

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
DALLAS COUNTY, TEXAS**



**REPORT FOR THE YEAR ENDED  
SEPTEMBER 30, 2013**

**DALLAS COUNTY, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the fiscal year ended

September 30, 2013

Prepared by:  
Virginia Porter, CPA  
Dallas County Auditor  
509 Main Street, Room 407  
Dallas, Texas 75202

**DALLAS COUNTY, TEXAS**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2013

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**INTRODUCTORY SECTION**  
(Unaudited)



**DALLAS COUNTY  
COUNTY AUDITOR**

March 31, 2014

Honorable District Judges of Dallas County and  
Honorable Members of the Dallas County Commissioners Court:

State law, V.T.C.A. Local Government Code 114.025 and 115.045, requires issuance of an annual financial report and an annual independent audit of all matters relating to fiscal affairs of the County. Pursuant to those requirements, we hereby release the comprehensive annual financial report of the County of Dallas for the fiscal year ended September 30, 2013.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Accounting requirements for Governmental Accounting Standards Board (GASB) Statement Numbers 60-63, 65 and 69 were implemented in FY2013; however, only GASB 63 and 65 had an effect on the County's financial statements. These statements are explained on page 35 of the Notes. Implementation required analysis of financial sources and uses and redefinition of outflows and inflows as a measure of Net Position. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the basic financial statements will be free from material misstatement. Responsibility for internal controls is shared by Commissioners Court, which is the governing body; the County Auditor, (appointed by the District Judges); the Office of Budget and Evaluation (appointed by Commissioners Court); and, the County Treasurer (an elected position). We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's basic financial statements have been audited by KPMG, LLP. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County, for the fiscal year ended September 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The introduction includes this transmittal letter, the County's organizational chart and a list of principal officials. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The financial section also includes government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information and the combining and individual fund financial statements and schedules in addition to the report of the independent auditors on the financial statements and schedules. The statistical section of this report includes selected financial and demographic information, which is generally presented on a multi-year basis.

## **PROFILE OF DALLAS COUNTY**

The County is located in north central Texas, and is strategically central to the economic region of Texas, Louisiana, Arkansas, Oklahoma, and New Mexico, as well as centrally located within the United States. The County region was opened for settlement by the Mexican colonization laws and was included in an empresario grant before 1836, but actual settlement was delayed until 1841. The first Texas legislature created the County from parts of Robertson and Nacogdoches counties on March 30, 1846, and designated the town of Dallas (a post office since 1844) as a temporary “Seat of Justice.” The act does not state whom the County’s name honors; it probably was George M. Dallas, then vice president of the United States. Two elections were held in 1850 to fix the city of Dallas as the permanent county seat. The County encompasses an area of 900 square miles. The 2010 census reported population for the County of 2,368,139. The County has participated in building 36.2 miles of trails for the public. The County is a public corporation and political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners Court sets the tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the County Auditor. The Commissioners Court is also responsible for development of policies and orders, approving financial commitments and appointment of various department heads. The management and leadership provided by members of the Commissioners Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth. The commissioners serve on various boards and committees including the Dallas County Criminal Justice Advisory Board, Bail Bond Task Force, the DWI Task Force, North Texas Behavioral Health Authority (NTBHA), Greater Dallas Homeless Policy Alliance, Public Employee Benefits Cooperative (PEBC), Prostitute Diversion Initiative (PDI) and an alternate for the Regional Transportation Committee, Dallas County Civil Service Commission, Jail Population Committee, Dallas County Juvenile Board, Jail Sanitation and Maintenance Committee, Dallas County and Housing Finance Corporation, Public Health Advisory, Bioterrorism and Safety, State Judicial Committee on Information Technology of the Texas Supreme Court, the Regional Transportation Council, the Texas Conference of Urban Counties, Behavioral Health Leadership Team, and Civil Service Committee.

The County Auditor is appointed according to Texas State Statutes for two-year terms by the District Judges. The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County, certifying available funds for county budgets, and “examining, auditing, and approving” all disbursements from County funds prior to their submission to the Commissioners Court for approval. It is the Auditor’s duty under statutory mandates to determine if claims are in conformance to laws governing county finance and to audit records of precinct offices that collect funds. The Auditor presents status of audit risk assessments to the Finance Committee and publishes final audit reports on the web. The Commissioners Court has vested accounts payable and payroll processing functions with the County Auditor. Additionally, the County Auditor serves as Chief Financial Officer for federal and state financial award programs; Juvenile Programs and Adult Probation Departments.

Financial management controls regarding banking and investment are managed by the County Treasurer, an elected position. The Treasurer chairs the County Finance Committee and submits for annual recertification an official investment policy. Budget authority, control over purchasing transactions, and human resource management are assigned to directors appointed by Commissioners Court. Policy and procedures are developed according to sound business practices and in strict conformance to federal and local financial statutes.

