($13,697). ($ in thousands):

Currency	2024 Currency Forward Contracts Outstanding	2024 Futures	2023 Currency Forward Contracts Outstanding
Australian Dollar	$50,655	($9,094)	$30,404
Brazilian Real	12,967	-	2,518
Canadian Dollar	45,306	($4,339)	33,470
Chile Peso	799	-	2,452
Columbian Peso	668	-	1,694
Czech Koruna	1,453	-	2,338
Denmark Krone	534	-	823
Euro	58,147	788	55,529
HK offshore Chinese Yuan	3,414	-	-
Hong Kong Dollar	2,133	-	2,198
Hungary Forint	8,986	-	3,961
Indonesia-Rupiahs	3,557	-	452
Indian Rupee	12,837	671	4,768
Israel Shekel	13,142	-	196
Japanese Yen	63,892	(1,632)	31,266
Malaysian ringgit	33	599	-
Mexican Peso	15,070	-	10,051
New Zealand Dollar	32,117	-	11,555
Norwegian Krone	44,956	-	22,726
Peruvian Nuevo Sol	8	-	21
Philippine Peso	1,356	-	-
Qatari riyal	-	-	179
Poland Zloty	12,730	-	5,739
Saudi Riyal	1,660	-	1,622
Singapore Dollar	348	110	952
South Africa Rand	9,347	(1,469)	1,981
South Korea Won	4,975	-	155
Swedish Krona	41,036	3,761	8,791
Switzerland Franc	30,195	-	21,896
Turkish lira	5,443	-	-
Thailand Baht	29	(1,512)	268
Taiwan New Dollar	7,695	853	3,153
UK Pound	56,825	(10,805)	25,608
US Dollar	553,655	8,372	299,216
Totals	$1,095,968	($13,697)	$585,982

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

b) Other Forward Contracts

Forward Contracts other than Currency Forward Contracts include rights and warrants and various other contractual agreements between two parties to buy or sell an asset at a specified price on a certain future date. Forward Contracts carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood of such loss is remote. No such losses occurred during the fiscal years 2024 and 2023. Forward Contracts are usually traded over the counter. These transactions are entered into in order to hedge risks from exposure to fluctuations in prices in securities, commodities, or other financial instruments. Forward Contracts carry market risk resulting from adverse fluctuations in price. Recognition of realized gain or loss depends on whether the price of the asset has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the Plan records the unrealized gain or loss based on the applicable rates.

The Plan recognized a net realized gain on Other Forward Contracts of $338 thousand as of December 31, 2024. As of December 31, 2024, the Plan had a net realized loss on Currency Forward Contracts of ($1.1 million). The gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

c) Swaps

A Swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. No principal is exchanged at the beginning of the Swap. The cash flows that the counterparties exchange is tied to a "notional" amount. The agreements provide, at predetermined future dates, the Plan pays interest based upon a notional principal amount and receives a return based upon the underlying instrument. Notional amounts represent the volume of outstanding transactions and do not represent the potential gain or loss associated with market risk or credit risk of such instruments. Risk associated with Swaps includes adverse movements in the underlying instrument.

As of December 31, 2024 the Plan recognized a net realized loss on Swaps of ($558) thousand. The gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

d) Futures

Financial Futures are agreements to purchase or sell a specific amount of an asset at a specified delivery or maturity date for an agreed upon price. These derivative securities are used to improve yield, adjust the duration of the Fixed Income portfolio, circumvent changes in interest rates, or to replicate an index. Futures Contracts are standardized and traded on organized exchanges, thereby minimizing the Plan's risk. There were no outstanding Futures Contracts at December 31, 2024 and December 31, 2023.

The Plan recognized a net realized gain of $3 million on futures. The gain is included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

As of December 31, 2024, and 2023 open derivatives contracts values were as follows ($ in thousands):

	12/31/2024		12/31/2023	
Derivative Type	**Total Notional Value**	**Total Fair Value**	**Total Notional Value**	**Total Fair Value**
Forward Contracts	$1,095,968	$1,021	$585,982	($746)
Other Forwards	-	(110)	92,794	326
Futures	($13,697)	-	-	-
Swap Agreement	-	172	-	43
Totals	$1,082,271	$1,083	$678,776	($377)

4) Deposit and Investment Risk Disclosures

Deposits and investments of state and local governments are exposed to risks that have the potential to result in losses. The common deposit and investment risks include custodial credit risk, credit risk, concentration of credit risk, foreign currency risk and interest rate risk. The required disclosures related to these risks and the Plan's exposures to these risks are disclosed in the following sections.

a) Custodial Credit Risk

In the event of a failure of the counterparty, custodial credit risk is the risk that the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Plan's custodial credit risk policy is set forth in Chapter 40A of the Dallas City Code and in the master custody agreement which includes the Securities Lending Program. All investments are registered in the name of Employees' Retirement Fund of the City of Dallas or in the name of the Plan's custodian established through a master trust custodial agreement. The securities are held by the custodian in the name of the Plan.

As of December 31, 2024, the Plan had $6.5 million or 0.2% of its approximate $3.6 billion total investments (excluding short-term investments) exposed to custodial credit risk. The custodial credit risk exposure at December 31, 2023 was $2.7 million or 0.1% of total investments (excluding short-term investments) of approximately $3.6 billion. These exposures were uninsured and uncollateralized deposits held by custodian banks outside of the United States. The Plan has experienced no losses on these deposits during the year.

b) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. A concentration of investments in any one single issuer of debt securities presents a greater risk for loss in the event that the issuer fails on its obligations.

The Board has contracted with third party investment managers to manage the investment portfolio of the Plan, subject to the policies and guidelines established by the Board. 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. As the Plan's custodian bank, Northern Trust has responsibility for the safekeeping of certain investments, handling of transactions based on the instructions of investment managers, and recordkeeping for the investment transactions.

As of December 31, 2024, the Plan held investments that exceeded 5% of the net position available for Plan benefits. These included the NTAM AGG Bond Index Fund and the BlackRock Global Low Volatility Fund – SL.

c) Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality ratings for the Plan's investments in Fixed Income securities as of December 31, 2024 and 2023 are included in the following schedule. Securities are rated using Standard and Poor's quality ratings as presented following in the rating scale.

The Plan's strategic Fixed Income Investment Policy allocates 30% of the total assets to Fixed Income. The Plan's Investment Policy provides for investment of up to 15% of the Fixed Income allocation in Investment Grade assets, up to 10% of the Fixed Income allocation in High Yield (below Investment Grade) assets, and up to 5% for Opportunistic Credit. The Investment Grade allocation also allows selected managers to invest in non-U.S. dollar issues on an opportunistic basis up to 20% of their portfolio assets.

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EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

Long term bond ratings as of December 31, 2024 and 2023 are as follows ($ in thousands):

	2024		2023	
Quality Rating	Fair Value	Percentage of Bond Portfolio	Fair Value	Percentage of Bond Portfolio
AAA	$92,175	8.13%	$108,738	10.37%
AA+	12,178	1.08%	19,402	1.85%
AA	22	-	605	0.06%
AA-	-	-	47	0.00
A+	4,613	0.41%	417	0.04%
A	1,228	0.11%	828	0.08%
A-	13,387	1.18%	17,137	1.63%
BBB+	4,153	0.37%	23,956	2.28%
BBB	4,739	0.42%	8,931	0.85%
BBB-	7,101	0.63%	15,259	1.49%
BB+	13,839	1.22%	14,160	1.35%
BB	34,959	3.09%	37,950	3.62%
BB-	45,099	3.98%	53,556	5.11%
B+	48,845	4.31%	51,370	4.90%
B	58,957	5.20%	50,844	4.85%
B-	36,600	3.23%	37,874	3.61%
C	718	0.06%	-	-
CC	921	0.08%	988	0.09%
CCC+	14,781	1.30%	12,170	1.16%
CCC-	804	0.07%	2,146	0.20%
CCC	8,209	0.72%	5,672	0.54%
D	396	0.03%	913	0.09%
Not rated (NR)*	574,819	50.72%	453,438	43.24%
U.S. Government fixed income securities (NR)**	154,836	13.66%	132,150	12.59%
Total	$1,133,379	100%	$1,048,551	100%

* NR-Investments that are not rated.

**NR-U.S. Treasury Bonds and Notes are obligations of the U.S. government or explicitly guaranteed by the US. government and therefore are not considered to have a credit risk.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

d) Foreign Currency Risk

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan's Foreign Currency Risk policy is communicated to those managers who are authorized to hedge currencies in their guidelines and sets specific parameters for each manager individually.

The Plan's investment policies limit the aggregate amount that can be invested in each class of investments. The Plan's General Investment Policy sets an allocation of 11.5% of assets to International Equity, 5.00% of assets to Global Equity and 10.00% to Global Low Volatility Equity.

The Plan's positions in International Equity securities, directly and through commingled funds, were 17.30% and 12.04% of invested assets at December 31, 2024 and 2023, respectively. The Plan's position in Global Equity securities was 3.87% and 5.11% of invested assets at December 31, 2024 and 2023, respectively. The Plan's position in Global Low Volatility Equity was 10.65% at December 31, 2024 and 10.39% at 2023. The Plan's positions in Global Fixed Income assets were 31.06% and 29.44% of invested assets at December 31, 2024 and 2023, respectively.

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EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

Non-US Dollar denominated investments at December 31, 2024 and 2023 were as follows ($ in thousands):

	2024			2024	2023		
	U. S. Dollars Balance of Investments				U. S. Dollars Balance of Investments		
Currency	Equities	Fixed Income	Currency Forward Contracts	Futures	Equities	Fixed Income	Currency Forward Contracts
Australian Dollar	$14,990	$-	$50,655	($9,094)	$20,644	$-	$30,404
Brazil Real	5,127	-	12,967	(10,805)	11,128	17	2,518
British Pound Sterling	55,817	-	56,825	-	61,609	466	25,608
Canadian Dollar	40,687	-	45,306	(4,339)	33,870	-	33,470
Chile Peso	31	-	799	-	34	-	2,452
Columbia Peso	-	-	668	-	-	-	1,694
Czech Republic-Koruna	-	-	1,453	-	-	-	2,338
Denmark Krone	8,883	-	534	-	9,243	-	823
Euro	124,994	4,871	58,147	788	139,783	5,958	55,529
HK offshore Chinese Yuan	-	-	3,414	-	-	-	-
Hong Kong Dollars	40,741	-	2,133	-	37,019	-	2,198
Hungary-Forint	420	-	8,986	-	106	-	3,961
Indian Rupee	13,702	-	12,837	671	18,269	958	4,768
Indonesia-Rupiahs	7,199	-	3,557	-	5,594	1,592	452
Israel Shekel	2,005	-	13,142	-	1,636	-	196
Japanese Yen	88,283	-	63,892	(1,632)	90,758	-	31,266
Malaysia Ringgit	5,057	-	33	599	2,078	-	-
Mexican Peso	2,675	-	15,070	-	5,376	6,155	10,051
New Zealand Dollar	622	-	32,117	-	1,365	-	11,555
Norwegian Krone	9,017		44,956	-	10,618	-	22,726
Peruvian Nuevo Sol	-	-	8	-	-	-	21
Offshore Chinese-Renminbi	7,987	-	-	-	6,898	-	-
Philippines-Pesos	1,816	-	1,356	-	1,338	-	-
Poland-Zloty	1,848	-	12,730	-	2,133	-	5,739
Qatar-Riyal	1,250	-	-	-	1,815	-	179
Saudi Riyal	-	-	1,660	-		-	1,622
Singapore Dollar	6,342	-	348	110	5,825	-	952
South Africa Rand	3,003	-	9,347	(1,469)	2,324	-	1,981
South Korea-Won	14,428	-	4,975	-	16,691	-	155
Swedish Krona	6,663	-	41,036	3,761	8,053	-	8,791
Swiss Franc	33,002	-	30,195	-	35,342	-	21,896
Taiwan New Dollar	19,561	-	7,695	853	9,819	-	3,153
Thailand Baht	5,650	-	29	(1,512)	5,725	-	268
Turkish Lira	851	-	5,443	-	763	-	-
United Arab-Dirham	1,317	-	-	-	228	-	-
Uruguay-New Peso	-	-	-	-	106	-	-
Total	$523,968	$4,871	$542,313	($22,069)	$546,190	$15,146	$286,766

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

e) Interest Rate Risk

Interest rate risk is the risk that future changes in prevailing market rates of interest will have an adverse effect on the fair value of debt investments. The fair value of securities with long terms to maturity may be highly sensitive to interest rate changes.

As of December 31, 2024, and 2023 the weighted-average maturity of the bonds by bond type are as follows ($ in thousands):

	2024			2023		
Bond Category	**Fair Value 12/31/2024**	**Weighted Average Maturity (years)**	**WAM Factor**	**Fair Value 12/31/2023**	**Weighted Average Maturity (years**	**WAM Factor**
Asset Backed Securities	$32,517	15.32	0.44	$42,656	14.79	0.60
Bank Loans	29,857	5.16	0.14	21,304	4.75	0.10
Commercial Mortgage-Backed	18,385	19.44	0.32	21,483	20.34	0.42
Corp Convertible Bonds	2,281	31.06	0.06	5,007	28.44	0.14
Corporate Bonds	517,793	9.90	4.52	608,396	10.30	5.98
Government Agencies	6,746	15.27	0.09	6,829	9.47	0.06
Government Bonds	168,589	11.93	1.77	161,687	15.29	2.36
Govt Commer Mtg Backed	-	-	-	1,227	28.32	0.03
Govt Mtg Backed	93,953	24.12	2.00	161,256	24.45	3.76
Index Linked Government Bonds	2,048	14.73	0.03	4,392	12.06	0.05
Municipal/ Provincial Bonds	815	7.16	0.01	1,176	9.64	0.01
Non-Government Backed CMOs	12,229	29.84	0.32	12,665	31.60	0.38
Unassigned	248,166	19.65	4.30	473	27.46	0.01
Total	**$1,133,379**			**$1,048,551**		
Portfolio weighted average maturity			**14.00**			**13.90**

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

Government Mortgage-Backed Securities are sensitive to changes in interest rates as their prepayments can vary significantly with interest rate changes. This change in prepayments will generally cause the duration, or Interest Rate Risk, of these securities to increase when interest rates rise and decrease when interest rates fall. These securities represent 8% and 16% of the total Fixed Income portfolio for 2024 and 2023 at year end. Their fair values at years ended 2024 and 2023 were $93,953 million and $162,483 million, respectively. The Plan's Interest Rate Risk policy is communicated to the Fixed Income managers through the Fixed Income Asset Policy and each manager's guidelines.

5) Appreciation or (Depreciation) of Investments

In 2024 and 2023, the Plan's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value as follows ($ in thousands):

	2024	2023
Investments, at fair value:		
Commingled index funds	$32,063	$18,930
Domestic equities	165,172	166,378
United States and foreign government fixed income securities	(2,220)	(7,126)
Domestic corporate fixed income securities	1,520	51,210
International equities	33,198	38,150
Short-term investments	(579)	36
Currency contracts	279	(1,615)
	229,433	$265,963
Investments, at estimated fair value:		
Real assets	(7,896)	(20,594)
Private equity	(14,617)	(19,863)
	$206,920	$225,506

6) Fair Value Measurement

The Plan's investments are measured and categorized according to fair value hierarchy guidelines established by GAAP.

The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

At December 31, 2024, the Plan had the following recurring fair value measurements ($ in thousands):

THE CITY OF DALLAS
Investments at Fair Value Measurement
As of December 31, 2024

	Total 12/31/2024	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments by Fair Value Level				
Cash and Short Term Investment:				
Short-Term Investment Fund	$ 105,936	$ 105,936		
Total Cash and Short Term Investment	$ 105,936	$ 105,936	-	-
Fixed Income:				
Domestic Asset and Mortgage Backed Securities	$ 63,857	$ -	$ 63,857	$ -
Government and US Agency Obligations	254,931	-	254,931	-
Corporate and Taxable Municipal Bonds	458,265	-	458,265	-
Index Commingled	-	-	-	-
Total Fixed Income	$ 777,053	$ -	$ 777,053	$ -
Equity:				
Domestic Common and Preferred Stock	$ 872,688	$ 872,532	$ -	$ 156
International Common and Preferred Stock	423,366	423,615	(249)	-
Total Equity	$ 1,296,054	$ 1,296,147	$ (249)	$ 156
Total Investments by Fair Value Level	$ 2,179,043	$ 1,402,083	$ 776,804	$ 156
Investments Measured at Net Asset Value				
Commingled Funds:				
Corporate bonds	$ 356,326			
Index Commingled-Corporate Bonds	200,399			
Domestic Equity and Collective Trust	302,258			
International Equity	7,574			
Total Commingled Funds	$ 866,557			
Alternative Investments:				
Private Equity	$ 369,482			
Real Estate	339,290			
Total Alternative Investments	$ 708,772			
Total Investments Measured at Net Asset Value	$ 1,575,329			

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

At December 31, 2023, the Plan had the following recurring fair value measurements ($ in thousands):

THE CITY OF DALLAS
Investments at Fair Value Measurement
As of December 31, 2023

	Total 12/31/2023	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments by Fair Value Level				
Cash and Short Term Investment:				
Short-Term Investment Fund	$ 95,324	$ 95,324	$ -	$ -
Total Cash and Short Term Investment	$ 95,324	$ 95,324	$ -	$ -
Fixed Income:				
Domestic Asset and Mortgage Backed Securities	$ 71,789	$ -	$ 71,789	$ -
Government and US Agency Obligations	316,367	-	316,367	-
Corporate and Taxable Municipal Bonds	541,785	-	541,785	-
Index Commingled	90,679	17,428	73,251	-
Total Fixed Income	$ 1,020,620	$ 17,428	$ 1,003,192	$ -
Equity:				
Domestic Common and Preferred Stock	$ 979,942	$ 979,665	$ 121	$ 156
International Common and Preferred Stock	416,834	416,510	324	-
Total Equity	$ 1,396,776	$ 1,396,175	$ 445	$ 156
Total Investments by Fair Value Level	$ 2,512,720	$ 1,508,927	$ 1,003,637	$ 156
Investments Measured at Net Asset Value				
Investments Measured at Net Asset Value				
Commingled Funds:				
Corporate bonds	$ 118,580			
Index Commingled-Corporate Bonds	25,961			
Domestic Equity and Collective Trust	281,190			
International Equity	7,006			
Total Commingled Funds	$ 432,737			
Alternative Investments:				
Private Equity	$ 371,556			
Real Estate	339,923			
Total Alternative Investments	$ 711,479			
Total Investments Measured at Net Asset Value	$ 1,144,216			

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

Private Placement Debt

Private placement debt is initially stated at its fair value, which is adjusted for any transaction costs directly associated with its issuance. Subsequently, the debt is carried at its amortized cost, accounting for adjustments related to discounts or premiums over the term of the debt. They are included with Corporate Bonds.

Commingled Funds

Commingled funds are fund-structure investments reported by the fund managers at NAV per share.

Neuberger Berman, Northern Trust Asset Management S&P 500 Index, Northern Trust ACWI Index, Northern Trust Aggregate Bond Index and BlackRock do not have a redemption period notice requirement. They may be redeemed at any time by the Plan. Earnest Partners has a redemption period notice requirement of 5 days.

Real Estate

Real Estate investments are held either in separate accounts, as a limited partner, or in a joint venture. These investments are illiquid and resold at varying rates, with distributions received over the life of the investments. They are typically not redeemed, nor do they have set redemption schedules. Estimated fair values of investments are determined by the fund managers based on their best estimates using fair value estimation techniques substantiated, in part, by their audited financial statements and supported by the due diligence of the Plan.

The Plan invests in:

AEW partners

Brasa Capital Management

Heitman's core real estate fund

Invesco's core fund

Invesco II

Long Wharf Capital

Virtus Real Estate Cap

The redemption schedule for each Real Estate investment is as follows:

AEW Partners redemption is at the sole discretion of AEW's general partner; no limited partner of AEW has the right to cause a redemption.

Heitman's core real estate fund does not have a redemption period notice requirement. Heitman may be redeemed quarterly at any time by the Plan.

Invesco's core fund has a 45-day redemption period.

Invesco II manages 1900 McKinney, LLC. There is no redemption period.

Virtus Real Estate Cap's redemption is at the sole discretion of Virtus' general partner; no limited partner of Virtus has the right to cause a redemption**.**

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

Unfunded commitments at December 31, 2024 for real estate are as follows:

AEW Partners $12 million

Brasa Capital Management $3 million

Long Wharf Capital $11 million

Private Equity

Private equity holdings include fund-structure investments with general partners. By their nature, these investments are illiquid and typically not resold or redeemed.

Private equity managers' expectations that the underlying assets of the funds will be liquidated in the future as follows:

Fairview Lone Star Fund: 12 years from subscription date with 3 one-year extensions.

GCM Grosvenor: 15th anniversary of subscription date with 3 one-year extensions.

Hamilton Lane: 10 -14 years after subscription date with 2 one-year extensions.

Upon initial investment with a general partner or in certain fund-structures, the Plan commits to a certain funding level for the duration of the contract. At will, the partners or fund managers may request that the Plan fund a portion of this amount. Such amounts remaining as of December 31, 2024, and 2023 for investments measured at NAV are disclosed as unfunded commitments.

Unfunded commitments at December 31,2024 for private equity are as follows:

Fairview Lone Star Fund	$38 million
GCM Grosvenor	$43 million
Hamilton Lane	$87 million
Silver Point	$18 million

7) Securities Lending

During the year, Northern Trust lent, on behalf of the Plan, securities held by Northern Trust as Plan custodian and received cash, United States government securities, agency securities, and irrevocable bank letters of credit as collateral. Northern Trust 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% of the fair value of the loaned securities plus any accrued but unpaid distributions thereon, and (ii) in the case of loaned securities denominated in a different currency from the loaned securities, 105% 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.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

The following table shows for open loans at December 31, 2024 and 2023, the type of collateral held, the fair value of the securities on loan, and the fair value of the collateral held ($ in thousands).

	12/31/2024			12/31/2023		
Type	Fair Value	Collateral Fair Value	Collateral Percentage	Fair Value	Collateral Fair Value	Collateral Percentage
Cash	$194,307	$199,812	103%	$230,957	$237,524	103%

The following represents the balances relating to the Securities Lending transactions as of December 31, 2024, and 2023 ($ in thousands):

	12/31/2024			12/31/2023		
Securities Lent	Underlying Securities	Securities Collateral Value	Cash Collateral Investment Value	Underlying Securities	Securities Collateral Value	Cash Collateral Investment Value
Lent for cash collateral:						
Domestic equities	$45,023	$-	$46,221	$36,960	$-	$38,125
Domestic Agencies	113	-	116	157	-	162
Domestic corporate fixed income	104,623	-	107,239	138,738	-	142,729
Global corporate fixed income	559	-	605	2,006	-	2,117
Global government fixed income	2,508	-	2,724	1,468	-	1,559
International equities	8,629	-	9,318	747	-	791
Global Agencies	195	-	213	226	-	234
US government fixed	32,657	-	33,376	50,655	-	51,807
Subtotal	$194,307	$-	$199,812	$230,957	$-	$237,524

Disclosure of Securities Lending income is shown gross with the associated reductions for investment expenses on the Statements of Changes in Fiduciary Net Position, and the cash collateral and associated securities lending payable is shown on the Statements of Fiduciary Net Position for December 31, 2024, and 2023. The net income from Securities Lending in 2024 was $1.08 million compared to $1.27 million in 2023.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

8) Federal Income Tax Status

The Internal Revenue Service issued a determination letter dated August 15, 2016, stating that the Plan was designed in accordance with applicable Internal Revenue Code requirements as of that date. The Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, the Plan was qualified, and the related trust was tax-exempt as of the financial statement dates.

9) Capital Assets

Capital Assets activity for the years ended December 31, 2024, and 2023, was as follows ($ in thousands):

	Balance 12/31/2022	Increase	Decrease	Balance 12/31/2023	Increase	Decrease	Balance 12/31/2024
Capital asset not being depreciated/amortized							
Construction in Progress	$ -	$ 223	$ (223)	$ -	-	-	-
Capital assets being depreciated/amortized							
intangible assets	8,158	223	-	8,381	-	-	8,381
Furniture, Fixture and Equipment	99	5	(5)	99	-	(32)	67
Less							
Accumulated amortization intangible Assets	(2,003)	(827)	-	(2,830)	(839)	-	(3,669)
Accumulated depreciation FF&E	$ (22)	$ (14)	$ -	$ (36)	$ -	$ 3	$ (33)
Total capital asset being depreciated/amortized net of accumulated Depreciation/Amortization	$ 6,232	$ (613)	$ (5)	$ 5,614	$ (839)	$ (29)	$ 4,746
Total Capital Assets, net of Accumulated depreciation amortization	$ 6,232	$ (390)	$ (228)	$ 5,614	$ (839)	$ (29)	$ 4,746

Schedule of Net Pension Liability

a) The components of the Net Pension Liability of the City at December 31, 2024 and 2023 were as follows ($ in thousands).

Description	2024	2023
Total Pension Liability	$5,614,481	$6,647,257
Plan Fiduciary Net Position	3,757,482	3,649,102
Net Pension Liability	1,856,999	2,998,155
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.92%	54.90%

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

b) Actuarial Methods and Assumptions:

Valuation date	December 31, 2023, for most recent ADEC shown on Schedule of Contributions. December 31, 2024, for Net Pension Liability
Actuarial cost method	Entry Age Normal
Asset valuation method	5-year smoothed market
Amortization method	The ADEC is initially based on a 30-year open amortization period. As specified in City Ordinance No. 25695, the rate may not change from year-to-year if the calculated rate is 300 basis points higher or lower than the current rate.
Remaining Amortization Period	Not determined, see description of amortization method.
Investment rate of return	7.25%
Salary increases	3.00% to 8.25%, including inflation.
Inflation	2.50% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2019 valuation pursuant to an experience study of the 5-year period ended December 31, 2019.
Mortality	For Healthy Retirees: The gender-distinct 2019 Texas Municipal Retirees Mortality Tables are used for males and females, respectively. The rates are projected from 2019 on a fully generational basis using Scale UMP. For Disabled Lives: The gender-distinct 2019 Texas Municipal Retirees Mortality Tables are used for males and females respectively, set forward 4 years for males and 3 years for females. The rates are projected from 2019 on a fully generational basis using Scale UMP. For Actives: The PubG-2010 Employee Mortality Table are used for males and females. The rates are projected from 2010 on a fully generational basis using Scale UMP.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

Other Information

Notes: The assumptions described above were for the most recent ADEC shown in the Schedule of Contributions. The assumptions used in determining the Net Pension Liability as of December 31, 2024, were those used in the actuarial valuation as of December 31, 2024.

The long-term rate of return on pension plan investments was 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.

The following table shows the best estimates of arithmetic real rates of return for each of the Plan's asset classes.

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.35%
International Equity	5.35%
Global Equity	4.90%
Global Low Volatility Equity	5.65%
Private Equity	6.25%
Core Bond	5.20%
High Yield	6.35%
Private Credit	7.75%
Cash	3.60%
Credit Opportunities	6.40%
US Reits	5.70%
Private RE Core	5.80%
Private RE Value Add	7.35%
MLPs	6.45%
Global Public infrastructure	5.45%
Market Alternatives	6.35%

c) The single discount rate for 2023 was 5.54%. This single discount rate was based on the expected rate of return on pension plan investments of 7.25% and the municipal bond rate of 3.77%. In 2024, a single discount rate of 7.25% was used to measure the total pension liability based on the expected return on pension plan investments. The projection of cash flows used to determine this single discount rate assumed that plan member contributions and employer contributions will be made at the projected future contribution rates assuming that the ERF annually earns 7.25% on its market value of assets and that the number of active members remains constant in the future. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected benefit payments. As a result, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments and the Single Discount Rate is equal to the long-term expected rate of return of 7.25%.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

d) Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the Plan's net pension liability, if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate.

Sensitivity of the Net Pension Liability for FY2024
To the Single Discount Rate Assumption
($000)

1% Decrease	Current Single Discount Rate	1% Increase
6.25%	7.25%	8.25%
$2,505,941	$1,856,999	$1,314,471

Sensitivity of the Net Pension Liability for FY2023
To the Single Discount Rate Assumption
($000)

1% Decrease	Current Single Discount Rate	1% Increase
4.54%	5.54%	6.54%
$3,875,545	$2,998,155	$2,273,343

10) Implementation of New Accounting Standards

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, will enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This statement also addresses corrections of errors in previously issued financial statements. The Fund has implemented this Statement in the current fiscal year and there were no changes to the financial statements.

GASB Statement No. 101, Compensated Absences, will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2024 and 2023

The Fund has implemented this Statement in the current fiscal year with no additional changes in the liability calculation.

11) Subsequent Events

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

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REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

($ in thousands)

FY ended December 31, 2024	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$157,423	$152,774	$94,476	$141,653	$118,452	$124.289	$84,843	$81,178	$133,457	$78,020
Interest on the Total Pension Liability	362,610	346,704	360,815	322,901	330,348	325,767	332,011	325,620	305,826	313,847
Difference between Expected and Actual Experience	(2,815)	89,578	56,503	30,791	(82,641)	(7,819)	4,793	(59,066)	(38,327)	(26,829)
Assumption Changes	(1,188,687)	(103,487)	1,226,214	(1,303,800)	479,292	(43,032)	1,020,969	-	(1,227,079)	1,238,431
Benefit Payments	(348,938)	(328,296)	(317,528)	(296,586)	(287,465)	(278,007)	(263,981)	(253,534)	(243,775)	(235,106)
Refunds	(12,369)	(12,700)	(12,158)	(10,452)	(6,857)	(10,436)	(8,515)	(8,156)	(5,864)	(4,854)
Net Change in Total Pension Liability	**(1,032,776)**	**144,573**	**1,408,322**	**(1,115,493)**	**551,129**	**110,762**	**1,170,121**	**86,042**	**(1,075,762)**	**1,363,509**
Total Pension Liability Beginning	6,647,257	6,502,684	5,094,362	6,209,855	5,658,726	5,547,964	4,377,844	4,291,802	5,367,564	4,004,055
Total Pension Liability Ending (a)	**$5,614,481**	**$6,647,257**	**$6,502,684**	**$5,094,362**	**$6,209,855**	**$5,658,726**	**$5,547,964**	**$4,377,844**	**$4,291,802**	**$5,367,564**
Plan Fiduciary Net Position										
Employer Contributions	$80,782	$73,939	$67,288	$63,584	$61,615	$62,177	$60,924	$58,966	$56,130	$50,721
Employee Contributions	74,830	70,025	63,427	59,256	58,358	58,314	56,772	55,175	53,436	50,742
Pension Plan Net Investment Income	324,930	339,879	(368,929)	578,010	229,105	550,942	(167,783)	413,510	294,918	(53,344)
Benefit Payments	(348,938)	(328,296)	(317,528)	(296,587)	(287,465)	(278,007)	(263,981)	(253,534)	(243,775)	(235,106)
Refunds	(12,369)	(12,700)	(12,158)	(10,452)	(6,857)	(10,436)	(8,515)	(8,156)	(5,864)	(4,598)
Pension Plan Administrative Expense	(10,005)	(9,184)	(9,035)	(7,349)	(5,699)	(7,513)	(7,485)	(5,951)	(5,343)	(4,598)
Other	(850)	(841)	-	-	(392)	298	121	207	333	162
Net Change in Plan Fiduciary Position	**108,380**	**132,822**	**(576,935)**	**386,462**	**48,665**	**375,775**	**(329,947)**	**260,217**	**149,835**	**(196,277)**
Plan Fiduciary Net Position - Beginning	**3,649,102**	**3,516,280**	4,093,215	3,706,753	3,658,088	3,282,313	3,612,260	3,352,043	3,202,208	3,398,485
Plan Fiduciary Net Position – Ending (b)	**3,757,482**	**3,649,102**	**3,516,280**	**4,093,215**	**3,706,753**	**3,658,088**	**3,282,313**	**3,612,260**	**3,352,043**	**3,202,208**
Net Pension Liability Ending (a)-(b)	**1,856,999**	**$2,998,155**	**$2,986,404**	**$1,001,147**	**$2,503,102**	**$2,000,638**	**$2,265,651**	**$765,584**	**$939,759**	**$2,165,356**
Plan Fiduciary Net Position as Percentage of Total Pension Liability	66.92%	54.90%	54.07%	80.35%	56.69%	64.65%	59.16%	82.51%	78.10%	59.66%
Covered Payroll	$556,566	$530,702	$476,601	$442,863	$428,824	$433,890	$423,083	$410,913	$402,077	$383,669
Net Pension Liability as a Percentage of Covered Payroll	333.65%	564.94%	626.60%	226.06%	583.71%	461.09%	535.51%	186.31%	233.73%	564.38%

The covered payroll is the sum of the active members' pay for valuation purposes as of the measurement date. An active member's valuation pay is the greater of their actual pay for the just completed calendar year or their current annual rate of pay.

SCHEDULE OF MONEY-WEIGHTED RATES OF RETURN

SCHEDULE OF MONEY-WEIGHTED RATES OF RETURN

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Rate of Return:	9.08%	10.17%	-8.23%	16.25%	5.75%	17.33%	-4.99%	13.08%	8.88%	-1.92%

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years
($ in thousands)

FY Ending December 31, 2024	Actuarially Determined Contribution[1]	Actual Contributions[2]	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$64,648	$50,721	$13,927	$383,669	13.22%
2016	84,316	56,130	28,186	402,077	13.96%
2017	86,785	58,966	27,819	410,913	14.35%
2018	90,328	60,924	29,404	423,083	14.40%
2019	87,455	62,177	25,278	433,591	14.34%
2020	93,226	61,615	31,611	434,214	14.19%
2021	99,279	63,584	35,695	452,709	14.05%
2022	104,309	67,288	37,021	479,089	14.05%
2023	111,858	73,939	37,919	526,444	14.05%
2024	123,352	80,782	42,570	583,264	13.85%

Notes to Schedule:

- The actuarially determined employer contribution (ADEC) shown is based on employer contribution rates using a 30-year open amortization period and actual payroll.
- The actual City contribution rate is set by City Ordinance No. 25695. The actual rate does not change from year to year unless the actuarially determined rate is at least 300 basis points higher or lower than the current contribution rate. If the actuarially determined rate is more than 300 basis points different, then the contribution rate is adjusted to halfway between the current rate and the actuarially determined rate, but the rate does not increase or decrease by more than 10% in any year. Since the City's fiscal year is October 1 to September 30 and the Fund's fiscal year is the calendar year, the contribution amounts shown above are a blend of the City's two fiscal year rates that occur during the calendar year.
- For this exhibit, the covered payroll is the estimated payroll for the calendar year on which contributions were made.

OTHER SUPPLEMENTARY INFORMATION

(unaudited)

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SCHEDULE OF ADMINISTRATIVE EXPENSES

FY 2024

($ in thousands)

Personal Services:	
Salaries	$4,986
Retirement	697
Insurance	145
Total Personal Services	**$5,828**

Professional Services:	
Actuary Service	$107
Accounting & Audit Fees	93
Legal Fees	762
Total Professional Services	**$962**

Operating Services:	
Data Processing	$1,205
Rent	550
Supplies and Services	77
Travel and Training	137
Indirect and Other Costs	889
Total Operating Services	**$2,858**

Furniture & Fixtures:	
Furniture	$33
Other	324
Total Furniture & Fixtures	**$357**

Total Administrative Expenses	**$10,005**

SCHEDULE OF INVESTMENT EXPENSES

as of December 31, 2024
($ in thousands)

Manager Fees	$18,850
Custodian Fees	110
Securities Lending Fees*	269
Investment Consultant Fees	736
Total Investment Expenses	**$19,965**

*Securities lending fees include broker rebates and the lending agent's fees.

SCHEDULE OF PAYMENTS FOR PROFESSIONAL SERVICES

as of December 31, 2024
($ in thousands)

Accounting and Audit:	
Weaver and Tidwell, L.L.P.	$47
STP Investment Services	46
Actuarial:	
Gabriel, Roeder, Smith & Company	$107
Legal:	
BAKER & HOSTETLER LLP	$118
FOSTER GARVEY	426
LOCKE LORD	218
Total Professional Services Payments	**$962**

INVESTMENT SECTION







Wilshire

1299 Ocean Ave, Ste 700
Santa Monica, CA 90401 USA

+1 310 451 3051

Ms. Cheryl Alston
Executive Director
Employees' Retirement Fund of the City of Dallas
1920 McKinney Ave. 10th Floor
Dallas, TX 75201
Re: 2024 Performance Results

Dear Cheryl:

The purpose of this letter is to review the 2024 investment performance results of the Employees' Retirement Fund of the City of Dallas (hereby referred to as "ERF" or "the Fund").

Capital market assumption changes to the various asset classes reflect changes in underlying economic and market conditions as well as a discounting of how those conditions might evolve in the future. An important shift began a couple of years ago, when in early 2022, the Federal Open Market Committee aggressively raised rates in response to high inflation. Rates were increased by 525 basis points during a 17-month period before pausing for roughly one year. The U.S. central bank pivoted to decreasing rates in late 2024 by a total of 100 basis points in three meetings, settling on a range of 4.25% to 4.50% for their short-term overnight rate. Further out on the Treasury curve, the bellwether 10-year Treasury experienced a rollercoaster-like year before finishing at 4.57%. The curve generally ended an extended period of inversion (except in the very short end) with the 10-year to 2-year spread at +33 basis points versus -37 basis points to end 2023. Reported economic growth was solid for 2024, equaling 3.1% (annualized) for the third quarter and 2.7% for the twelve months ending in September. The main driver of economic growth has been consumer spending, although private and government spending has also increased. In fact, only net exports detracted from growth during the past year. From an expected return perspective, elevated valuations and rising rates have led to a drop in expected returns on stocks but an increase for fixed income asset classes.