The County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local governmental units. A primary service is the administration of justice, which includes the civil and criminal county and district courts, justices of the peace, constables, district attorney, investigators, clerks of the courts, sheriff, jail, security and emergency management, medical

examiner, crime laboratory and grand jury bailiffs. Other functions performed by the County include the construction and maintenance of roads and bridges, either independently or in cooperation with other entities; administration of public health services; assistance to indigents; and the provision of juvenile, health, education and welfare services involving the care and correction of dependent or delinquent children, as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's planning and control. Budget workshops are hosted periodically by the Office of Budget and Evaluation with the final budget approved by the Commissioners Court in accordance with statutory guidelines. Potential loss of state and federal funds is considered in developing the budget. Ongoing review of federal mandates for sequestration were completed in fiscal 2013. The final budget includes contingency and emergency reserves line items. The General fund unassigned reserves are addressed in budget policies, targeted at 10.5% of current expenditures, and used to smooth uneven revenue flows. Cost savings initiatives of recent years have been positive and pay raises were approved for 2013 after a four-year hold on salaries. Encumbrances are carried forward to the subsequent year. Unencumbered appropriations for the general fund lapse at fiscal year-end. The Commissioners Court has committed funds for major technology projects and major capital development. Any available budget for these committed funds is carried forward annually for those specific purposes. Most appropriated budgets are prepared by fund, function, department, and category. Capital expenditures for general operations are approved on a line item basis but a multi-year approved capital improvement plan is utilized to track major capital projects. All budget transfers between departments and/or projects must follow statutory approval processes. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. Budgets funded by federal and state financial assistance are authorized individually on application and acceptance of awards by order of the Commissioners Court.

Another governmental unit is included in the County's reporting entity because the County's governing body appoints the board, sets tax rate and operational and financial relationship with the County is significant.

**Discretely Presented Component Unit** - The Dallas County Hospital District (the District) is under the direction of a seven-member board of managers who are appointed by the Commissioners Court. Although the Commissioners Court approves the District's budget, sets its tax rate, and approves major contracts, the District is an organization separate from the County. These factors dictate the inclusion of the District in the County's financial statements. According to the Texas Constitution, the hospital district, not the county, is responsible for the district's ongoing debt payments regardless of any future financial/economic events. The District's financial data is presented separately to emphasize that it is legally separate from the County. The District operates under different statutory and constitutional authority. The District also has a separate constitutional tax limitation, the independent power of eminent domain and the individual right of ownership of property. The District maintains a medical facility, which provides service to indigents residing within the District and serves as the major teaching hospital for the University of Texas Southwestern Medical School. The hospital is a Level I Trauma Center, a Level III Neonatal Intensive Care Unit and a regional burn center.

## **Local Economy**

The Dallas Metropolitan area is headquarters for many Fortune 500 companies representing a diversified economy which includes technology, retail, manufacturing, and services. The area also reflects art, fashion, and entertainment. It is the site of a district Federal Reserve Bank. Together with the Ft. Worth Metropolitan area, Dallas-Ft. Worth (DFW) comprises the nation's fourth largest urban economy (U.S. Department of Commerce, BEA). The area enjoys relatively low taxes with no personal or corporate state income tax and maximum state and city sales tax of 8.25%.

The benefits component of compensation costs continued to increase in DFW metropolitan area according to U.S. Bureau of Labor statistics. The local unemployment rate dropped from 6.2% to 6.1%. Dallas home prices



increased 9.0% in September from a year earlier, according to S&P Case-Shiller Home Price Index. Construction starts for apartment buildings, offices, and warehouse locations are strong. Economic declines noted for the top 10 employers and taxpayers were noted in banking, telecom, and food industries. The combined appraisal value of the 10 largest taxpayers total 3.63% of the County's total 2012-2013 appraised value. A schedule listing the 10 largest taxpayers can be found in statistical sections of this report. Research indicates the number of Dallas-area homes posted for foreclosure has fallen to the lowest level in a decade. The Federal Open Market Committee has maintained the target range for federal fund rates at 0% - .25% since December 2008.

County business planning continues to address performance and reliability of jail operations and transportation systems. Significant budgetary challenges are housing needs for the homeless, insurance/hospital options for the employees, and inmate housing/care. The County and surrounding cities are focusing on transportation and infrastructure. Walking trails are championed for alternate transportation as well as community use areas. In Dallas, approximately 1.8% of commuters walk to work. Budget initiatives reflect ongoing focus for public safety (success with jail certification), transportation funding (cooperative City projects) and inmate health/security (overcrowding). Management initiatives and tight budget controls have resulted in strong general fund reserves while achieving success with long-term goals (jail medical facility and road maintenance).

**Long-term Financial Planning** – The County's Strategic Plan (2007 – 2017) adopted in 2007 outlines planning and documentation of all County issues.

Financial planning is affected by the adopted strategies:

- Development of a proactive public policy agenda that continues to be friendly to businesses and meets the needs of Dallas County stakeholders.
- Maintenance of a strong, seamless infrastructure, including systems, processes, and programs.
- Tracking and marketing Dallas County's natural resources and assets – locally, regionally, statewide, and nationally.

The County maintains a five-year Capital Improvement Plan as a significant budget tool. The Capital Improvement Plan consists of those items whose long useful lives distinguish them from recurring operational items. The Major Capital Development Fund (MCDF) provides a funding mechanism as an alternative to debt financing for major projects. The MCDF receives property tax funding and is used to fund large capital projects similar in nature to projects funded by the County through bonds. The MCDF has three categories of projects: transportation, parks and open space, and buildings. Revenue projections are expected to replenish reserves for future use. In accordance with the Major Capital Plan, a percentage of assessed taxes is devoted to large scale capital projects. A total of 4.5 cents per hundred for tax rate is committed to combined Debt Service and MCDF.

The Major Technology Fund receives dedicated property taxes and is used to fund long-term objectives related to computer technology. The dedicated tax rate of 1.36 cents per \$100 valuation remains relatively consistent year-to-year. Funded projects include statewide initiatives to develop technology programs, Microsoft licensing and various business management systems.

Another property tax funded program, the Permanent Improvement Fund, managed by the Facilities Management Department, is largely utilized to maintain the integrity of the County's buildings.

Risk management and self-insurance with stop loss policies for medical, workers' compensation, and property continue to be effective. Various actuarial studies are periodically performed to aid in financial planning. Cost increases incurred by the County for medical claims are significantly less than industry averages. Cost sharing formulas for establishing the premium are reviewed annually. Focus remains on providing high level care for employees of reasonable rates, but components of the plan will be addressed for the 2016 effective date of the Affordable Health Care Act.

Major initiatives – County programs were addressed emphasizing public safety and transportation while focusing on minimizing any need for increasing property tax rates, as well as implementing cost reduction measures. Significant health safety issues were addressed with decisions to allow mosquito control through aerial spraying for a West Nile epidemic. The public safety emphasis includes a project to add an in-house jail medical/mental health facility to the County jails replacing most of the current medical and mental health services, as well as on-going technology enhancement projects for criminal and civil courts. Technology enhancements included access management controls, partnering with other Texas entities to build judicial tracking systems, evaluate upgrade options for financial systems and justice courts, and expanding e-commerce options, while maintaining strong PCI compliance. IT strategies focus on efficiencies and application security.

#### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dallas County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last 32 consecutive years (fiscal years ended 1981 through 2012). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The preparation of the CAFR on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the County Auditor's Office. We express our appreciation to all the members of the office who assisted in and contributed to its preparation. Additionally, credit must be given to the County Treasurer, Directors of the Office of Budget and Evaluation, Human Resources, Purchasing, and Public Works for verification and review of key elements of the financial report.

We also thank the members of the Commissioners Court and their staff, and all other County officials and employees who have given their support in planning and conducting the financial operations of the County in a responsible manner.