The FT Wilshire 5000 Index was up 23.8% during 2024, with the U.S. market's largest sector, information technology, up by more than 35% for the year. The second largest sector, financials, also increased, rising nearly 31%. The annual return nearly matched the return for 2023, while the five-year return now equals a quite strong 14.1%, annualized. Non-U.S. equities were up, as well, but trailed the U.S. equity market. Developed markets (MSCI EAFE Index, 4.3%) trailed emerging markets (MSCI EM Index, 8.1%) due, in part, to a possible turnaround in China after several stimulative macroeconomic policies were announced in September. Meanwhile, Europe's largest economic engines – Germany, the United Kingdom, and France – are all experiencing slowdowns. With yields generally rising in the intermediate to long portion of the curve, fixed income allocations managed a modest gain during 2024. Spread sectors were stronger as spreads fell throughout the year. Investment-grade bonds (Bloomberg Corporate Index, 2.1%) trailed high yield for the year (Bloomberg High Yield Index, 8.2%). The aggregate spread on the high yield market finished the year at 2.87% versus 3.23% a year earlier.

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When looking at segment level performance, all the Fund's composites ended the year with positive returns in line with the market. Domestic and Global equities posted solid gains, returning 21.68% and 15.76% for the year, respectively. However, Global Listed Infrastructure was a standout performer, surging 31.69% for the year, benefiting from increased investment in stable, long-term assets. The Opportunistic Credit portfolio contributed strong double-digit gains of 10.24% for the year. Private equity remained a key driver of returns, delivering a 12.70% annualized return since inception in 2009, reinforcing its role in the portfolio's growth. Domestic equities continued to generate strong long-term performance, with an 11.83% annualized return over the past decade, while global equities maintained steady growth, returning 9.29% since inception in 2012. Despite trailing broader equities, global low-volatility strategies played a valuable role in mitigating risk within the portfolio.

The approved allocations as of the end of 2024 were:

Asset Class	Allocation
Domestic Equity	12.0%
International Equity	11.5%
Global Equity	5.0%
Global Low Volatility Equity	10.0%
Investment Grade Fixed Income	17.5%
High Yield	10.0%
Credit Opportunities	4.0%
Global Public Infrastructure	1.25%
REIT	2.5%
Private Real Estate – Core	5.0%
Private Real Estate – Value Add	2.5%
Private Equity	10.0%
Private Credit	2.5%
Marketable Alternatives	2.5%
MLP	3.75%

* All portfolios are valued at the end of each month. Wilshire calculates performance in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Wilshire measures investment managers' performance using the Modified Dietz method, which is the GIPS recommended approximation of the time-weighted rate of return daily valuation method.

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Wilshire annually publishes a research paper detailing our long-term nominal return forecast for the next ten years. Our geometric return forecasts are shown below for the major asset classes. Changes in equity valuations, inflation expectations, and rising bond yields were drivers of year-over-year changes to our forward-looking assumptions:

	Total Return			Risk		
Investment Categories	Dec-23	Dec-24	Change	Dec-23	Dec-24	Change
U.S. Stock	5.00 %	**4.35** %	-0.65 %	17.00 %	**17.00** %	0.00 %
Dev Ex-U.S. Stock (USD)	6.00	**5.35**	-0.65	18.00	**18.00**	0.00
Emerging Market Stock	6.25	**5.60**	-0.65	26.00	**26.00**	0.00
Global Stock	5.60	**4.90**	-0.70	17.05	**17.00**	-0.05
U.S. Buyouts	7.00	**5.35**	-1.65	30.00	**30.00**	0.00
Cash Equivalents	3.80	**3.60**	-0.20	0.75	**0.75**	0.00
Core Bond	4.75	**5.20**	0.45	4.70	**4.75**	0.05
LT Core Bond	4.70	**5.35**	0.65	9.85	**9.90**	0.05
U.S. TIPS	4.15	**4.70**	0.55	6.00	**6.00**	0.00
High Yield Bond	5.90	**6.35**	0.45	10.00	**10.00**	0.00
Direct Lending	8.35	**8.15**	-0.20	10.00	**10.00**	0.00
Non-U.S. Bong (HDG)	2.85	**3.00**	0.15	4.00	**4.00**	0.00
U.S. RE Securities	5.60	**5.70**	0.10	17.50	**17.50**	0.00
Core Prvt Real Estate	5.35	**5.80**	0.45	12.00	**12.00**	0.00
Commodities*	4.80	**4.85**	0.05	16.00	**16.00**	0.00
Inflation	2.25	**2.35**	0.10	1.75	**1.75**	0.00
Total Returns Minus Inflation						
U.S. Stocks	2.75	**2.00**	-0.75			
U.S. Bonds	2.50	**2.85**	0.35			
Cash Equivalents	1.55	**1.25**	-0.30			
Stocks Minus Bonds	0.25	**-0.85**	-1.10			
Bonds Minus Cash	0.95	**1.60**	0.65			

As always, we thank you for the opportunity to be of service to the Employees' Retirement Fund of the City of Dallas.

Sincerely,

Thomas Toth, CFA
Managing Director
TToth@wilshire.com

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INVESTMENT POLICIES SUMMARY

STATEMENT OF GOALS

The general investment goals are broad in nature to encompass the purpose of the Employees' Retirement Fund of the City of Dallas ("ERF" or the "Fund") and its investments. The goals articulate the philosophy by which the ERF Board of Trustees ("Board") will manage the Fund's assets within the applicable regulatory constraints.

1. The overall goal of the Fund is to provide benefits, as anticipated under the Plan document, Dallas City Code Chapter 40A, to its participants and their beneficiaries through a carefully planned and executed investment program.
2. The Fund seeks to produce the highest return on investments which is consistent with sufficient liquidity and investment risk that are prudent and reasonable, given prevailing capital market conditions. While the importance of the preservation of capital is recognized, the theory of capital market pricing which maintains that varying degrees of investment risk should be rewarded with compensating returns is also recognized. Consequently, prudent risk taking is reasonable and necessary.
3. The Fund investment program shall at all times comply with existing and applicable local, state and federal regulations.

INVESTMENT PHILOSOPHY

The Fund is long term in nature, and the selection of investments is regulated by: the investment time horizon; the limits of acceptable risk; and the objective of optimizing the total rate of return. Each investment manager is authorized to execute investment transactions on behalf of the Board.

Investment decisions are made under the framework of the goal established for the rate of return, limits of acceptable risk, and Fund objectives. The goal is to optimize the return of the portfolio, as opposed to maximizing the rate of return.

The optimal portfolio mix is one that carefully equates expected rate of return with expected risk of all investment categories utilized in the portfolio. In setting the optimal mix of assets for the portfolio, the Board has developed a strategic asset allocation policy which incorporates a diversified asset mix. The strategic asset allocation is designed to provide an optimal diversification to reduce risk and maximize total rate of return relative to risk and the existing and projected liability structure.

The Board bases its investment strategy and goals on advice obtained from the investment consultant, the staff, and the external investment managers. The Board uses the annual external audit and annual actuarial valuation in its evaluation of the Fund's performance each year.

Article XVI, Section 67 of the Texas Constitution and Chapter 40A of the Dallas City Code give complete responsibility for the management and investment actions of the Employees' Retirement Fund to the Board of Trustees. The Board is held to the standard of conduct of fiduciaries in discharging their responsibilities. According to Chapter 40A the Trustees, as fiduciaries, must carry out their functions solely in the interest of the members and beneficiaries.

CORPORATE GOVERNANCE

The Board considers the active voting of proxies an integral part of the investment process. Proxy voting may be delegated to the discretion of investment managers retained by the Board. The managers shall be required to establish a proxy voting policy and maintain records of proxy votes and shall make these records available quarterly to the Board or its designee. The Board may at its discretion establish an overall policy of voting proxies in which case the managers' proxy voting policy shall be in accordance with that of the Board's. The Board recognizes that in certain non-U.S. markets, investment managers may, balancing the costs and benefits, not exercise proxy voting.

INVESTMENT RESULTS

The investment managers and the returns by investment category are shown in the following tables.
Time-weighted rate of return based on fair value.

Investment Category	2024 Rate of Return
Cash Equivalents	5.31%
Credit Opportunities	10.24%
Domestic Equities	21.68%
Global Equities	15.76%
Global Fixed Income	0.79%
Global Low Volatility	13.69%
High Yield Bonds	8.19%
International Equities	7.99%
Private Equity	1.44%
Global Listed Infrastructure	31.69%
Real Estate	1.93%
Marketable Alternatives	9.73%
Total Portfolio	9.14%

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INVESTMENT MANAGERS

Domestic Equities, REITs, Master Limited Partnerships, & Commingled Index Funds

Adelante Capital Management, LLC
Atlantic Trust
CenterSquare
Channing Capital Management, LLC
Cohen & Steers
Harvest Fund Advisors
Northern Trust S&P 500
Redwood Investments, LLC
Smith Graham & Co. Investment Advisors
Systematic Financial Management, LLP
T. Rowe Price Associates, Inc.

International Equities

Acadian Asset Management, LLC
AQR Capital Management, LLC
Ativo Capital Management, LLC
Baillie Gifford
Earnest Partners

Global Equity

Acadian Global Low Volatility
Ariel Investments
BlackRock, Inc.
Northern Trust Asset Management
Wellington Management Company, LLP

Marketable Alternatives

Davidson Kempner Capital Management
Hudson Bay Capital

Fixed Income

BlackRock, Inc.
Garcia Hamilton & Associates, L.P.
MGG Structures Solutions
Silver Point - DOIP II
Western Asset Management
Oaktree Capital Management, LLC
Neuberger Berman
NTAM AGG Bond Index Fund
Wellington - Core Bond

Cash Equivalents

The Northern Trust Company

Private Equity

Fairview Capital Partners
Grosvenor Capital Management
Hamilton Lane

Real Estate

AEW Partners
Brasa Capital Management
Heitman Real Estate Investment Management
Invesco Real Estate
Long Wharf Capital
Virtus Real Estate Cap

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TOTAL PLAN RESULTS

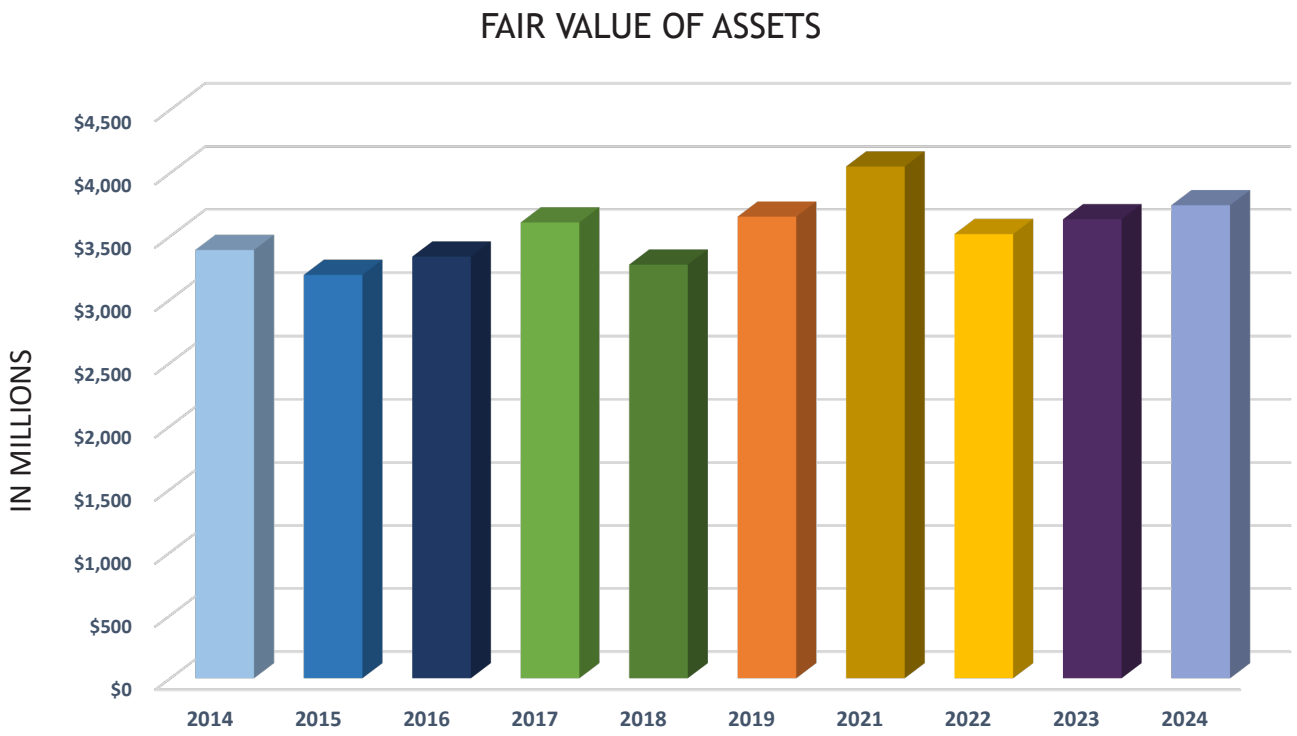
The Employees' Retirement Fund of the City of Dallas ("ERF", the "Fund") investment portfolio generated a 9.14% return, net of fees, for calendar year 2024. ERF's 5-year return was 6.16%, slightly below its policy index return of 6.59%.

ERF maintains a globally diversified and conservative investment program. The best-performing asset class in 2024 was the Global Listed Infrastructure Composite, which returned 31.69%. This investment recorded a 3-year return of 21.03% and a 5-year return of 11.70%.

International Equity returned 7.99% in 2024. Global Low Volatility Equity returned 13.69%, outperforming the MSCI ACWI Minimum Volatility Index return of 11.37%. The Fund's Real Estate portfolio returned 1.93% for the year, consisting of publicly traded Real Estate Investment Trusts (REITs) and private core and value-add real estate funds.

Fixed Income comprises 34% of the ERF investment portfolio. The Global Fixed Income allocation returned 0.79%. The High Yield portfolio returned 8.19%, while the Opportunistic Credit portfolio returned 10.24%.

As of December 31, 2024, the Fund's total assets increased to $3.744 billion, up from $3.633 billion in 2023. This represents a $111 million increase from last year. The "Market Value of Assets" graph below provides a visual summary of the Fund's 10-year growth trajectory.



ASSET ALLOCATION

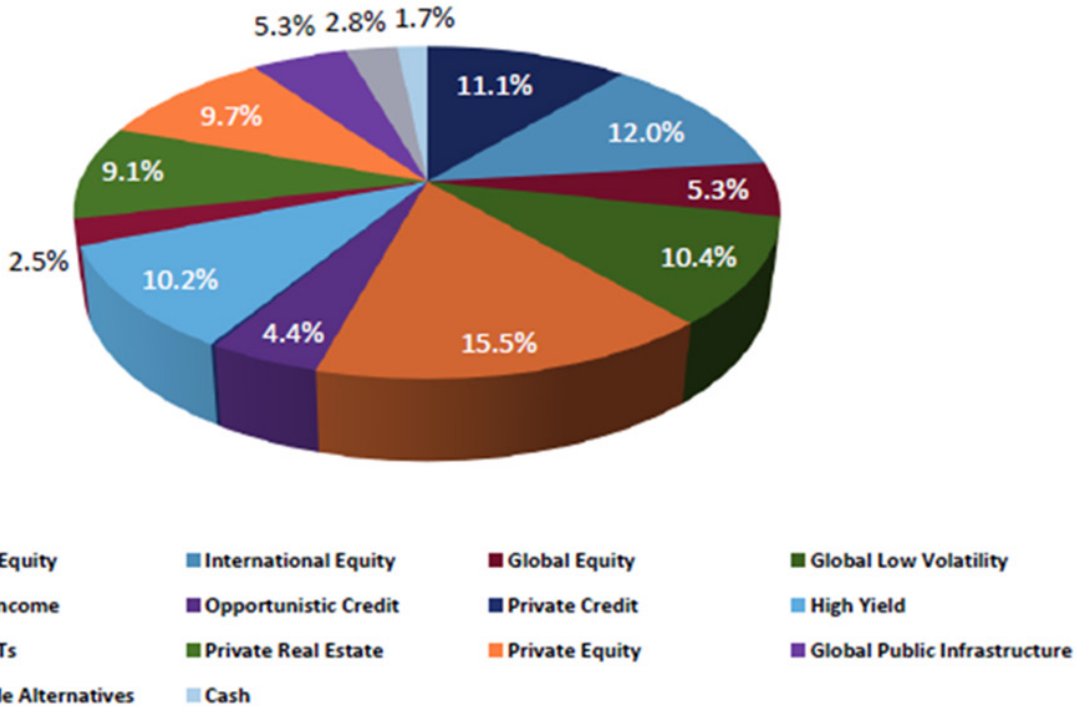
The Fund's long-term strategic asset allocation policy sets the following targets: 66% in equity and 34% in fixed income. Although no specific allocation to cash and equivalents is targeted, cash must be available for the payment of benefits and other expenses of the Plan. To accommodate constantly changing fair values, the Board has approved ranges for each of the asset classes.

ASSET ALLOCATION POLICY TARGETS

Investment Category	% of Total Fund
Equity	
Domestic Equity	12.00%
International Equity	11.50%
Global Equity	5.00%
Global Low Volatility	10.00%
Private Equity	10.00%
Total Equity	**48.50%**
Fixed Income	
Core Fixed Income	17.50%
High Yield	10.00%
Credit Opportunities	4.00%
Private Credit	2.50%
Total Fixed Income	**34.00%**
Real Assets	
Real Estate Investment Trusts	2.50%
Global Listed infrastructure	5.00%
Private Real Estate	7.50%
Total Real Assets	**15.00%**
Diversifying Strategies	
Marketable Alternatives	2.50%
Total Diversifying Strategies	**2.50%**
Total Portfolio	**100.00%**

EQUITY, FIXED INCOME, REAL ESTATE & DIVERSIFYING STRATEGIES

ACTUAL ASSET ALLOCATION



EQUITY (Target: 48.50%)

- **Domestic Equity (12.00%)**

  The Domestic Equity portfolio seeks long-term capital appreciation through diversified exposure to U.S. large-, mid-, and small-cap stocks. In 2024, Domestic Equity returned 21.68%, trailing its custom benchmark return of 23.76%. Strategies are implemented through a mix of active and passive mandates, maintaining style balance and liquidity.

- **International Equity (11.50%)**

  International Equity offers exposure to non-U.S. developed and emerging markets. The composite returned 7.99% for the year, outperforming its custom benchmark return of 5.23%. The allocation is actively managed and provides diversification benefits due to its historically low correlation with U.S. equities.