Respectfully submitted,



Virginia Porter, CPA  
County Auditor



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

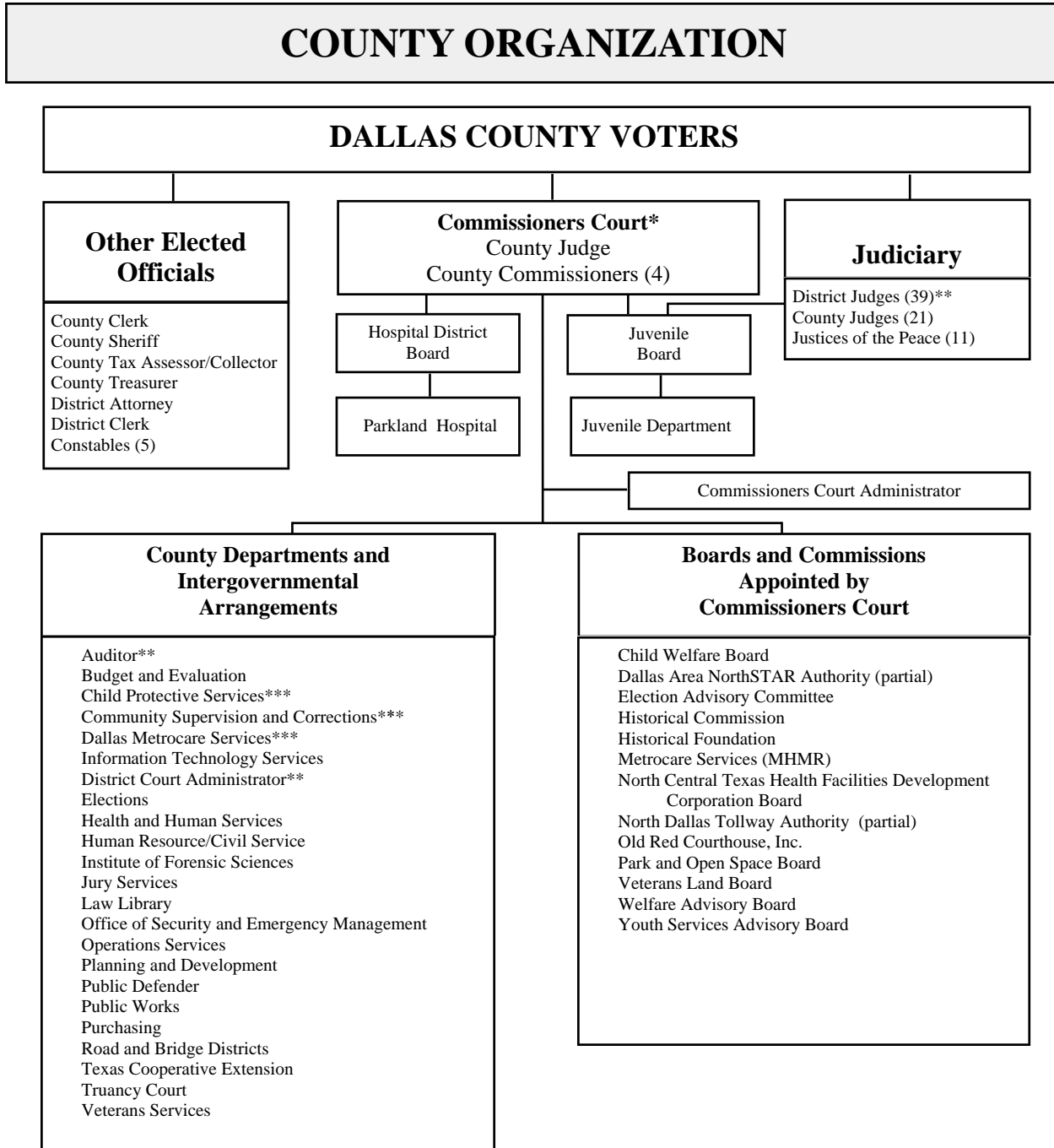
**Dallas County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

# COUNTY ORGANIZATION



\* Members of the Commissioners Court serve on the following boards and committees: Texas Jail Standards Commission, Texas Juvenile Probation Commission, Dallas County Juvenile Board, National Association of Counties (NACO), Deferred Compensation Committee, NACO Large Urban Counties Caucus, Texas Conference of Urban Counties Chair, Texas Association of Regional Councils, IH635 Coordination Committee, North Central Texas Council of Governments (NCTCOG) Board, Dallas Regional Mobility Coalition, Public Health Advisory Board, North Texas Commission, DFW Partners in Mobility, Regional Transportation Council, NCTCOG Air Carrier Policy Council, Loop 9 Policy Advisory Group, Texas 21 Statewide Transportation Coalition, Mental Health Task Force, Dallas County DWI Task Force, Community Justice Council, Dallas County Housing Finance Corporation, Dalhoma Trail Advisory Committee, Dallas County Civil Service Commission, and Public Employee Benefit Cooperative Board.

\*\* The 39 District Judges appoint the County Auditor, the District Court Administrator, and participate in selecting the Directors of the Juvenile Department and the Community Supervision and Corrections Department.

\*\*\* CSCD, CPS and Dallas Metrocare Services (formerly Dallas County MHMR) are independent agencies with important County programmatic connections.

**DALLAS COUNTY, TEXAS**

**Principal Officials**

As of September 30, 2013

<b>Official Title</b>	<b>Incumbent</b>
County Judge	Clay Lewis Jenkins
Commissioner, Precinct 1	Dr. Theresa Daniel
Commissioner, Precinct 2	Mike Cantrell
Commissioner, Precinct 3	John Wiley Price
Commissioner, Precinct 4	Dr. Elba Garcia
County Auditor	Virginia Porter
County Treasurer	Joe Wells
Assessor-Collector of Taxes	John R. Ames
County Clerk	John Warren
District Attorney	Craig Watkins
District Clerk	Gary Fitzsimmons
Sheriff	Lupe Valdez

# **FINANCIAL SECTION**



KPMG LLP  
Suite 3100  
717 North Harwood Street  
Dallas, TX 75201-6585

## Independent Auditors' Report

The Honorable County Judge and Commissioners Court  
Dallas County, Texas:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Dallas County, Texas (the County), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Dallas County Hospital District for the year ended September 30, 2013, which represent all of the assets, net assets, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dallas County Hospital District, are based solely on the report of the other auditor.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Dallas County, Texas, as of September 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

### ***Emphasis of Matter***

As discussed in note 1 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statements No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and No. 65 *Items Previously Reported As Assets and Liabilities*, as of October 1, 2012.

### ***Other Matters***

#### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that the management's discussion and analysis, the budgetary comparison schedules, infrastructure assets under modified approach, and the schedules of funding on pages 13–25 and 92–101 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the combining financial statements, the budget and actual in the supplementary information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, the combining financial statements, the budget and actual schedules in the supplementary information, and the statistical section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and the budget and actual schedules in the supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

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





**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

KPMG LLP

March 31, 2014

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DALLAS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Primary Governmental Activities  
(Unaudited)

This management discussion and analysis (MD&A) of Dallas County (County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2013. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements. *All amounts, unless otherwise indicated, are expressed in thousands of dollars.* The MD&A includes comparative data for the prior year.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- The government-wide financial position declined \$17,060 in net position from the previous year. The total net position is comprised of:
  - 14.60% - restricted by external regulators
  - 0.35% - restricted for debt
  - (3.63%) - unrestricted net asset funds that may be used to meet on-going obligations to citizens and creditors (negative due to unfunded OPEB liability)
  - 88.68% - amounts invested in capital assets, net of related debt
- Major factors contributing to change in net position are:
  - sale of bonds (\$40,248) to fund construction contracts with current year capital outlay of \$54,018
  - increasing liability for other post-employment benefits
  - pay increases of 4%, approximately \$12,000
- Unearned taxes based on the 2013 levy embody a flat tax rate and a 4.1% increase in the assessed taxable value after qualified exemptions for real and business personal property.

Governmental Funds Financial Statements

- The County's governmental funds reported combined fund balances of \$396,804; compared to \$371,513 of prior year. Components of fund balances are:
  - 1.03% - non-spendable: inventories and prepaids
  - 1.77% - restricted to major grants
  - 30.28% - restricted to special projects
  - 0.71% - restricted to debt service
  - 40.88% - committed major projects
  - 3.36% - committed special projects
  - 1.71% - assigned general fund
  - 20.26% - unassigned general fund
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$80,371 or 18.4% of general fund expenditures. This represents a \$2,327 increase compared to the prior fiscal period.
- Tax revenues realized during the period increased, reflecting an increase in taxable value, and strong collection experience.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** *The government-wide financial statements* are designed to provide readers with a broad overview of the County's finances in a manner similar to private sector business. They present the financial picture of the County from an economic resources measurement focus using full accrual basis of accounting. These statements include all assets of the County (including infrastructure), as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred in regards to inter-fund activity, payables and receivables.

The *statement of net position* presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources for the County and its component unit. Components of net position exclude fiduciary accounts. Increases or decreases in net position contrasted with budgetary decisions serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year using full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, public safety, highways and streets, public welfare, health, judicial, and education.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. In particular, unrestricted, unassigned, assigned, and committed fund balances may be useful in evaluating the County's near-term financing requirements.

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

The County maintains 27 individual governmental funds (excluding fiduciary funds), 20 special revenue funds, two capital project funds, one Debt Service Fund, one Major Grants Fund, one Major Projects Fund, one Internal Service Fund and the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Major Projects Fund, and Major Grant Fund which are classified as major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this Comprehensive Annual Financial Report (CAFR).

**Proprietary funds.** *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund (a type of proprietary funds) is used to report activities that provide supplies and services for other programs and activities – such as the County’s self-insurance program (including workers’ compensation) and employee benefits. Because these services predominantly benefit government rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements.

**Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. The County’s fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County’s other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning infrastructure assets reported using the modified approach, pension, and OPEB benefits for the County and its component unit, and general fund and major special revenue fund budgetary schedules.

**Discretely Presented Component Unit.** The Dallas County Hospital District (District) is under the direction of a seven-member board of managers who are appointed by the Commissioners Court. Although the Commissioners Court approves the District’s budget, sets its tax rate, and approves major contracts, the District is an organization separate from the County. These factors dictate the inclusion of the District in the County’s financial statements. The County, however, does not have financial responsibility for the District’s debt. The District’s financial data is presented separately to emphasize that it is legally separate from the County. The District operates under different statutory and constitutional authority. Only the dissolution of the District by a vote of the County’s voters would terminate the District’s responsibility to provide health care to its indigent eligible residents. The District also has a separate constitutional tax limitation, the independent power of eminent domain, and the individual right of ownership of property.

Complete financial statements for the District may be obtained from:

Parkland Health & Hospital System  
5201 Harry Hines Boulevard  
Dallas, Texas 75235  
ATTN: Ted Shaw  
Executive Vice President & Interim Chief Financial Officer

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County's net position at September 30, 2013 and 2012 are summarized as follows:

Dallas County's Net Position			
<u>Governmental Activities</u>			
	<u>2013</u>	<u>2012</u>	Increase (Decrease)
Current and other assets	\$ 884,472	\$ 839,738	\$ 44,734
Capital assets (net of depreciation)	542,472	505,757	36,715
Total assets	<u>1,426,944</u>	<u>1,345,495</u>	<u>81,449</u>
Deferred outflow of resources	<u>404</u>	<u>1,277</u>	<u>(873)</u>
Current and other liabilities	73,173	66,387	6,786
Long-term liabilities	414,729	339,839	74,890
Total liabilities	<u>487,902</u>	<u>406,226</u>	<u>81,676</u>
Deferred inflow of resources	<u>392,963</u>	<u>377,003</u>	<u>15,960</u>
Net investment in capital assets	484,639	454,302	30,337
Restricted	81,686	78,434	3,252
Unrestricted	<u>(19,842)</u>	<u>30,807</u>	<u>(50,649)</u>
Total net position	<u>\$ 546,483</u>	<u>\$ 563,543</u>	<u>\$ (17,060)</u>