- **Global Equity (5.00%)**

  Global Equity includes managers investing across both U.S. and non-U.S. markets. The strategy returned 15.76% in 2024, underperforming the 17.49% benchmark. It serves as a flexible complement to standalone U.S. and international allocations, with global mandates offering dynamic capital allocation across regions.

- **Global Low Volatility Equity (10.00%)**

  This segment seeks to reduce overall equity portfolio volatility through factor-based and low-beta equity strategies. The portfolio returned 13.69%, outperforming the MSCI AC World Minimum Volatility Index (Net), which returned 11.37%. These strategies tend to overweight defensive sectors such as utilities, healthcare, and consumer staples.

- **Private Equity (10.00%)**

  The Private Equity program targets long-term return enhancement through commitments to buyout, growth equity, and venture capital funds. As of year-end, Private Equity represented 9.87% of the Plan and returned 1.44% in 2024. The program is diversified by vintage year, geography, and strategy.

FIXED INCOME (Target: 34.00%)

- **Core Fixed Income (17.50%)**

  Core Fixed Income includes investment-grade bonds managed with a global opportunity set. In 2024, the portfolio returned 0.79%, underperforming the Bloomberg Aggregate Bond Index return of 1.25%. This allocation is designed to preserve capital and provide consistent income.

- **High Yield (10.00%)**

  The High Yield segment of the portfolio returned 8.19%, slightly below the FTSE High Yield Cash Pay Index return of 8.34%. High Yield enhances return and diversifies equity beta exposure within the fixed income sleeve.

- **Credit Opportunities (4.00%)**

  This flexible sleeve invests opportunistically across fixed income strategies and risk spectrums. The opportunistic credit portfolio returned 10.24% in 2024.

- **Private Credit (2.50%)**

  Private Credit provides customized debt solutions to borrowers. These typically include direct lending, specialty finance, and structured capital. The allocation supports yield enhancement, diversification, and downside protection with reduced correlation to public markets.

REAL ASSETS (Target: 15.00%)

- **Real Estate Investment Trusts (2.50%)**

  Public REITs returned 10.46% in 2024, outperforming the Wilshire U.S. Real Estate Securities Index at 9.15%. This allocation provides liquid real estate exposure and supports income generation through dividends and capital appreciation.

- **Global Listed Infrastructure (5.00%)**

  The Fund's Global Listed Infrastructure composite returned 31.69%, trailing its benchmark (Alerian MLP and FTSE Global Core Infrastructure 50/50 Index), which returned 38.82%. These investments offer inflation sensitivity and long-duration cash flows through exposure to utilities, transportation, and energy infrastructure.

- **Private Real Estate (7.50%)**

  This includes 5.00% Core Real Estate and 2.50% Value-Add Real Estate. The Core component targets stabilized, income-generating properties, while Value-Add focuses on properties undergoing repositioning, leasing, or redevelopment.

DIVERSIFYING STRATEGIES (Target: 2.50%)

- **Marketable Alternatives (2.50%)**

  These strategies include absolute return, low-beta, and non-directional exposures, typically through hedge funds or liquid alternative structures. While performance is not broken out in the current year's reporting, the allocation seeks to reduce overall volatility and protect capital in adverse market environments. Strategies may include long/short equity, macro, relative value, and multi-strategy mandates, all designed to be uncorrelated with traditional equity and fixed income.

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ANNUALIZED RATE OF RETURN

As of December 31, 2024
Time-weighted rate of return based on fair value

	1-Year	3-Year	5-Year
Total Fund	**9.14%**	**3.25%**	**6.16%**
Domestic Equity	**21.68**	**7.43**	**13.34**
S&P 500 Index	25.02	8.94	14.53
Wilshire 5000 Index	23.76	8.12	14.11
International Equity	**7.99**	**1.13**	**5.63**
MSCI ACWI x-US IMI (Net)	5.23	0.50	4.12
MSCI EAFE Index	3.82	1.65	4.73
Global Equity	**15.76**	**5.56**	**9.30**
MSCI AC World Index (Net)	17.49	5.44	10.06
Global Low Volatility	**13.69**	**4.37**	**5.68**
MSCI AC World Minimum Volatility Index (Net)	11.37	2.48	4.72
MSCI AC World Index (Net)	17.49	5.44	10.06
Global Fixed Income	**0.79**	**-2.28**	**0.08**
Bloomberg Aggregate Bond Index	1.25	-2.41	-0.33
High Yield Fixed Income	**8.19**	**3.37**	**4.32**
FTSE High Yield Cash Pay	8.34	3.11	4.17
Real Estate	**1.93**	**-0.21**	**4.71**
Wilshire U.S. Real Estate Securities Index	9.15	-2.41	4.57
Private Equity	**1.44**	**5.47**	**11.05**
S&P 500 Index	25.02	8.94	14.53
Public Real Assets	**10.46**	**-1.69**	**5.59**
Wilshire U.S. Real Estate Securities Index	9.15	-2.41	4.57
Credit Opportunities	**10.24**	**3.25**	**3.52**
Wilshire Custom Benchmark	7.92	3.05	3.38
Global Listed Infrastructure	**31.69**	**21.03**	**11.70**
Wilshire Custom Benchmark	38.82	26.60	13.32
Marketable Alternatives	**9.73**	**0.00**	**0.00**
	0.00	0.00	0.00

Source: Wilshire 2024 presentation pages

INVESTMENT MANAGEMENT FEES

As of December 31, 2024
($ in thousands)

Investment	Assets Under Management	Fees	Basis Points
Domestic Equity	$418,366	$1,352	32.3
International Equity	446,663	3,012	67.4
Global Equity	196,565	1,066	54.2
Global Low Volatility	389,757	722	18.5
Core Fixed Income	580,422	803	13.8
High Yield Fixed Income	375,402	1,766	21.4
Real Estate	339,290	2,932	86.4
Global listed infrastructure	197,538	1,287	65.2
Marketable Alternatives	105,871	1,284	121.3
Private Equity	366,927	3,433	93.6
Credit Opportunities	162,577	525	32.3
Private Credit Fixed Income	7,188	0	0.0
REITs	94,377	504	53.4
Cash Equivalents	62,613	164	26.2
Total	**$3,743,556**	**$18,850**	**50.4**

OTHER INVESTMENT SERVICES

As Of December 31, 2024
($ in thousands)

Investment Consultant	$736
Investment Management Fees	18,850
Custodian Fees	110
Securities Lending Fees	269
Total Investment Expenses	**$19,965**

TEN LARGEST HOLDINGS - EQUITY

As of December 31, 2024

($ in thousands)

Equity	Shares	Fair Value
CF BLACKROCK MSCI ACWI MINIMUM	8,159,819	$191,714,124
MFB NTGI-QM COLTV DAILY S&P 50	7,313	166,072,253
CF HEITMAN AMERICA REAL ESTATE	65,497	80,639,556
1900 MCKINNEY HARWOOD LLC	48,257,581	76,984,932
GCM GROSVENOR - DALLAS ERF PAR	40,467,087	63,224,559
CF INVESCO CORE RE FUND	335	58,608,716
DAVIDSON KEMPNER INSTITUTIONAL	45,000,000	53,160,195
HUDSON BAY FUND LP	45,000,000	52,710,722
VIRTUS REAL ESTATE CAPITAL III	42,146,491	50,422,548
HAMILTON LANE SECONDARY FUND V	36,473,944	47,823,322

A complete list of investments is available by contacting the Employees' Retirement Fund of the City of Dallas at 1920 McKinney Avenue, 10th Floor, Dallas, Texas 75201

TEN LARGEST HOLDINGS - FIXED INCOME

As of December 31, 2024
($ in thousands)

Fixed Income	Par Value	Fair Value
MFB NT COLLECTIVE AGG TIER H - 0.000 % due 12/31/2049	$337,823	$194,579,090
MFO NEUBERGER BERMAN - 0.000 % due 12/31/2049	5,864,121	55,298,656
NORTHERN TRUST COLLECTIVE ALL - 0.000 % due 12/31/2024	198,372	53,268,766
CF WTC CIF II CORE BND MB - 0.000 % due 12/31/2049	4,648,119	52,942,072
UNITED STATES TREAS NTS - 3.500 % due 02/15/2033	26,705,000	24,845,023
UNITED STATES TREAS NTS - 1.875 % due 02/15/2032	17,735,000	14,916,093
UNITED STATES OF AMER TREAS NO - 1.250 % due 08/15/2031	15,400,000	12,566,631
U.S.A. TREASURY BD - 2.500 % due 02/15/2045	17,360,000	12,059,089
FEDERAL HOME LN MTG CORP POOL - 3.000 % due 04/01/2052	13,243,743	11,244,732
UNITED STATES OF AMER TREAS NO - 4.000 % due 02/15/2034	9,595,000	9,187,587

A complete list of investments is available by contacting the Employees' Retirement Fund of the City of Dallas at 1920 McKinney Avenue, 10th Floor, Dallas, Texas 75201

INVESTMENT HOLDINGS SUMMARY

As of December 31, 2024
($ in thousands)

	Market Value	Percentage of Market Value
Fixed Income		
Government Bonds	$254,931	6.81%
Corporate Bonds	878,448	23.47%
Total Fixed Income	1,133,379	30.28%
Equity		
Common Stock	1,605,886	42.90%
Index & Commingled	200,399	5.35%
Total Equity	1,806,285	48.25%
Real Estate		
Real Estate	339,290	9.06%
Total Real Estate	339,290	9.06%
Alternative Investments		
Private Equity	369,482	9.87%
Total Alternative Investments	369,482	9.87%
Total Cash and Cash Equivalents	**95,120**	**2.54%**
Total Fund	**$3,743,556**	**100.00%**

ACTUARIAL
SECTION





The Report of the December 31, 2024 Actuarial Valuation of the Employees' Retirement Fund of the City of Dallas

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P: 469.524.0000 | www.grsconsulting.com

May 2, 2025

Board of Trustees
Employees' Retirement Fund of the City of Dallas 1920 McKinney Avenue
10th Floor
Dallas, Texas 75201

Dear Members of the Board:

We are pleased to present our report of the actuarial valuation of the Employees' Retirement Fund of the City of Dallas ("ERF" or the "Fund") as of December 31, 2024.

This valuation provides information on the financial health of ERF. Changes to Chapter 40-A were approved by the City of Dallas voters in November 2024. These changes include moving to an actuarially determined contribution (ADC) rate to pay off the unfunded actuarial accrued liability within 30 years. As discussed later in this report, the move to the ADC is being phased over a five-year period. The ADC is calculated as a level percentage of pay (after the completion of the phase-in) intended to cover the normal cost of the fund, make the debt service payments on the previously issued pension obligation bonds and amortize the December 31, 2024 unfunded actuarial accrued liability (UAAL) over a closed 30- year period from the valuation date.

In addition, the report provides various summaries of the data. A separate report is issued with regard to valuation results determined in accordance with Governmental Accounting Standards Board (GASB) Statements 67 and 68. Results of this report should not be used for any other purpose without consultation with the undersigned. Valuations are prepared annually as of December 31st, the last day of the ERF plan year. This report was prepared at the request of the Board and is intended for use by the ERF staff and those designated or approved by the Board. This report may be provided to parties other than ERF staff only in its entirety and only with the permission of the Board.

As authorized in Chapter 40A-4(a)(16) of the Dallas City Code, the actuarial methods and assumptions are set by the Board of Trustees, based upon recommendations made by the plan's actuary. An experience study was performed for the five-year period ending December 31, 2019. As a result of that study, revised assumptions were adopted by the Board effective with the valuation as of December 31, 2019. There were no changes in the actuarial assumptions since the prior valuation. The method for determining the smoothed assets (actuarial value of assets) is being retained, but all deferred investment gains and losses as of December 31, 2024 are being recognized in this valuation.

We believe the assumptions are internally consistent, reasonable, and, where appropriate, based on the actual experience of the ERF. All of the methods and assumptions used for funding purposes meet the parameters set by the Actuarial Standards of Practice. All actuarial methods and assumptions are described under Section P of this report. The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions.

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Board of Trustees
May 2, 2025
Page 2

Even seemingly minor changes in the assumptions can materially change the liabilities and the calculated contribution rates. Due to the limited scope of this assignment, GRS did not perform an analysis of the potential range of such possible future differences. The actuarial calculations are intended to provide information for rational decision making. Other than the sensitivity analysis shown in Section L, this report does not include a more robust assessment of the future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation is based on the provisions of ERF in effect as of the valuation date, data on the ERF membership and information on the asset values of the Fund as of December 31, 2024. The member, annuitant and asset data used in the valuation were all prepared and furnished by ERF staff. While certain checks for reasonableness were performed, the data used was not audited.

To the best of our knowledge, this report is complete and accurate and was conducted in accordance with the Actuarial Standards of Practice as set forth by the Actuarial Standards Board and in compliance with the provisions of the Dallas City Code. The undersigned are independent actuaries and consultants. Mr. White is a Fellow of the Society of Actuaries, an Enrolled Actuary, and a Member of the American Academy of Actuaries and he meets the Qualification Standards of the American Academy of Actuaries. Both Mr. White and Mr. Ward have significant experience in performing valuations for large public retirement systems.

The following schedules in the actuarial section of the ERF Annual Comprehensive Financial Report were prepared by GRS: Executive Summary, Report Highlights, Summary of Actuarial Values, Demonstration of Actuarially Determined Contribution Rate, Information for City Ordinance 32801, Net Assets Available for Benefits, Change in Assets Available for Benefits, Development of Actuarial Assets, Historical Investment Performance, Analysis of Change in Unfunded Actuarial Accrued Liability, Investment Experience (Gain) or Loss, Analysis of Actuarial (Gains) or Losses, Schedule of Funding Status, Summary of Data Characteristics, Distribution of Active Members and Payroll by Ange and Years of Service, Distribution of Benefit Recipients, Schedule of Active Member Valuation Data, Schedule of Retirees and Beneficiaries Added to and Removed from Rolls, Solvency Test, Analysis of Pay Experience (Valuation Pay), Analysis of Retirement Experience – Each Age, Analysis of Retirement Experience - Age Groups, Analysis of Turnover Experience, Analysis of Active Mortality Experience, Analysis of Disability Experience, Analysis of Retiree Mortality Experience.

We would like to thank the ERF staff for their assistance in providing all necessary information to complete this valuation. Their courteous help is very much appreciated. We look forward to discussing this actuarial valuation report with you at your convenience. Please do not hesitate to let us know if you have any questions or need additional information.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Lewis Ward
Consultant

Daniel J. White, FSA, EA, MAAA
Senior Consultant

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EXECUTIVE SUMMARY

($ in 000s)

The key results from the actuarial valuation of the Employees' Retirement Fund of the City of Dallas as of December 31, 2024 may be summarized as follows:

	December 31, 2023	December 31, 2024
Members		
- Actives	7,894	8,070
- Benefit recipients	7,914	8,042
- Deferred vested[1]	1,095	1,154
- Other terminated[1]	1,012	895
- Total	17,915	18,161
- Covered payroll (including overtime)	$ 530,702	$ 556,566
- Normal cost	$ 96,851	$ 99,768
as % of expected payroll	18.58%	18.24%
- Actuarial accrued liability	$ 5,483,251	$ 5,614,481
- Actuarial value of assets	$ 3,842,459	$ 3,757,482
- Market value of assets	$ 3,649,102	$ 3,757,482
- Unfunded actuarial accrued liability (UAAL)	$ 1,640,792	$ 1,856,999
- Estimated yield on assets (market value basis)	9.96%	9.18%
- Estimated yield on assets (actuarial value basis)	4.87%	3.52%
- Contribution Rates Beginning on October 1st following valuation date		
a. Current Total Obligation Rate	44.17%	41.87%
b. Total Contribution Rate Maximum	36.00%	38.22%
c. Current Adjusted Total Obligation Rate (lesser of a. and b.)	36.00%	38.22%
- Actuarial gains/(losses)		
- Assets	$ (89,836)	$ (55,776)
- Actuarial liability experience	$ (71,075)	$ 1,051
- Assumption and method changes	$ 0	$ (83,516)
- Funded ratio		
- Based on actuarial value of assets	70.1%	66.9%
- Based on market value of assets	66.5%	66.9%

[1] *Deferred vested are members who have applied for a deferred pension. Other terminations are other members who have terminated and still have contribution balances in the Fund.*

PURPOSES OF THE ACTUARIAL VALUATION

At your request, we have performed the actuarial valuation of the Employees' Retirement Fund of the City of Dallas ("ERF" or the "Fund") as of December 31, 2024.

The purposes of an actuarial valuation are as follows:

- To determine the funding status of ERF as of the valuation date;
- To determine the Current Total Obligation Rate, which is the actuarially determined contribution rates that pay: the normal costs of the Fund, the debt service on the Pension Obligation Bonds, and the amortization of any liability layers over the periods specified by statute; and
- To determine the Current Adjusted Total Obligation Rate (which reflects the maximum contribution rate during the phase-in period) for the fiscal year beginning October 1, 2025; and
- Determine the allocation of the Current Adjusted Total Obligation Rate between the members and the City after application of the member contribution rate maximums

For the December 31, 2024 actuarial valuation only, we will determine an amortization schedule for the December 31, 2024 UAAL, which reflects the maximum contribution rates for fiscal years 2026-2030 that are part of the phase-in to the full ADC. The amortization payments shown on this schedule will be used in future valuations to compare the ADC from those future valuations to the ADC from this valuation. Please see the discussion about the maximum contribution rate on pages 6-7 of this report.

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REPORT HIGHLIGHTS

($ in 000s)

The following is a set of key actuarial results from the prior year's valuation as compared to the current year:

	Valuation Date	
	December 31, 2023	**December 31, 2024**
Contribution Rates (% of Payroll)[1]		
Normal Cost (including administrative expense)	20.31%	20.05%
Current Total Obligation Rate[2]	35.93%	41.87%
Current Adjusted Total Obligation Rate	36.00%	38.22%
Total Projected Contributions	$195,829,072	$217,505,606
Funded Status (on AVA basis)		
Actuarial Accrued Liability	$5,483,251	$5,614,481
Actuarial Value of Assets	3,842,459	3,757,482
Unfunded Actuarial Accrued Liability	$1,640,792	$1,856,999
Funded Ratio	70.08%	66.92%

[1]For Fiscal Year beginning on next October 1st after valuation date

[2]The Current Total Obligation Rate is an actuarially determined contribution rate based on the funding parameters of Chapter 40-A incorporating any debt service payments still owed

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FUNDING PROCESS

In November 2024, the voters of the City of Dallas approved changes to Chapter 40-A (previously ratified by the ERF Board of Trustees and the Dallas City Council) which are intended to restore the financial soundness of the ERF by establishing a funding mechanism intended to eliminate the December 31, 2024 unfunded actuarial accrued liability (UAAL) over the next 30 years. The Current Total Obligation Rate is an actuarially determined contribution rate (ADC) that is the total level contribution rate (after the phase-in) needed to pay the normal cost of the ERF, pay any outstanding debt service payments from the pension obligation bonds, and amortize the UAAL over time-period(s) specified in Chapter 40-A. For fiscal years 2026 through 2030, the Current Adjusted Total Obligation Rate is the lesser of the Current Total Obligation Rate and the Total Contribution Rate Maximum in Chapter 40-A. After 2030, the Current Adjusted Total Obligation Rate is equal to the Current Total Obligation Rate.