The current financial reporting model focusing on net position serves as a useful indicator of a government's financial position. Categories of net position are unrestricted, subject to external restrictions as to how they may be used, or invested in capital assets less any related outstanding debt used to acquire those assets. Despite \$40,248 in bond sales, related debt remains low consistent with strategic planning. Increases of long-term liabilities continues to reflect an increasing other post-employment benefit cost (OPEB). The County's unrestricted category is impacted by the OPEB liability of \$236,194, which is unfunded and asserted as not mandated according to Texas statutes. Current year gains for operational decisions partially offset the OPEB shortfall resulting in a \$17,060 decrease in net position.

The largest portion of net position reflects investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related and outstanding debt used to acquire those assets. Current activity for capital assets reflects increases in construction in progress for major building improvements and purchases of machinery and equipment. The County uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although investments in capital assets are reported net of related debt and the County's philosophy is "pay-as-you-go," it should be noted that the resources needed to repay any necessary debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of net position represents resources that are subject to external restrictions on how they may be used. Restrictions on net position include statutory requirements, bond covenants, and grantor conditions.

Current period activity reflects significant transportation spending for prior commitments. The remaining balance of *unrestricted net position* is negative due to an OPEB liability of \$236,194.

The Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds on page 30 provides further details of the decrease in net position of \$17,060 as indicated on page 27.

**Governmental activities.** Program revenues and expenses are presented net of inter-fund eliminations. Key elements for the years ended September 30, 2013 and 2012 are as follows:

Dallas County's Changes in Net Position

	2013	2012	Increase (Decrease)
Revenues:			
Net program revenues:			
Charges for services	\$ 154,875	\$ 145,846	\$ 9,029
Operating grants and contributions	125,456	133,970	(8,514)
General revenues:			
Property taxes	370,052	366,998	3,054
Other taxes	25,961	21,300	4,661
Grants and contributions not restricted	2,115	1,392	723
Investment earnings	1,078	3,259	(2,181)
Insurance proceeds net of insurable loss	-	57	(57)
	<u>679,537</u>	<u>672,822</u>	<u>6,715</u>
Expenses:			
General government	156,248	149,009	7,239
Judicial	147,927	133,061	14,866
Public safety	236,798	222,386	14,412
Highways and streets	23,756	27,349	(3,593)
Health	48,216	50,924	(2,708)
Education	9,009	9,340	(331)
Public welfare	70,960	76,449	(5,489)
Interest on long-term debt	3,683	4,681	(998)
	<u>696,597</u>	<u>673,199</u>	<u>23,398</u>
Change in net position	(17,060)	(377)	(16,683)
Net position - beginning	563,543	563,920	(377)
Net position - ending	<u>\$ 546,483</u>	<u>\$ 563,543</u>	<u>\$ (17,060)</u>

## General Revenues and Program Revenues

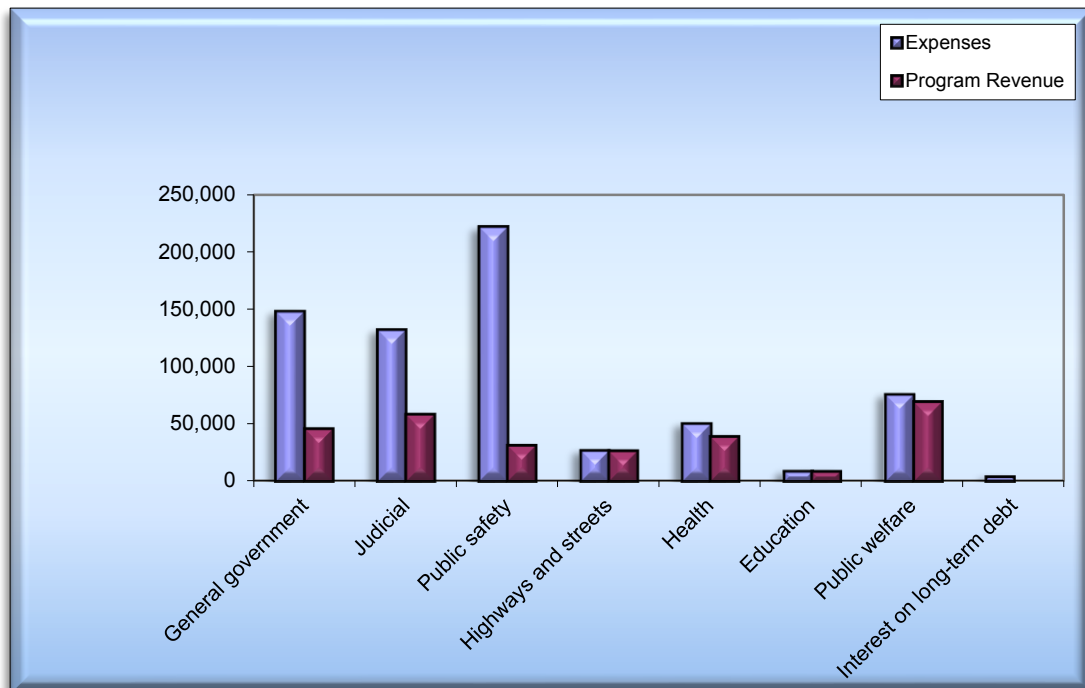
General revenues are revenues that are not assigned to support a specific function, but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes, other tax related revenues, interest earned from investments, and miscellaneous income.

- Property taxes increased by \$3,054 during the year. The change is due to increased taxable assessed values of 1.41% with a flat tax rate.
- General revenues include a \$3,080 increase due to taxes collected on increasing vehicle sales.
- Program revenues reflect decrease of \$8,000 for Judicial and Public Welfare awards, increase of \$3,000 for inmate reimbursements, \$3,000 for traffic cost reimbursements, and \$2,500 for other engineering fees.

The tax rate assessed for January 1, 2013, valuation date remained flat at 24.31 cents per \$100. Tax values for that period increased 4.1%. (Property taxes levied prior to year-end are reflected as unearned revenue and taxes receivable.)

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## **Expenses and Program Revenues – Governmental Activities – FY2013**



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Net functions/program costs include revenue generated from a particular service and costs of the function. For FY2013, the net (expense) revenue was (\$416,266) compared to (\$393,383) in FY2012.

- Salaries increased with a 4% merit pool and pension costs increased 0.8% on January 1 for all levels and in all functions.
- Medical claims increased 7.6% for all coverage types of the County's self-funded insurance program.
- General government – Charges for Proprietary Fund services (insurance) are expensed by the Governmental Funds. Potential future impact of reported loss is generally due to actuarially determined OPEP liability.



- Judicial – Increases are primarily salaries and benefits, attorney costs for juvenile cases, and development of improved court management system.
- Public Safety – Increases are primarily salaries/benefits and inmate jail related costs.
- Highways and Streets – expenses decreased to previous spending level, reducing matching transportation dollars for local entities.
- Public welfare – Grant funded activity was reduced due to sequestration.
- Debt service (interest payments) – decreased consistent with a goal of reducing debt service through combination of refinancing and repayment of debt.

## FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted, the County uses *fund accounting* to ensure and demonstrate compliance with finance related legal requirements. Fund accounting budget controls and fiscal responsibility are the framework of the County's strong fiscal management and accountability.

**Governmental funds.** The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, *unrestricted, unassigned, assigned, restricted, and committed fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County's aggregate governmental fund balance increased \$25,291 in the current fiscal year to \$396,804. Increases were noted for all funds except the Debt Service fund. The more significant increase was realized in the special/capital project funds and was due to a bond sale. Tax revenues increased \$3,785 due to increasing property tax values.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$80,371 in contrast to \$78,044 in the prior year. Total fund balance is \$90,951. Increased costs were realized in public safety functions offset by receipt of higher reimbursement rates for inmates and court activity. As a measure of the General Fund's liquidity, County management has a budgetary target of unassigned fund balance to total fund expenditures (excluding other financing uses) of 10.5%. The budget incorporates maximum anticipatory spending with expectations that management controls will minimize actual costs. FY2013 reflects unassigned fund balance to total fund expenditures (excluding other financing uses) at 18.4%.

In FY2013, the Debt Service fund balance reflects declining requirements as long-term debt is repaid offset with new short-term borrowings. A tax rate increase of 0.13 cents per \$100 assessed valuation was approved for new debt sold in FY2013. County management anticipates full debt retirement in 2025.

The Major Projects Fund reflects a fund balance of \$162,241 compared to \$159,538 in FY2012. Some capital contracts were authorized with anticipated reimbursement from bond sales; however, long-term capital planning reflects a tax rate decrease of 0.13 cents per \$100 assessed valuation to offset the increase in Debt Service Fund according to formal policy.

Major Grants Fund includes federal and Texas awards except HUD Section 8 grants and Academy for Academic Excellence (Charter School), which are included in Other Non-Major Governmental Funds. Significant changes include reduced funding due to sequestration.

Other Non-Major Governmental Funds include road bond funds for construction of assets not controlled by the County. Activity for special funds administered by local officials in accordance to statutes is also included in Other Non-Major Governmental Funds. These funds continue to be restricted for statutory purposes. Special Funds total fund balance is comprised of \$120,158 restricted, and \$13,351 committed.