While the share of the member contributions remains at 37% of the Current Adjusted Total Obligation Rate, these member rates are now capped at 14.00% of pay for Group A members and 13.32% of pay for Group B members. The City is responsible for the difference between the projected contributions based on the Current Adjusted Total Obligation Rate total and the projected member contributions. Please see Section N – Table 3 for a determination of the City Contribution.

Future valuations will determine an ADC which reflects the experience of the Fund during the prior year. Any unanticipated change in the UAAL will be recognized in a new liability layer that is amortized over the greater of the remaining amortization period of the December 31, 2024 UAAL or 20 years. This new ADC is compared to the original projected ADC from the December 31, 2024 valuation to determine if it exceeds that original ADC by more than 5% (after adjusting both the original ADC and the new ADC by removing the amortization payment for the December 31, 2024 UAAL). If the new adjusted ADC does not exceed the original adjusted ADC by 5% then it is the new ADC. If the new adjusted ADC exceeds the original adjusted ADC by more than 5% then the new adjusted ADC is the sum of the original adjusted ADC plus 5% and the amortization payment of the December 31, 2024 UAAL. Any shortfall in contributions as a result of this cap are added as an additional liability layer.

ACTUARIAL CONTRIBUTIONS

As shown in Section N – Table 2, the Actuarially Determined Contribution Rate (ADC) developed in this actuarial valuation is 41.87% of active member payroll. This rate includes the impact of phasing into the ADC over a 5-year phase-in period, and includes payments towards the debt service on the pension obligation bonds. If there was no phase-in period the rate would have been 41.47% of pay. As set out in Chapter 40-A the maximum contribution rate for fiscal years 2026 – 2030 are shown in the table below.

Fiscal Year	Maximum Total Rate
2026	38.22%
2027	39.45%
2028	40.68%
2029	41.91%
2030 and later	ADC

This ADC is the total level rate (after the phase-in) as a percentage of pay (member + City) that would need to be contributed to pay the normal cost of the Fund, pay any debt service on the pension obligation bonds, and payoff the unfunded liability of the Fund over the periods specified in Chapter 40-A. The ADC was determined using an open group projection due to the declining nature of the average normal cost of the Fund (as Group B members replace Group A members) and due to the elimination of the debt service payments after fiscal year 2035. Note that because the total rate is assumed to remain level (after the phase-in) and the average normal cost as a percentage of pay is expected to decline over that time period (due to Tier B), and because the debt service will be eliminated in 2035, the payments towards the unfunded liability as a percentage of pay are expected to increase over the remaining amortization period (substantially increasing after 2035). Note that because this ADC incorporates the debt service on the pension obligation bonds which are not a liability of the Fund, it is not an appropriate measure as a reasonable contribution rate under the requirements of ASOP No. 4. See Section L for this disclosure item.

The ADC incorporating the debt service is named the Current Total Obligation Rate (CTOR) in Chapter 40-

A. The Current Adjusted Total Obligation Rate (CATOR) is the lesser of the CTOR and the Contribution Maximum discussed above. Since the CTOR is 41.87% and the Contribution Maximum for fiscal year 2026 is 38.22%, the CATOR for fiscal year 2026 is 38.22% of pay.

ACTUARIAL CONTRIBUTIONS (CONTINUED)

The members contribute the lesser of 37% of the CATOR and the member maximum contribution rates (14.00% for Group A and 13.32% for Group B). The City's contribution rate is determined in a manner such that the City is expected to contribute the remaining portion of the projected contributions based on the CATOR that are not contributed by the members. As shown on Table 3, the expected fiscal year 2026 contributions based on the CATOR (38.22%) and a projected payroll of $569 million is $217.5 million. As shown on Table 3 the members are expected to contribute $77.4 million. Therefore, the City would be expected to contribute $140.1. This amount includes the debt service on the pension obligation bonds of

$46.2 million. The remainder of $93.9 million is the expected contribution from the City to ERF during fiscal year 2026. This amount is then converted to a contribution rate by dividing it by the projected payroll, with the resulting rate being 16.50%.

Since the Current Adjusted Total Obligation Rate for fiscal year 2026 is 38.22% of pay and the members' share (37% of 38.22%) is 14.14% of pay, the members will contribute their maximum member rates of 14.00% for Group A and 13.32% for Group B, respectively. As shown on Table 3, the City portion will be 24.62% of pay. All of the member contribution rate will be contributed to the ERF. As noted on Table 3, 8.12% of the City's contribution rate is projected to go towards the debt service on the pension obligation bonds and the remaining 16.50% will be contributed towards the ERF. This means a total projected contribution rate of 30.10% (member plus City) will be contributed to the ERF for the 2026 fiscal year.

As noted above, the City is contributing 24.62% of pay towards ADC (this pays the debt service with the remainder going to the ERF). In the past the City has contributed 63% of the CATOR. However, 63% of the CATOR (38.22%) is 24.08%. The City is contributing more than this because of the impact of the maximum contribution rates for members. The City's share of the CATOR is now whatever remains after the member contributions are subtracted.

ACTUARIAL ASSUMPTIONS

Section P of this report includes a summary of the actuarial methods and assumptions used in this valuation. In short, costs are determined using the Entry Age Normal actuarial cost method. The assumed annual investment return rate is 7.25% and includes an annual assumed rate of inflation of 2.50%.

There were no changes in the actuarial assumptions since the prior valuation report. The deferred investment gains and losses in the actuarial asset valuation method were fully recognized in this valuation (i.e. the actuarial value of assets was set equal to the market value of assets). The normal smoothing process discussed in the Actuarial Methods and Assumptions section of the report will begin again with the next valuation. Please see Section P of this report for a summary description of these methods and assumptions.

It is expected that the next experience study will occur during 2025 and any recommended changes to the actuarial assumptions will be reflected in the December 31, 2025 actuarial valuation.

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ERF BENEFITS

As previously mentioned Chapter 40-A was amended following action by the ERF Board, the Dallas City Council and approval by the City of Dallas voters. Most of these changes impacted the financing of the Fund. However, in addition, a maximum contribution rate was established for the members (14.00% for Group A and 13.32% for Group B). There were no other changes to the benefit provisions of ERF since the prior valuation. Please see Section Q for a summary description of the ERF benefits.

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EXPERIENCE DURING PREVIOUS YEARS

An Actuarial (Gain)/Loss Analysis [(G)/L] reviews the effects of the actual experience on the expected Unfunded Actuarial Accrued Liability (UAAL). If any unexpected difference increases assets or reduces liabilities (i.e., reductions in the UAAL), we have an actuarial gain. Unexpected increases in the UAAL results in an actuarial loss.

On a market value return basis, the Fund returned approximately 9.18% (calculated on a dollar-weighted basis, net of investment expenses). Given this return, the actual investment income was $68 million more than the expected investment income on the market value of assets; therefore, an investment gain occurred. Please see Section N – Table 6 for the determination of the actuarial value of assets (AVA) and page 48 for a description of the AVA methodology. As developed on Section N – Table 9a, there was a

$55.8 million loss on the actuarial value of assets as of December 31, 2024 due to deferred investment losses incurred prior to fiscal year 2024. In addition, the actuarial value of assets was reduced by $83.5 million due to the actuarial value of assets being set equal to the market value of assets. The rate of return on the actuarial value of assets after reflecting this change was 3.52% (calculated on a dollar- weighted basis, net of investment expenses).

As developed on Section N – Table 8, ERF experienced an overall actuarial experience loss in calendar year 2024 in the amount of $54.7 million. Since there was a $55.8 million loss on the actuarial value of assets, and an $83.5 million loss due to the method change, this implies there was a liability actuarial gain of about $1.1 million derived from the experience of the Fund compared to the demographic assumptions and non-investment economic assumptions (cost-of-living-adjustment). Please see Section N – Table 9b for an analysis of the experience loss by source.

The total (G)/L for the prior 5 years is broken down as follows ($ in millions):

	2020	2021	2022	2023	2024
Actuarial (Gain)/Loss on Assets	$16.03	($52.23)	$71.54	$89.84	$55.78
Actuarial (Gain)/Loss on Liabilities	(69.81)	29.37	55.13	71.07	(1.05)
Actuarial (Gain)/Loss on Methods	0.00	0.00	0.00	0.00	83.52
Total Actuarial (Gain) or Loss (1+2)	($53.78)	($22.86)	$126.67	$160.91	$138.25

The unfunded actuarial accrued liability (UAAL) also increased $47 million due to the shortfall between the calculated contribution rate and the actual contributions during calendar year 2024.

ASSET INFORMATION

The assets of the Fund (on a market value basis) increased from $3,649 million as of December 31, 2023 to $3,757 million as of December 31, 2024.

An asset smoothing method (adopted by the Board) is used to recognize asset gains and losses. The purpose of such a smoothing method is to allow the use of market values, but to dampen the effect of the typical year-to-year market fluctuations. Please see page 46 of this report for a description of the smoothing method (actuarial value of asset method). See Table 6 in Section N of this report for the determination of the actuarial value of assets as of December 31, 2024.

The actuarial value of assets has decreased from $3,842 million to $3,757 million during 2024. The actuarial assets are less than the expected actuarial assets, $3,897 million, due to the continued recognition of the unfavorable investment experience in calendar year 2022 and the full recognition of the deferred investment losses this valuation by the setting of the actuarial value of assets equal to the market value of assets. This resulted in the actuarial assets being $139.3 million less than expected (experience plus method).

The rate of return on investments for 2024 on the actuarial value of assets was 3.52%, compared to 4.87% in 2023. The detailed determinations of asset values utilized in this valuation and the change in assets in the last year are exhibited in Tables 4 and 5 of Section N of this report.

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FUNDED STATUS

The funded status of ERF is measured by the Funded Ratio and the Unfunded Actuarial Accrued Liability (UAAL). The Funded Ratio is the ratio of the actuarial value of assets available for benefits to the actuarial accrued liability (AAL) of the Fund on the valuation date. Therefore, it reflects the portion of the AAL that is covered by ERF assets. The UAAL is the difference between these two amounts.

A Funded Ratio of 100% means that the funding of ERF is precisely on schedule as of the particular valuation date. In addition, an increasing funded ratio from year-to-year may also mean that the funding of ERF is on schedule. By monitoring changes in the Funded Ratio each year, we can determine whether or not funding progress is being made.

Based on the market value of assets, the Funded Ratio of ERF of 66.5% increased as of December 31, 2023 to 66.9% as of December 31, 2024. Based on the actuarial value of assets, the Funded Ratio of ERF decreased from 70.1% as of December 31, 2023 to 66.9% as of December 31, 2024.

The UAAL increased from $1,640.8 million as of December 31, 2023 to $1,857.0 million as of December 31, 2024. Since the UAAL is positive, this implies the actuarial accrued liabilities exceed the actuarial assets of the Fund as of December 31, 2024.

The actual $216.2 million increase in the UAAL was more than the expected increase of $78.0 million ($31.0 million due to negative amortization and $47.0 million as a result of the actual contributions being less than the actuarially determined contribution rate), resulting in a net actuarial experience loss in total. The primary reasons the increase in the UAAL was more than expected were the full recognition of the unfavorable investment experience from 2022, the cost of living adjustment being greater than assumed and the larger than expected salary increases for employees.

The funded status is one of many metrics used to show trends and develop future expectations about the health of a retirement system. The funded status measure itself is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligations or assessing the need for or the amount of future contributions since it does not reflect normal cost contributions, the timing of amortization payments, or future experience other than expected.

GASB DISCLOSURE

Governmental Accounting Standards Board (GASB) Statement Numbers 67 and 68 detail the current accounting standards for ERF and the Fund's sponsor, the City of Dallas, Texas. These standards were effective with the plan year ending December 31, 2014 for the Fund and the fiscal year ending September 30, 2015 for the City. The standards created a clear distinction between the funding requirements of a pension plan and the accounting requirements. As a result, the GASB disclosure information is provided in a separate report.

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ASSESSMENT AND DISCLOSURE OF RISK ASSOCIATED WITH MEASURING PENSION OBLIGATIONS AND DETERMINING PENSION PLAN CONTRIBUTIONS

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

- Investment risk – actual investment returns may differ from the expected returns;
- Asset/Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
- Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
- Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
- Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
- Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

ASSESSMENT AND DISCLOSURE OF RISK ASSOCIATED WITH MEASURING PENSION OBLIGATIONS AND DETERMINING PENSION PLAN CONTRIBUTIONS (CONTINUED)

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The Current Adjusted Total Obligation Rate shown in the Executive Summary may be considered as a minimum contribution rate that complies with Chapter 40A of the Dallas City Code. However, due to the contribution rate cap, this is less than the actuarially calculated rate. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

PLAN MATURITY MEASURES

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Several generally accepted plan maturity measures are described below and are followed by a table showing a 10-year history of the measurements for ERF.

RATIO OF MARKET VALUE OF ASSETS TO PAYROLL

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees, resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives, resulting in a ratio below 1.0.

RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

DURATION OF PRESENT VALUE OF BENEFITS

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

ADDITIONAL RISK ASSESSMENT

Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. While a robust measurement of additional risk assessment is outside the scope of the annual actuarial valuation, we have included a scenario test of a 1% increase or 1% decrease in the investment return assumption. The results of this test are shown at the end of this section.

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Ratio of the market value of assets to total payroll	6.75	6.88	7.38	9.24	8.64	8.43	7.71	8.55	8.13	8.12
Ratio of actuarial accrued liability to payroll	10.09	10.33	11.07	11.50	11.50	11.21	10.68	10.39	10.48	10.50
Ratio of actives to retirees and beneficiaries	1.00	1.00	0.96	0.94	0.96	1.00	1.05	1.11	1.10	1.11
Ratio of net cash flow to market value of assets	-5.7%	-5.7%	-5.9%	-4.7%	-4.9%	-4.8%	-5.1%	-4.3%	-4.4%	-4.5%
Duration of the actuarial present value of benefits*	12.53	12.52	12.47	12.54	12.69	12.37	NA	NA	NA	NA

*Duration measure not available prior to 2019

Impact on Funding Metrics of Investment Return Assumption +/- 1%

	Investment Return Assumption		
Cost Item	6.25%	7.25%	8.25%
Normal Cost % (excluding admin expenses)	22.50%	18.24%	15.09%
UAAL ($ in millions)	$2,505.9	$1,857.0	$1,314.5
Actuarially Determined Contribution Rate (employee + City)	51.03%	41.87%	34.50%
Funded Ratio	60.0%	66.9%	74.1%
Funding Period	30 years	30 years	30 years

LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a new calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

> *"The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the "right" liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan's funded status and provides additional information regarding the security ofbenefits that members have earned as of the measurement date."*

The LDROM estimates the amount of money the plan would need to invest in low risk securities to provide the benefits with greater certainty. The current model expects lower costs but with higher investment risk, which creates less certainty and a possibility of higher costs. Thus, the difference between the two measures (Valuation and LDROM) is one illustration of the possible costs the sponsor could incur if there was a reduction in the investment risk in comparison to the current diversified portfolio. However, the downside risk would be limited in the scenarios where the current portfolio would fail to achieve returns in excess of the low-default-risk discount, in this case 5.49%.

The following information has been prepared in compliance with this new requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

Valuation Accrued Liability	LDROM
$5,614,481,000	$6,843,985,000

Again, the difference between the two measures, or $1,229,504,000, is one illustration of the savings the sponsor anticipates by assuming investment risk in a diversified portfolio.

Disclosures: Discount rate used to calculate LDROM: 5.49% Intermediate FTSE Pension Discount Curve as of December 31, 2024. This measure may not be appropriate for assessing the need for or amount of future contributions as the current portfolio is expected to generate significantly more investment earnings than the low-default-risk portfolio. This measure is also not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation as this measure includes projections of salary increases and the ability for current members to continue to accrue eligibility and vesting service.

REASONABLE CONTRIBUTION RATE UNDER ASOP NO.4

ASOP No. 4 requires the disclosure of a reasonable actuarial contribution rate. For the purposes of this measure we have defined the reasonable contribution rate as the rate necessary to pay the normal cost and amortize the UAAL as of December 31, 2204 over a closed 30-year amortization period. This rate will be different than the rate calculated for funding purposes for ERF due to: i) the exclusion of the payments on the debt service on the pension obligation bonds which are included in the total (member + City) contribution rate determined by this valuation, ii) determining a level rate over the 30-year period excluding phase-in increase that are part of the aforementioned total contribution rate. Based on these parameters a reasonable actuarially determined contribution rate for the ERF would be 37.63% of pay.

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CLOSING COMMENTS

The unfunded actuarial accrued liability of the Fund has increased by more than expected due to the full recognition of the deferred investment losses and the contributions to the Fund being less than the actuarially calculated rate.

The calculated contribution rate necessary to pay the Fund's normal cost, pay any debt service on the pension obligation bonds, and amortize the December 31, 2024 UAAL over 30 years is 41.47% of pay. However, because the increase to this rate (from the current 36.00% rate) is being phased-in over a five-year period the ultimate rate increases to 41.87% of pay to make up for lower rates during the phase-in period. Chapter 40A of the Dallas City Code limits the contribution rates during fiscal years 2026-2029 to the contribution maximum discussed earlier in this report. Due to this limitation, the total rate to be contributed by the employees and the City for fiscal year 2026 will be 38.22% of pay.

Even though the UAAL increased and the funded ratio decreased, the results of this valuation should be viewed positively. With the approved changes to Chapter 40-A the Fund now expects to receive a full actuarially determined contribution rate by fiscal year 2030 (current projections expect this to occur in fiscal year 2029) and the UAAL to be fully funded by the end of 2054 (30 years). This is a significant improvement over last year, where the Fund was not expected to be fully funded until 2074.

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Summary of Actuarial Values
As of December 31, 2024

		Entry Age Actuarial Values		
	APV* of Projected Benefits	Actuarial Accrued Liability (AAL)	Normal Cost $	Normal Cost % of Pay**
1 Active Members				
a. Retirement	$ 2,065,945	$ 1,542,482	$ 71,526	13.09%
b. Death	22,388	12,339	1,297	0.23%
c. Disability	15,078	5,491	1,270	0.23%
d. Termination	178,489	(9,608)	24,208	4.43%
e. Health Subsidy	34,052	26,659	1,467	0.26%
Total	$ 2,315,952	$ 1,577,363	$ 99,768	18.24%
2 Benefit Recipients	3,872,845	3,872,845		
3 Other Inactive	164,273	164,273		
4 Total Actuarial Values of Benefits	$ 6,353,070	$ 5,614,481	$ 99,768	18.24%
5 Actuarial Value of Assets		$ 3,757,482		
6 Unfunded Actuarial Accrued Liability (4 - 5)		$ 1,856,999		
7 Funding Ratio		66.92%		
8 Market Value Measurements				
UAAL on market value		$ 1,856,999		
Funded Ratio on market value		66.92%		

* *APV – Actuarial Present Value*

*** Percentage of expected payroll for continuing active members.*

Table 1

DEMONSTRATION OF 30-YEAR AMORTIZATION OF DECEMBER 31, 2024 UNFUNDED ACTUARIAL ACCRUED LIABILITY

Valuation as of December 31,	Unfunded Actuarial Accrued Liability (UAAL $M)	Projected Compensation for Plan Year (in $M)	Total Contributions to Fund for Plan Year (in $M)	Normal Cost Plus Administrative Expenses (in $M)	Amortization Payment (in $M)	Actuarially Determined Contribution Rate for FY Beginning After Valuation Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2024	$ 1,857.0	$ 556.6	$ 157.7	$ 112.8	$ 44.9	38.22%
2025	1,945.1	573.3	174.1	114.5	59.6	39.45%
2026	2,024.4	590.5	186.5	116.0	70.5	40.68%
2027	2,098.1	608.2	199.5	116.7	82.7	41.87%
2028	2,164.6	626.4	211.0	118.5	92.5	41.87%
2029	2,225.6	645.2	217.3	120.4	96.9	41.87%
2030	2,286.7	664.6	223.8	122.5	101.3	41.87%
2031	2,347.5	684.5	230.6	124.6	105.9	41.87%
2032	2,408.0	705.0	237.5	126.8	110.7	41.87%
2033	2,468.0	726.2	248.4	129.0	119.4	41.87%
2034	2,523.3	748.0	279.0	131.3	147.7	41.87%
2035	2,553.3	770.4	322.6	133.7	188.8	41.87%
2036	2,542.9	793.5	332.3	136.3	195.9	41.87%
2037	2,524.4	817.3	342.2	139.1	203.1	41.87%
2038	2,497.0	841.9	352.5	142.1	210.4	41.87%
2039	2,460.2	867.1	363.1	145.2	217.8	41.87%
2040	2,413.0	893.1	374.0	148.6	225.4	41.87%
2041	2,354.5	919.9	385.2	152.1	233.1	41.87%
2042	2,283.7	947.5	396.7	155.7	241.0	41.87%
2043	2,199.7	975.9	408.6	159.6	249.0	41.87%
2044	2,101.3	1,005.2	420.9	163.7	257.2	41.87%
2045	1,987.3	1,035.4	433.5	168.0	265.5	41.87%
2046	1,856.3	1,066.4	446.5	172.5	274.1	41.87%
2047	1,707.1	1,098.4	459.9	177.1	282.8	41.87%
2048	1,538.0	1,131.4	473.7	181.9	291.9	41.87%
2049	1,347.2	1,165.3	487.9	186.8	301.2	41.87%
2050	1,133.0	1,200.3	502.6	191.9	310.7	41.87%
2051	893.4	1,236.3	517.7	197.1	320.5	41.87%
2052	626.2	1,273.4	533.2	202.6	330.6	41.87%
2053	329.3	1,311.6	549.2	208.2	341.0	41.87%
2054	0.0					

Table 2

Information for City Ordinance 32801
For the Fiscal Year Commencing October 1, 2025

1	**Current Adjusted Total Obligation Rate for FY 2026**		38.22%
2	**Projected Contributions for FY2026**		
a	Projected Payroll for FY 2026	$	569,088,452
b	Total Projected Contributions for FY 2026 (1 x 2a)		217,505,606
3	**Projected Member Contributions for FY2026**		
a	Group A Projected Payroll	$	236,212,145
b	Group B Projected Payroll		332,876,307
c	Group A Projected Contributions (3a x 14.00%)		33,069,700
d	Group B Projected Contributions (3b x 13.32%)		44,339,124
e	Total Projected Member Contributions for FY 2026		77,408,824

- **Pension Obligation Bonds**
  - Scheduled Debt Service Payment for FY 2026 $ 46,203,207
  - Pension Obligation Bond Credit Rate (4a / 2a) 8.12%
- **City Contributions**
  - Total City Contributions to ERF (2b - 3e - 4a) $ 93,893,575
  - Total City Contributions to ERF as % of Projected Pay (5a / 2a) 16.50%
  - Total City Contributions as % of Projected Pay (4b + 5b)[1] 24.62%

Table 3

Net Assets Available for Benefits
($ in 000s)

		December 31, 2023		December 31, 2024
1 Assets				
a. Cash & Short-Term	$	338,462	$	310,494
2 Receivables				
a. Accrued Investment Income	$	18,942	$	17,691
b. Securities Sold		14,218		6,660
c. Employer Contribution		878		1,527
d. Employee Contribution		808		1,409
e. Pending Contracts		585,983		1,131,676
	$	620,829	$	1,158,963
3 Investments				
a. Index Funds	$	116,640	$	200,399
b. Fixed Income		1,048,551		1,133,379
c. Equities		1,684,942		1,605,886
d. Real Estate		339,922		339,290
e. Private Equity		371,556		369,482
	$	3,561,611	$	3,648,436
4 Total Assets	$	4,520,902	$	5,117,893
5 Liabilities				
a. Accounts Payable	$	7,270	$	8,344
b. Investment Transactions		864,530		1,352,067
	$	871,800	$	1,360,411
6 Net Assets Available For Benefits	$	3,649,102	$	3,757,482

Table 4

Change in Assets Available for Benefits
Fiscal Year Ending December 31, 2024
($ in 000s)

		2023		2024
1 Assets Available at Beginning of Year	$	3,516,280	$	3,649,102
Adjustment *		0		0
	$	3,516,280	$	3,649,102
2 Revenues				
a. Employer Contributions	$	73,939	$	80,782
b. Employee Contributions		70,025		74,830
c. Investment Income		133,707		134,797
d. Investment Expense		(20,924)		(16,785)
e. Realized and Unrealized Gains (Losses)		225,507		205,571
f. Other (Security Lending)		1,589		1,347
Total Revenues	$	483,843	$	480,542
3 Expenses				
a. Benefits	$	328,296	$	348,938
b. Refunds		12,700		12,369
c. Administrative Expenses		9,184		10,005
d. Depreciation Expense		841		850
Total Expense	$	351,021	$	372,162
4 Assets Available at End of Year (1 + 2 - 3)	$	3,649,102	$	3,757,482

* *Change due to difference between unaudited asset value used for prior valuation and audited asset value reported the following year.*

Table 5

Development of Actuarial Value of Assets
($ in 000s)

		December 31, 2024
1.	Market value of assets at beginning of year	$ 3,649,102
2.	External cashflow	
a.	Contributions	$ 155,612
b.	Benefits and refunds paid	(361,307)
c.	Administrative and miscellaneous expenses	(10,855)
d.	Subtotal	(216,550)
3.	Assumed investment return rate for fiscal year	7.25%
4.	Assumed investment income for fiscal year	$ 256,847
5.	Expected Market Value at end of year (1+ 2 + 4)	$ 3,689,399
6.	Market value of assets at end of year	$ 3,757,482
7.	Difference (6 - 5)	$ 68,083
8.	Development of amounts to be recognized as of December 31, 2024:	

Fiscal Year End	Remaining Deferral of Excess (Shortfall) of Investment Income	Offsetting of Gains/ (Losses)	Net Deferrals Remaining	Years Remaining	Recognized for this valuation	Remaining after this valuation
	(1)	(2)	(3) = (1) + (2)	(4)	(5) = (3) / (4)	(6) = (3) - (5)
2020	$ 0	$ 0	$ 0	1	$ 0	$ 0
2021	0	0	0	1	0	0
2022	(193,357)	68,083	(125,274)	1	(125,274)	0
2023	0	0	0	1	0	0
2024	68,083	(68,083)	0	1	0	0
Total	$ (125,274)	0	$ (125,274)	5	$ (125,274)	0

9.	Final actuarial value of plan net assets, end of year (Item 6 - Item 8, Column 6)	$ 3,757,482
10.	Ratio of actuarial value to market value 100.00%	

Notes: Remaining deferrals in Column (1) for prior years are from last year's report Table 6, column 6. The number in the current year is Item 7, above. Column 2 is a direct offset of the current year's excess/(shortfall) return against prior years' excess/(shortfall) of the opposite type.

Years remaining in Column 4 set to 1 for all years to reflect actuarial value of assets being "Marked to Market".

Table 6

Historical Investment Performance
Dollar Weighted Basis Net of Investment Expenses

Calendar Year	On Market Value	On Actuarial Value
2005	7.93%	13.71%
2006	16.90%	13.03%
2007	3.56%	9.58%
2008	-31.31%	-3.76%
2009	30.35%	6.79%
2010	15.77%	4.30%
2011	0.86%	1.15%
2012	14.29%	2.82%
2013	16.75%	10.65%
2014	6.14%	10.29%
2015	-1.83%	7.02%
2016	8.65%	8.51%
2017*	12.34%	8.99%
2018	-5.15%	5.23%
2019	17.30%	6.74%
2020	6.42%	6.81%
2021	16.01%	8.68%
2022	-9.25%	5.36%
2023	9.96%	4.87%
2024*	9.18%	3.52%
5-year average ending in 2024	6.11%	5.83%
10-year average ending in 2024	6.01%	6.56%
20-year average ending in 2024	7.32%	6.42%

*The yield on the actuarial value of assets for 2017 and 2024 includes the impact of the method change for the Actuarial Value of Assets.

Table 7

Analysis of Change in Unfunded Actuarial Accrued Liability
For the Year Ending December 31, 2024
($ in 000s)

1. UAAL as of December 31, 2023		$ 1,640,792
2. Expected Change in UAAL during 2024		
a. Expected Amortization Payment for CY 2024 based on the Actuarially Determined Contribution Rate	(84,979)	
b. Interest adjustments on 1 & 2a to Year End @ 7.25%	115,931	
c. Expected change in UAAL		30,952
3. Increase/(Decrease) in UAAL Due to Difference Between the Actuarially Determined Contribution Rate and Actual Contribution Rate		47,014
4. Net Actuarial Experience (Gains) & Losses		54,725
5. Assumption and Method Changes		83,516
6. UAAL as of December 31, 2024		$ 1,856,999

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Table 8

Investment Experience (Gain) or Loss
($ in 000s)

Item		Valuation as of December 31, 2024
1.	**Actuarial assets, beginning of year**	$ 3,842,459
2.	**Contributions**	155,612
3.	**Benefits and refunds paid with administrative expenses**	(372,162)
4.	**Assumed net investment income at 7.25% on**	
	a. Beginning of year assets	278,578
	b. Contributions	5,542
	c. Benefits and refunds paid with administrative expenses	(13,255)
	d. Total	$ 270,865
5.	**Expected actuarial assets, end of year**	
	(Sum of Items 1 through 4)	3,896,774
6.	**Actual actuarial assets, end of year (before method change)**	3,840,998
7.	**Asset experience (gain)/loss for year**	55,776

Table 9a

Analysis of Actuarial (Gains) and/or Losses for 2024
($ in 000s)

	2024
Investment Return	$ 55,776
Salary Increase	15,097
Age and Service Retirement	(1,857)
General Employment Termination	(4,300)
Disability Incidence	(276)
Active Mortality	423
Benefit Recipient Mortality	(9,632)
Actual vs. Expected Cost of Living Adjustment (COLA)*	10,713
Other	(11,219)
Total Actuarial Experience (Gain)/ Loss	$ 54,725

* Actual COLA of 2.94% for both Tier A and Tier B versus expected COLAs of 2.50% for Tier A and 2.20% for Tier B.

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Table 9b

Schedule of Funding Status
($ in 000s)

End of Year	Actuarial Value of Assets (a)	AAL (b)	UAAL (b-a)	Funding Ratio (a/b)	Payroll* (c)	UAAL as % of Payroll ((b-a)/c)
2005	2,739,269	2,606,173	(133,096)	105.11%	332,446	-40.04%
2006	2,998,099	2,761,404	(236,695)	108.57%	344,997	-68.61%
2007	3,183,260	2,915,164	(268,096)	109.20%	370,150	-72.43%
2008	2,957,506	3,075,385	117,879	96.17%	389,362	30.27%
2009	3,031,652	3,192,120	160,468	94.97%	375,164	42.77%
2010	3,027,439	3,282,126	254,687	92.24%	332,045	76.70%
2011	2,916,746	3,391,652	474,906	86.00%	318,972	148.89%
2012	2,846,124	3,518,356	672,232	80.89%	340,452	197.45%
2013	3,074,284	3,610,845	362,477	85.14%	352,486	102.83%
2014	3,241,053	4,004,055	763,002	80.94%	374,002	204.01%
2015	3,320,387	4,129,133	808,746	80.41%	404,981	199.70%
2016	3,451,463	4,291,802	840,339	80.42%	420,693	199.75%
2017	3,601,612	4,377,844	776,232	82.27%	432,854	179.33%
2018	3,620,319	4,526,996	906,677	79.97%	435,375	208.25%
2019	3,682,959	4,863,325	1,180,366	75.73%	444,737	265.41%
2020	3,747,078	4,932,886	1,185,808	75.96%	439,544	269.78%
2021	3,872,601	5,094,362	1,221,761	76.02%	453,934	269.15%
2022	3,866,412	5,276,469	1,410,057	73.28%	488,516	288.64%
2023	3,842,459	5,483,251	1,640,792	70.08%	543,970	301.63%
2024	3,757,482	5,614,481	1,856,999	66.92%	573,263	323.94%

** Projected to following year.*

Table 10

Summary of Data Characteristics

As of December 31,	2022	2023	2024
Active Members			
Number	7,464	7,894	8,070
Total Annualized Earnings of Members as of 12/31 (000s)	$ 476,601	$ 530,702	$ 556,566
Average Earnings	63,853	67,229	68,967
Benefit Recipients			
Number	7,766	7,914	8,042
Total Annual Retirement Income (000s)	$ 309,799	$ 327,190	$ 340,021
Total Annual Health Supplement (000s)	11,234	11,440	11,613
Average Total Annual Benefit	41,338	42,789	43,725
Inactive Members			
Deferred Vested	1,042	1,095	1,154
Deferred Nonvested	1,150	1,012	895
Total	2,192	2,107	2,049

** The number of inactives on 12/31/2024 includes 1,154 members who have applied for a deferred pension and 895 other members who have terminated and still have contribution balances in the Fund.*

Table 11

Distribution of Active Members and Payroll by Age and Years of Service

	Years of Service								
Age	**Under 1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30 & Over**	**Total**
Under 20	9								9
	$393,099								$393,099
20-24	155	166							321
	$7,196,350	$8,753,094							$15,949,444
25-29	262	446	60	1					769
	$13,191,744	$24,766,380	$3,709,690	101,010					$41,768,824
30-34	213	454	238	48					953
	$11,791,081	$27,798,635	$15,523,112	$3,438,203					$58,551,031
35-39	134	379	228	135	41				917
	$7,370,211	$23,741,547	$16,472,309	$10,386,845	$3,377,843				$61,348,755
40-44	139	320	202	142	125	27	4		959
	$8,132,221	$21,078,057	$14,804,811	$11,758,145	$10,757,561	$2,540,759	332,956		$69,404,510
45-49	101	282	207	141	143	84	55	0	1,013
	$5,676,211	$18,932,335	$15,338,115	$11,873,246	$11,298,288	$8,032,514	$4,348,549	$0	$75,499,258
50-54	93	263	185	132	136	116	113	17	1,055
	$5,285,061	$17,132,713	$13,563,565	$11,255,305	$11,273,231	$9,218,284	$9,271,507	$1,478,310	$78,477,976
55-59	65	223	194	124	151	101	57	28	943
	$3,674,968	$14,908,414	$14,079,582	$8,920,452	$12,761,918	$9,025,153	$4,873,603	$2,348,738	$70,592,828
60-64	36	155	158	100	120	58	43	26	696
	$2,560,496	$10,351,240	$11,075,743	$7,382,436	$8,966,702	$4,925,506	$3,944,048	$2,251,416	$51,457,587
65&Over	20	69	92	63	68	42	46	35	435
	$1,173,026	$4,526,420	$6,847,629	$4,744,870	$5,646,432	$3,344,050	$3,941,274	$2,898,710	$33,122,411
Totals	1,227	2,757	1,564	886	784	428	318	106	8,070
	$66,444,468	$171,988,835	$111,414,556	$69,860,512	$64,081,975	$37,086,266	$26,711,937	$8,977,174	$556,565,723

Distribution of Benefit Recipients as of December 31, 2024

Age	Number	Annual Benefit	Annal Average Benefit
Under 50	26	$ 446,539	$ 17,175
50-54	145	7,094,179	48,925
55-59	497	26,084,680	52,484
60-64	1,286	56,382,929	43,844
65-69	1,627	70,992,624	43,634
70-74	1,755	75,143,106	42,817
75-79	1,410	61,142,696	43,364
80-84	709	24,986,665	35,242
85-89	368	11,931,209	32,422
90 & Over	219	5,816,432	26,559
Total	8,042	$ 340,021,059	$ 42,281

Table 13

Schedule of Active Member Valuation Data

Year Ending December 31,	Active Participants	Percent Change	Covered Payroll	Percent Change	Average Salary	Percent Change
2007	8,117	-	$ 359,369,000	-	$ 44,274	-
2008	8,371	3.1%	378,021,000	5.2%	45,158	2.0%
2009	7,654	-8.6%	364,237,000	-3.6%	47,588	5.4%
2010	7,034	-8.1%	322,374,000	-11.5%	45,831	-3.7%
2011	6,745	-4.1%	309,682,000	-3.9%	45,913	0.2%
2012	6,864	1.8%	330,536,000	6.7%	48,155	4.9%
2013	6,993	1.9%	342,219,000	3.5%	48,937	1.6%
2014	7,180	2.7%	363,109,000	6.1%	50,572	3.3%
2015	7,477	4.1%	393,186,000	8.3%	52,586	4.0%
2016	7,619	1.9%	409,433,000	4.1%	53,738	2.2%
2017	7,838	2.9%	421,269,000	2.9%	53,747	0.0%
2018	7,584	-3.2%	423,723,000	0.6%	55,871	4.0%
2019	7,427	-2.1%	433,890,000	2.4%	58,421	4.6%
2020	7,244	-2.5%	428,824,000	-1.2%	59,197	1.3%
2021	7,175	-1.0%	442,863,000	3.3%	61,723	4.3%
2022	7,464	4.0%	476,601,000	7.6%	63,853	3.5%
2023	7,894	5.8%	530,702,000	11.4%	67,229	5.3%
2024	8,070	2.2%	556,566,000	4.9%	68,967	2.6%

Table 14a

Table 14b

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		Rolls-End of Year			
Year Ending December 31,	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
2007	239	$ 7,250,468	205	$ 4,551,742	5,304	$ 142,267,609	-	$ 26,823
2008	383	8,905,680	211	4,684,964	5,476	154,692,846	8.7%	28,249
2009	446	9,268,740	216	4,795,982	5,706	165,826,328	7.2%	29,062
2010	508	12,798,268	221	4,907,000	5,993	179,730,384	8.4%	29,990
2011	404	10,012,165	198	4,396,317	6,199	193,851,170	7.9%	31,271
2012	325	9,795,464	204	4,529,539	6,320	202,120,582	4.3%	31,981
2013	324	11,246,955	197	4,327,990	6,447	210,027,512	3.9%	32,578
2014	370	12,415,771	219	4,821,713	6,598	219,150,070	4.3%	33,215
2015	476	13,777,204	318	6,847,464	6,756	226,019,290	3.1%	33,455
2016	384	12,746,549	237	5,562,549	6,903	237,992,528	5.3%	34,477
2017	383	9,893,931	244	6,375,641	7,042	244,768,143	2.8%	34,758
2018	402	14,905,595	220	5,976,286	7,224	258,085,328	5.4%	35,726
2019	478	17,715,050	297	8,368,302	7,405	269,263,106	4.3%	36,362
2020	455	28,634,730	308	11,614,128	7,552	277,428,698	3.0%	36,736
2021	424	16,109,924	321	8,655,976	7,655	294,130,270	6.0%	38,423
2022	384	14,364,767	273	8,500,245	7,766	309,799,134	5.3%	39,892
2023	404	15,039,143	256	8,098,656	7,914	327,189,809	5.6%	41,343
2024	408	15,343,035	280	9,709,112	8,042	340,021,059	3.9%	42,281

Solvency Test
($ in 000s)

Valuation Date	Aggregated Accrued Liabilities: Active and Inactive Members (Members Contributions)	Aggregated Accrued Liabilities: Retirees and Beneficiaries	Aggregated Accrued Liabilities: Active and Inactive Members (Employer Financed Portion)	Reported Assets	Portions of Accrued Liabilities Covered by Reported Assets: (5)/(2)	[(5)-(2)]/3	[(5)-(2)-(3)]/(4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
December 31, 2007	$ 206,090	$ 1,591,731	$ 1,117,343	$ 3,183,260	100.0%	100.0%	100.0%
December 31, 2008	221,667	1,707,599	1,146,119	2,957,506	100.0%	100.0%	89.7%
December 31, 2009	228,666	1,834,491	1,128,963	3,031,652	100.0%	100.0%	85.8%
December 31, 2010	232,727	2,041,322	1,008,077	3,027,439	100.0%	100.0%	74.7%
December 31, 2011	240,821	2,181,731	969,100	2,916,746	100.0%	100.0%	51.0%
December 31, 2012	257,716	2,250,533	1,010,107	2,846,124	100.0%	100.0%	33.4%
December 31, 2013	278,892	2,319,424	1,012,529	3,074,284	100.0%	100.0%	47.0%
December 31, 2014	301,567	2,578,071	1,124,417	3,241,053	100.0%	100.0%	32.1%
December 31, 2015	325,607	2,650,638	1,152,888	3,320,387	100.0%	100.0%	29.9%
December 31, 2016	350,646	2,770,533	1,170,623	3,451,463	100.0%	100.0%	28.2%
December 31, 2017	373,193	2,854,818	1,149,833	3,601,612	100.0%	100.0%	32.5%
December 31, 2018	392,004	2,989,597	1,145,395	3,620,319	100.0%	100.0%	20.8%
December 31, 2019	408,984	3,228,576	1,225,766	3,682,959	100.0%	100.0%	3.7%
December 31, 2020	430,411	3,312,228	1,190,247	3,747,078	100.0%	100.0%	0.4%
December 31, 2021	448,149	3,456,659	1,189,554	3,872,601	100.0%	99.1%	0.0%
December 31, 2022	467,549	3,603,830	1,205,090	3,866,412	100.0%	94.3%	0.0%
December 31, 2023	490,401	3,758,969	1,233,881	3,842,459	100.0%	89.2%	0.0%
December 31, 2024	513,897	3,872,845	1,227,739	3,757,482	100.0%	83.8%	0.0%

EXPERIENCE TABLES

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Pay Experience for Employees who are Active at Beginning and End of Year
Valuation Pay Analysis
Analyzed by Years of Service

Service Beginning of Year	Experience for 2024			
	Number	Expected Pay	Actual Pay	Ration A/E
Under 5	2,615	$ 160,604,948	$ 161,533,044	101%
5-9	1,599	112,876,393	113,303,088	100%
10-14	965	74,306,194	75,064,099	101%
15-19	770	62,358,661	62,944,140	101%
20-24	433	37,204,120	37,888,701	102%
25-29	352	28,903,154	29,228,668	101%
30 & Over	123	10,446,428	10,361,401	99%
Total	6,857	$ 486,699,898	$ 490,323,141	101%
Over 10 Years	2,643	$ 213,218,557	$ 215,487,009	101%

Service Beginning of Year	Experience for 2020-2024			
	Number	Expected Pay	Actual Pay	Ratio A/E
Under 5	10,209	$ 584,715,585	$ 600,137,058	103%
5-9	8,319	526,159,251	534,946,761	102%
10-14	4,479	313,925,979	317,704,808	101%
15-19	4,208	306,355,464	310,631,134	101%
20-24	2,759	202,829,816	204,631,531	101%
25-29	1,643	127,729,552	128,467,060	101%
30 & Over	640	53,678,352	53,355,924	99%
Total	32,257	$ 2,115,393,999	$ 2,149,874,276	102%
Over 10 Years	13,729	$ 1,004,519,163	$ 1,014,790,457	101%

Table 15

Analysis of Retirement Experience
Each Age

	2024 Retirement			2020-2024 Retirement		
Age	**Actual**	**Expected**	**Ratio A/E**	**Actual**	**Expected**	**Ratio A/E**
46	-	-	N/A	-	-	N/A
47	-	-	N/A	-	-	N/A
48	-	-	N/A	-	-	N/A
49	-	0.10	0%	1	0.90	111%
50	7	6.75	104%	22	25.85	85%
51	6	7.30	82%	23	40.45	57%
52	9	10.40	87%	45	48.30	93%
53	14	15.00	93%	49	58.40	84%
54	9	8.30	108%	41	47.95	86%
55	11	12.65	87%	60	57.60	104%
56	12	11.50	104%	59	61.00	97%
57	11	10.50	105%	71	63.45	112%
58	12	11.45	105%	57	56.50	101%
59	12	10.80	111%	54	61.00	89%
60	26	16.57	157%	135	95.71	141%
61	21	15.63	134%	83	82.41	101%
62	15	14.85	101%	77	80.06	96%
63	15	14.60	103%	68	71.53	95%
64	10	10.81	93%	49	69.92	70%
65	12	15.66	77%	81	82.77	98%
66	9	14.85	61%	68	75.49	90%
67	7	12.27	57%	56	62.49	90%
68	14	10.44	134%	47	44.24	106%
69	7	9.56	73%	28	31.92	88%
70 & Over	18	97.00	19%	98	452.00	22%
Total	257	336.99	76%	1,272	1,669.94	76%
Total Under 70	239	239.99	100%	1,174	1,217.94	96%

Table 16a

Analysis of Retirement Experience
Age Groups

Age Group	2024 Retirements			2020-2024 Retirements		
	Actual	Expected	Ratio A/E	Actual	Expected	Ratio A/E
Under 55	45	47.85	94%	181	221.85	82%
55-59	58	56.90	102%	301	299.55	100%
60-64	87	72.46	120%	412	399.63	103%
65-69	49	62.78	78%	280	296.91	94%
70 & Over	18	97.00	19%	98	452.00	22%
Total	257	336.99	76%	1,272	1,669.94	76%
Total Under 70	239	239.99	100%	1,174	1,217.94	96%

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Table 16b

Analysis of Turnover Experience

Years of Service	2024 Quits			2020-2024 Quits		
	Actual	Expected	Ratio A/E	Actual	Expected	Ratio A/E
0-4	552	536.53	103%	2,409	2,081.86	116%
5-9	132	116.86	113%	815	619.50	132%
10-14	32	30.37	105%	196	139.44	141%
15-19	25	10.87	230%	106	62.93	168%
20-24	7	3.96	177%	33	23.19	142%
25-29	1	0.51	196%	5	2.48	202%
Total	749	699.9	107%	3,564	2,929.39	122%

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Table 17

Analysis of Active Mortality Experience

	2024 Deaths			2020-2024 Deaths		
Age	**Actual**	**Expected**	**Ratio A/E**	**Actual**	**Expected**	**Ratio A/E**
20-24	0	0.05	0%	2	0.16	1222%
25-29	0	0.13	0%	2	0.54	371%
30-34	1	0.23	441%	3	1.05	284%
35-39	1	0.33	304%	7	1.54	453%
40-44	4	0.50	807%	6	2.46	243%
45-49	0	0.87	0%	7	4.27	164%
50-54	4	1.35	297%	17	6.97	244%
55-59	7	1.87	375%	18	9.80	184%
60 and Over	9	3.66	246%	36	17.17	210%
Total	26	8.96	290%	98	43.98	223%

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Table 18

Analysis of Disability Experience

	2024 Disabilities			2020-2024 Disabilities		
Age	**Actual**	**Expected**	**Ratio A/E**	**Actual**	**Expected**	**Ratio A/E**
20-24	0	0.00	0%	0	0.01	0%
25-29	0	0.03	0%	0	0.13	0%
30-34	0	0.14	0%	0	0.63	0%
35-39	0	0.31	0%	0	1.43	0%
40-44	0	0.56	0%	0	2.71	0%
45-49	0	0.98	0%	0	4.73	0%
50-54	0	1.28	0%	0	6.51	0%
55-59	0	1.42	0%	1	7.24	14%
60 and Over	0	1.25	0%	1	5.08	20%
Total	0	5.96	0%	2	28.47	7%

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Table 19

Analysis of Retiree Mortality Experience*

	2024 Experience			2020-2024 Experience		
Age	Actual	Expected	Ratio A/E	Actual	Expected	Ratio A/E
Under 60	1	2.16	46%	18	11.71	154%
60-64	12	8.36	144%	64	41.18	155%
65-69	24	17.82	135%	122	88.60	138%
70-74	40	32.33	124%	195	152.62	128%
75-79	51	42.21	121%	197	161.50	122%
80-84	59	38.73	152%	180	152.49	118%
85-89	43	33.12	130%	163	126.29	129%
90 & over	43	43.32	99%	160	160.37	100%
Total	273	218.04	125%	1099	894.75	123%

**This analysis does not include beneficiary, QDRO, or disabled deaths.*

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Table 20

ACTUARIAL METHODS AND ASSUMPTIONS

The most recent experience study was completed in conjunction with the December 31, 2019 actuarial valuation. Please see our experience study, dated June 2020, to see more detail of the rationale for the current assumptions. As authorized under Sec. 40A-9 of Chapter 40A, the actuarial methods and assumptions are established set by the Board of Trustees based upon recommendations from the Fund's actuary.

Entry Age Normal Method

The Entry Age Normal actuarial cost method is the actuarial valuation method used for all purposes under ERF. The concept of this method is that funding of benefits for each member should be affected as a, theoretically, level contribution (as a level percentage of pay) from entry into ERF to termination of active status.

The Normal Cost (NC) for a fiscal year under this method is determined as described in the prior paragraph for each individual member. The ERF NC for the year is the total of individual normal costs determined for each active member. The Actuarial Accrued Liability (AAL) under this method is the theoretical asset balance of the normal costs that would have accumulated to date based upon current actuarial assumptions. To the extent that the current assets of the fund are insufficient to cover the AAL, an Unfunded Actuarial Accrued Liability (UAAL) develops.

Actuarially Determined Contribution

The actuarially determined contribution rate is developed using an open group projection. The total contribution rate (member plus City) is the level percentage of pay needed to fund the Normal Cost for each year and pay off the UAAL over 30 years. The Current Total Obligation Rate which is the actuarially determined contribution rate incorporates debt service payments on the pension obligation bonds. It is intended that the total rate (including the debt service payments) will be level over the amortization periods. Because the normal cost is declining as Group B members replace Group A members and because the debt service will be eliminated after 2035, the contributions towards the UAAL will increases over time, with a substantial increase in 2035 when the pension obligation bonds have been paid off.

In the open group projection, the demographic assumptions are applied to the current active employees and any employees that are assumed to leave employment are replaced one for one with a new employee. Over time this results in the change of the employee group from mostly Tier A members to Tier B members. The projection is built to assume no gains or losses on the actuarial accrued liability or the actuarial value of assets. assumption). Payroll is assumed to grow at 3%.

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

New Entrant Profile

For the purposes of determining the normal cost and liabilities of future members, an open group projection is used which replaces on a one-to-one basis each active member who leaves employment with an average new hire. The average new hire is determined based on a new entrant profile, which is created from the valuation data by determining the entry age and entry pay for anyone with between one and six years of service as of the valuation date, with salaries normalized to the valuation date. A summary of the new entrant profile is shown in the table below, with 60% of the population being male. The salaries below would be applicable for the year preceding the valuation date. Future cohorts of new hires have starting salaries that are assumed to grow at the General Wage Inflation of 3.00% over the salaries of the previous year.

New Entrant Profile		
Entry Age	**# of Employees**	**Average Salary**
15-19	13	$49,264
20-24	335	50,423
25-29	543	53,756
30-34	483	57,943
35-39	386	59,546
40-44	356	62,644
45-49	314	61,241
50-54	300	60,887
55-59	219	59,551
60-64	127	62,577
65-69	13	48,056
Total	**3,089**	**$57,981**

Actuarial Value of Asset Method

The method for determining the actuarial value of assets in future years is equal to the market value of assets less a five-year phase in of the excess (shortfall) between expected investment return and actual income. The actual calculation is based on the difference between actual market value and the expected market value of assets each year, and recognizes the cumulative excess return (or shortfall) at a minimum rate of 20% per year. Each year, a base is set up to reflect this difference. If the current year's base is of opposite sign to the deferred bases, then it is offset dollar for dollar against the deferred bases. Any remaining bases are then recognized over the remaining period for that base.

For the December 31, 2024 actuarial valuation all deferred bases were fully recognized. In other words, the actuarial value of assets was set equal to the market value of assets. Beginning with the next valuation the smoothing process will start up again with no prior year bases.

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Annual Rate of Investment Return: For all purposes under the Fund, the rate of investment return is assumed to be 7.25% per annum, net of investment expenses. This rate includes an annual assumed rate of inflation of 2.50%. In addition, annual cost-of-living adjustments are assumed to occur on average at the rate of 2.50% per annum for Tier A members and 2.20% for Tier B members (due to the lower maximum on cost-of-living-adjustments).

Annual Compensation Increases: Each member's compensation is assumed to increase in accordance with a table based on actual ERF experience. Sample rates follow:

Years of Service	Merit, Promotion, Longevity	General	Total
0	5.25 %	3.00 %	8.25 %
1	4.25	3.00	7.25
2	3.25	3.00	6.25
3	2.50	3.00	5.50
4	2.00	3.00	5.00
5	1.75	3.00	4.75
6	1.75	3.00	4.75
7	1.25	3.00	4.25
8	1.25	3.00	4.25
9	1.00	3.00	4.00
10	1.00	3.00	4.00
11	1.00	3.00	4.00
12	0.75	3.00	3.75
13	0.75	3.00	3.75
14	0.75	3.00	3.75
15	0.75	3.00	3.75
16	0.75	3.00	3.75
17	0.75	3.00	3.75
18	0.50	3.00	3.50
19 & Over	0.00	3.00	3.00

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Mortality:

Disabled Lives: The gender-distinct 2019 Texas Municipal Retirees Mortality Table for males and females respectively, set forward 4 years for males and 3 years for females. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries ("Ultimate MP") and projected from the year 2019.

Sample rates as of 2024 follow (rate per 1,000), with projected mortality applied:

	Disability Mortality Rate	
Age	**Male**	**Female**
20	35	30
30	35	30
40	35	30
50	35	30
60	35	30
70	35	30
80	80	48
90	230	156

Other Benefit Recipients: The gender-distinct 2019 Texas Municipal Retirees Mortality Tables are used for males and females respectively. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries ("Ultimate MP") and projected from the year 2019.

Sample rates as of 2024 follow (rate per 1,000), with projected mortality applied:

	Mortality Rate	
Age	**Male**	**Female**
30	0.4	0.1
40	0.7	0.3
50	2.6	1.1
60	7.2	3.4
70	19.2	10.7
80	53.1	34.1
90	150.0	109.0

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Mortality, Continued:

Active Members: The PubG-2010 Employee Mortality Table for General Employees tables are used for males and females respectively. Generational mortality improvements in accordance with the ultimate rates from the scales published through 2019 by Retirement Plans Experience Committee of the Society of Actuaries ("Ultimate MP") and projected from the year 2010.

Sample rates as of 2024 follow (rate per 1,000), with projected mortality applied:

	Mortality Rate	
Age	**Male**	**Female**
30	0.3	0.1
40	0.6	0.3
50	1.3	0.7
60	2.8	1.6
70	6.1	4.2
80	15.0	11.6
90	128.7	100.8

10% of active deaths are assumed to be service related.

Disability: A client-specific table of disability incidence with sample rates follows (rate per 1,000):

Age	**Disability Rate**
30	0.1
40	0.5
50	1.2
60	2.2

20% of disabilities are assumed to be service related. There is a 0% assumption of disability for members who have over 10 years of service and are eligible for retirement.

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Retirement: Upon eligibility, active members are assumed to retire as follows (rate per 1,000):

Tier A:

Age	Male		Female	
	First Year Eligible	Thereafter	First Year Eligible	Thereafter
48-49	100	100	100	100
50	550	550	450	350
51	500	450	400	350
52	500	300	400	300
53	400	300	350	300
54	350	250	350	200
55	300	250	350	250
56	300	250	350	250
57	300	250	350	250
58-59	300	250	250	200
	Service < 18 yrs.	Service 18 yrs.+	Service < 18 yrs.	Service 18 yrs. +
60	80	230	90	200
61	90	230	90	180
62	100	230	90	200
63	100	230	150	150
64	150	230	120	130
65	150	230	120	300
66	200	230	150	300
67	200	230	250	300
68	200	230	150	300
69	200	230	150	300
70	1,000	1,000	1,000	1,000

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Retirement, Continued: Upon eligibility, active members are assumed to retire as follows (rate per 1,000):

Tier B:

Age	Male		Female	
	Service < 40 yrs.	**Service 40 yrs.+**	**Service < 40 yrs.**	**Service 40 yrs. +**
<55	10	350	10	350
55-56	20	350	20	350
57-58	30	350	30	350
59-60	40	350	40	350
61-62	50	350	50	350
63-64	60	350	60	350
65	180	600	200	450
66	200	250	250	250
67	200	250	250	250
68	200	250	150	250
69	200	250	150	250
70	1,000	1,000	1,000	1,000

*For service < 40 yrs, rates shown are for those who met the rule of 80.

Retirement of Deferred Vested Members:

All deferred vested members are assumed to commence payment at their normal retirement age, which is age 60 for Tier A members and age 65 for Tier B members.

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

General Turnover: A table of termination rates based on ERF experience as shown below.

	Terminations (per 1000)	
Years of Service	**Male**	**Female**
0	228	200
1	180	165
2	144	150
3	110	120
4	90	95
5	75	90
6	67	80
7	60	65
8	51	48
9	43	48
10	33	45
11	33	32
12	30	30
13	30	30
14	22	20
15	22	14
16	19	14
17	19	14
18	19	14
19	19	14
20	12	14
21	12	14
22	12	6
23	12	6
24	12	6
25	12	6
26 & Over	5	6

There is 0% assumption of termination for members eligible for retirement.

Refunds of Contributions: Members are assumed to choose the most valuable termination benefit.

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Operational Expenses: The amount of estimated administrative expenses expected in the next year is assumed to be equal to the prior year's expenses and is incorporated in the Normal Cost.

Marital Status: 75% of active male members and 50% of active female employees are assumed to be married.

Vacation Leave Conversions: Members with 20 or more years of service are assumed to convert unused vacation leave to 1.5 months of service. Other members are assumed to convert unused vacation leave to 1 month of service. No vacation leave conversion is assumed for disability retirement.

Spouse Age: The female spouse is assumed to be 3 years younger than the male spouse.

Payroll Growth Rate: Used to estimate the growth of future payroll. The assumption is equal to 3.00%.

Member's Pay: In determining the member's valuation salary, the greater of the prior calendar year's gross pay and the member's rate of compensation is used.

Form of Payment: For Tier A it is assumed that 60% of married active male members and 84% of married active female employees will elect a Joint & 50% Survivor form of payment. Taking into consideration the marriage assumption and the inherent subsidy in the ERF's Joint & 100% Survivor factors, the male employees are valued with Joint and 28.0% Survivor annuities and the female employees are valued with Joint and 19.5% Survivor annuities. It is also assumed that 100% of Tier B employees will elect the normal form of payment under Tier B.

Data Adjustments: Certain records are missing spousal information. For these records we use the marital status assumption and spousal age difference assumption to value these records. No other adjustments are made to the data.

Actuarial Equivalence Assumptions: for form of payment conversion and Tier B early retirement factors are based on the following assumptions:

- Interest Rate of 8.00%.
- Mortality: Unisex blend (60% male and 40% female) of the following assumptions for males and females. 109% of the RP-2000 Combined Healthy Table for males with Blue Collar adjustment projected to 2026 using improvement scale BB for males. 103% of the RP-2000 Combined Healthy Table for females with Blue Collar adjustment projected to 2026 using improvement scale BB for females.
- Cost-of-living-adjustments (COLA): a 3.00% COLA assumption for Tier A members and a 2.50% COLA assumption for Tier B members.

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Actuarial Model: This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Changes in Methods and Assumptions Since Prior Valuation: The actuarial value of assets was set equal to the market value of assets as of December 31, 2024 (in other words all deferred investment gains/losses were fully recognized as of that date). This was done in recognition of the changes made to Chapter 40-A with regards to the determination of the actuarially determined contribution rate. The normal smoothing process will start again with the December 31, 2025 actuarial valuation. No other changes to the assumptions were made.

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SUMMARY OF BENEFIT PROVISIONS
Employees' Retirement Fund of the City of Dallas
As of December 31, 2024

Membership

An employee becomes a member upon permanent employment and contributes to the Fund.

Tier A

A person who was employed by the City prior to January 1, 2017, or who was re-employed by the City on or after January 1, 2017 and whose pre January 1, 2017 credited service was not cancelled by withdrawal or forfeiture or was reinstated.

Tier B

A person who was employed by the City on or after January 1, 2017, or who was re-employed by the City on or after January 1, 2017 and whose pre January 1, 2017 credited service has been cancelled by withdrawal or forfeiture.

Contributions

Member: 37% of the current adjusted total obligation rate with a maximum rate of 14.00% for Group A members and 13.32% for Group B members. New rates effective October 1 after the valuation date.

City: 63% of the current adjusted total obligation rate plus and difference between the 37% employee share of the current adjusted total obligation rate and the actual member rates due to the maximum rates discussed above. New rates effective October 1 after the valuation date.

Definitions

Final Average Salary:

Tier A

Average monthly salary over the member's highest three years (or 36 months) of service.

Tier B

Average monthly salary over the member's highest five years (or 60 months) of service.

Credited Service: Length of time as an employee of the City of Dallas and while making contributions to the Fund.

SUMMARY OF BENEFIT PROVISIONS (cont.)

Retirement Pension

Eligibility:

Tier A

- Attainment of age 60; or
- Attainment of age 55 (if credited service began before May 9, 1972); or
- At any age after completion of 30 years of credited service with a reduced benefit before age 50; or
- Attainment of age 50, if the sum of an active member's age and credited service is at least equal to 78.

Tier B

- Attainment of age 65 and 5 years of service; or
- At any age after completion of 40 years of credited service; or
- At any age if the sum of an active member's age and credited service is at least equal to 80 (under this eligibility the member's pension will be actuarially reduced for each year prior to the age of 65 that the member retires).
- Restricted Prior Service Credit included for eligibility (if approved).

Retirement Benefits:

Tier A

The retirement benefit equals 2-3/4% multiplied by average monthly earnings multiplied by credited service limited to a maximum of 36.3636 years plus a monthly $125 health supplement (prorated for service less than 5 years).

Tier B

The retirement benefit equals 2-1/2% multiplied by average monthly earnings multiplied by credited service limited to a maximum of 40 years (no monthly health supplement).

Form of Payment:

Tier A

An unreduced pension benefit under a joint and one-half survivor option with 10 years guaranteed or a ten-year certain and life option. An actuarially equivalent joint and full survivor option is also available.

Tier B

An unreduced pension payable for life with 10 years guaranteed. Actuarially equivalent joint and survivor options (50% and 100%) are also available.

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SUMMARY OF BENEFIT PROVISIONS (cont.)

Early Retirement Factors:

Tier A

For members retiring prior to age 50 with 30 or more years of service the pension shall be multiplied by the following percentage:

Age	Percentage
49	93.3
48	87.2
47	81.5
46	76.3
45	71.5
44	67.0

Tier B

For members retiring prior to age 65 with less than 40 years of service, the pension shall be multiplied by the following percentage:

Age	Percentage	Age	Percentage
64	89.72	56	40.03
63	80.66	55	36.41
62	72.64	54	33.15
61	65.53	53	30.22
60	59.21	52	27.57
59	53.58	51	25.18
58	48.56	50	23.01
57	44.06	49	21.05

Deferred Retirement

Eligibility: Deferred retirement pension benefit commencing at age 60 for Tier A members or at age 65 for Tier B members, with at least five (5) years of credited service, and accumulated contributions are left on deposit with the Fund.

Monthly Benefit: The deferred retirement benefit is equal to the retirement pension based on earnings and credited service at the time of termination.

SUMMARY OF BENEFIT PROVISIONS (cont.)

Disability Retirement

Pension

Non-Service Disability:

- Eligibility: Five (5) years of service and totally and permanently incapacitated for duty.
- Monthly Benefit: Computed based on average monthly earnings and credited service at time of disability but not less than 10 times the percentage multiplier multiplied by the average monthly earnings.

Service Disability:

- Eligibility: Totally and permanently incapacitated from the further performance of duty as a result of injury while in the course of employment for the City.
- Monthly Benefit: Calculated as a non-service disability pension but not less than $1,000 per month.

Death Benefits

Eligibility: active or inactive members who die prior to retirement

Benefit: For members with less than 2 years of service or inactive member with less than 5 years of service: refund of the members contributions.

Benefit: For members with more than 2 years of service but less than 15 years of service: an unreduced pension to designated beneficiary for 120 months or a one-half survivor option for life with 120 payments guaranteed.

Benefit: For members eligible for retirement or members and inactive members with more than 15 years of service: an unreduced pension to designated beneficiary for 120 months or a Full Survivor option for life with 120 payments guaranteed.

Form: Benefit paid in accordance with the option on file, or the eligible option, or if no eligible beneficiary, a lump sum equivalent of 10 years of benefit payments to the member's estate.

Minimum Benefit for Service Death: For job-related death a minimum of 10 years of service used in calculation of benefit. Benefit will not be less than $1,000 per month.

SUMMARY OF BENEFIT PROVISIONS (cont.)

Return of Accumulated Contributions

A member at the time of termination is entitled to be paid accumulated contributions without interest.

Cost-of-Living Adjustments

An annual cost-of-living adjustment to the base pension benefit shall be made based on the greater of:

Tier 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
- 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%.

Tier B

- The percentage of change in the price index for October of the current year over October of the previous year, up to 3%, or
- 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 3%.

STATISTICAL SECTION







The Statistical Section provides additional historical perspective, context and detail to assist the reader using the information in the financial statements, notes to the financial statements and required supplementary information to understand the economic condition of the Plan. The schedules presented contain information on financial trends, operations, and additional analytical information on employees' membership and retirement benefits. The information in this section is obtained from Annual Comprehensive Financial Reports for relevant years, actuarial reports, and various internal sources.

Schedule of Additions by Source: Presents contributions, investment revenue and contributions as a percent of covered payroll for ten years.

Schedule of Deductions by Type: Presents benefit payments, administrative expenses and refunds for ten years.

Schedule of Changes in Net Position: Presents the increase or decrease in net position for ten years.

Schedule of Benefit Expenses by Type: Presents retiree, beneficiary, disability and supplemental benefit expenses for ten years.

Average Benefit Payment: Presents the average monthly benefit payment, average final salary, and number of retired members based on years of credited service for nine years. An additional year will be displayed as it becomes available.

Retired Members by Type of Benefit: Presents the number or retirees receiving various ranges of monthly benefit amounts. The information is further broken out by type of retirement and retirement option selected.

Average Age and Monthly Pension at Retirement: Presents the average age, average monthly pension, and average age at retirement based on status (members only, members and survivors, and survivors only).

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SCHEDULE OF ADDITIONS BY SOURCE

($ in thousands)

Year Ending	Member Contributions	Employer Contributions	% of Annual Covered P/R	Investment Income	Investment Professional Expenses	Other Income	Total Increases
2015	$50,742	$50,721	13.2	($35,158)	($18,185)	$162	$48,282
2016	53,436	56,130	13.9	310,730	(15,812)	333	404,817
2017	55,175	58,966	14.4	430,396	(16,886)	207	527,858
2018	56,772	60,924	14.4	(150,098)	(17,685)	121	(49,966)
2019	58,314	62,177	14.3	569,071	(18,129)	301	671,734
2020	58,358	61,615	14.2	246,936	(17,915)	84	349,078
2021	59,256	63,584	14.1	599,003	(21,074)	81	700,850
2022	63,427	67,288	14.1	(349,377)	(19,621)	69	(238,214)
2023	70,025	73,939	14.1	360,517	(20,924)	285	483,842
2024	74,831	80,782	13.9	344,637	(19,965)	257	480,542

SCHEDULE OF DEDUCTIONS BY TYPE

($ in thousands)

Year Ending	Benefit Payments	Administrative and Depreciation Expenses	Refunds	Total Deductions
2015	$235,106	$4,594	$4,854	$244,554
2016	243,775	5,343	5,864	254,982
2017	253,534	5,951	8,156	267,641
2018	263,981	7,485	8,515	279,981
2019	278,007	7,513	10,436	295,956
2020	287,465	6,091	6,857	300,413
2021	296,586	7,349	10,452	314,387
2022	317,528	9,035	12,158	338,721
2023	328,296	10,024	12,700	351,020
2024	348,938	10,855	12,369	372,162

SCHEDULE OF CHANGES IN NET POSITION

($ in thousands)

Year Ending	Change in Net Position
2015	($196,277)
2016	149,835
2017	259,392
2018	(329,947)
2019	375,775
2020	48,665
2021	386,462
2022	(576,935)
2023	132,822
2024	108,380

SCHEDULE OF BENEFIT PAYMENTS BY TYPE

($ in thousands)

Year Ending	Retiree	Beneficiary	Disability	Supplement	Total
2015	$214,343	$6,101	$4,908	$9,754	$235,106
2016	220,979	7,926	4,884	9,986	243,775
2017	229,843	8,317	5,194	10,180	253,534
2018	240,186	8,276	5,109	10,410	263,981
2019	253,635	8,640	5,046	10,686	278,007
2020	263,182	8,436	4,947	10,900	287,465
2021	271,984	8,682	4,823	11,099	296,588
2022	288,006	13,336	4,924	11,262	317,528
2023	305,307	6,632	4,901	11,456	328,296
2024	321,994	10,472	4,831	11,641	348,938

AVERAGE BENEFIT PAYMENT

As of December 31, 2024

Retirement Effective Dates	Years of Credited Service						
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+
Period 01/01/2023 to 12/31/2024							
Average monthly benefit	$584.72	$951.60	$1,886.17	$2,585.11	$3,866.57	$4,536.38	$6,469.45
Average final average salary	$6,742.54	$4,476.86	$5,679.52	$5,348.92	$6,300.34	$6,343.83	$7,327.23
Number of retired members	3	47	36	62	65	69	30
Period 01/01/2022 to 12/31/2023							
Average monthly benefit	$555.95	$1,018.13	$1,729.63	$2,581.71	$3,346.25	$4,514.87	$7,371.77
Average final average salary	$7,553.71	$4,944.93	$3,061.69	$5,594.58	$5,453.90	$6,157.80	$8,285.17
Number of retired members	2	49	46	70	65	56	38
Period 01/01/2022 to 12/31/2022							
Average monthly benefit	$359.97	$832.04	$1,625.48	$2,431.09	$3,435.22	$4,640.07	$5,828.64
Average final average salary	$4,544.98	$4,522.27	$4,660.34	$5,260.12	$5,611.51	$6,754.08	$6,455.67
Number of retired members	7	42	43	49	68	54	26
Period 01/01/2021 to 12/31/2021							
Average monthly benefit	$512.73	$883.59	$1,662.03	$2,390.70	$3,315.48	$4,346.92	$5,826.24
Average final average salary	$7,266.21	$4,589.03	$5,013.79	$5,013.79	$5,478.37	$5,986.19	$6,592.88
Number of retired members	2	48	48	41	86	61	36
Period 01/01/2020 to 12/31/2020							
Average monthly benefit	$412.15	$1,088.17	$1,544.86	$2,473.03	$3,156.40	$4,068.53	$6,084.19
Average final average salary	$3,980.24	$4,261.10	$4,162.30	$4,874.51	$5,077.47	$5,615.31	$6,554.32
Number of retired members	13	39	37	43	93	39	44
Period 01/01/2019 to 12/31/2019							
Average monthly benefit	$411.49	$868.60	$1,559.50	$2,554.02	$3,007.07	$4,360.05	$5,478.80
Average final average salary	$4,573.78	$3,200.67	$3,625.18	$4,812.60	$4,531.23	$5,776.53	$6,132.39
Number of retired members	13	50	51	56	106	68	39
Period 01/01/2018 to 12/31/2018							
Average monthly benefit	$452.84	$901.30	$1,727.75	$2,169.69	$3,120.36	$4,181.67	$5,731.43
Average final average salary	$2,312.10	$2,700.97	$4,721.44	$3,588.84	$5,033.05	$5,807.68	$6,395.12
Number of retired members	18	28	43	47	65	62	55
Period 01/01/2017 to 12/31/2017							
Average monthly benefit	$395.27	$840.28	$1,456.48	$2,422.33	$3,365.92	$4,441.36	$5,039.49
Average final average salary	$4,260.11	$1,821.11	$3,470.15	$4,985.34	$5,366.59	$6,123.49	$5,798.23
Number of retired members	12	41	51	44	53	56	37
Period 01/01/2016 to 12/31/2016							
Average monthly benefit	$325.38	$762.64	$1,487.94	$2,427.06	$2,488.97	$4,170.49	$4,974.11
Average final average salary	$4,289.71	$3,561.23	$4,840.13	$5,273.92	$4,942.79	$5,650.83	$5,719.72
Number of retired members	20	37	40	65	45	50	65
Period 01/01/2015 to 12/31/2015							
Average monthly benefit	$144.71	$882.40	$1,364.61	$2,125.58	$3,025.21	$4,105.72	$4,922.06
Average final average salary	$3,346.57	$4,697.46	$4,059.07	$4,581.92	$4,947.81	$5,592.10	$5,691.11
Number of retired members	4	33	24	50	46	62	57

RETIRED MEMBERS BY TYPE OF BENEFIT

As of December 31, 2024

Amount of Monthly Benefits		Type of Retirement							Option Selected			
		1	2	3	4	5	6	7	#1	#2	#3	#4
$1	$250	61	0	20	0				19	35	23	5
$251	$500	151	1	96	0			10	31	142	61	24
$501	$750	237	2	85	3		5	13	37	192	92	23
$751	$1,000	250	5	73	19		14	9	46	212	91	21
$1,001	$1,250	241	5	78	2	2	6	13	53	184	90	22
$1,251	$1,500	231	4	85	1	9	10	3	68	173	77	24
$1,501	$1,750	241	6	75		8	10	5	74	155	110	12
$1,751	$2,000	257	5	84		8	6	4	87	152	111	15
over	$2,000	4,919	81	523		9	31	26	1,432	2,499	1,622	28
Total		**6,588**	**109**	**1,119**	**25**	**36**	**82**	**83**	**1,847**	**3,744**	**2,277**	**174**

a) Type of Retirement

1) Normal retirement

2) Early retirement

3) Beneficiary payment, normal or early retirement

4) Beneficiary payment, service connected death

5) Service connected disability retirement

6) Non-Service connected disability retirement

7) Beneficiary payment, disability retirement

b) Option Selected

1) Joint & 100%- beneficiary receives 100% of member's benefit

2) Joint & 50%- beneficiary receives 50% of member's benefit

3) 10 Year Certain- beneficiary receives member's unused benefits

4) QDRO retirement

AVERAGE AGE AND MONTHLY PENSION AT RETIREMENT

As of December 31, 2024

Status	Average Age	Average Pension	Average Age at Retirement
Members Only	71	$3,879	58
Members and Survivors	73	$3,480	N/A
Survivors Only	75	$3,081	N/A

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EMPLOYEES' RETIREMENT FUND
OF THE CITY OF DALLAS



A COMPONENT UNIT OF THE CITY OF DALLAS, TX

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