The FY2013 increase of \$19,829 in Non-Major Governmental Funds is primarily attributable to sale of limited tax notes in the amount of \$40,248 reduced by transfers of \$18,284 to the General Fund to fund transportation and court related activities.

The following table presents the amount of revenues from various sources, as well as increases or decreases from the prior year.

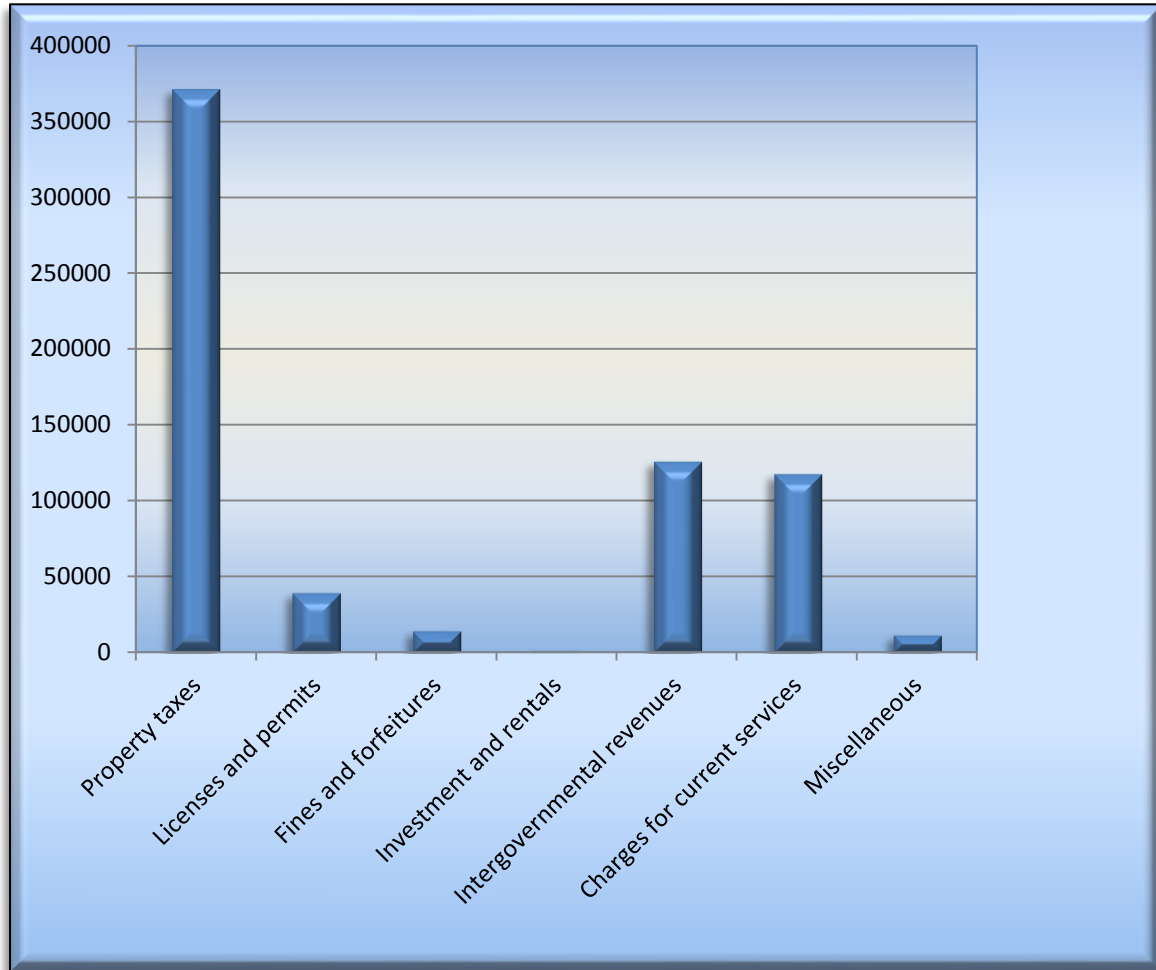
**Governmental Funds - Revenues Classified by Source**

	2013	2012	Increase (Decrease)	Percent of Change
Property taxes	\$ 371,263	\$ 367,478	\$ 3,785	1.03 %
Licenses and permits	39,154	36,009	3,145	8.73 %
Fines and forfeitures	14,151	16,206	(2,055)	(12.68) %
Investments and rentals	4,269	6,221	(1,952)	(31.38) %
Intergovernmental revenues	125,820	120,670	5,150	4.27 %
Charges for current services	117,558	115,139	2,419	2.10 %
Miscellaneous	11,241	11,275	(34)	(.30) %
<b>Total</b>	<u>\$ 683,456</u>	<u>\$ 672,998</u>	<u>\$ 10,458</u>	1.55 %

- Property taxes – increased by \$3,785 primarily due to a 1.41% increase in the 2012 assessed taxable values with a flat tax rate. New construction values totaled \$1,373 million, an increase compared to the previous year.
- Licenses and permits – increased \$3,145 primarily due to a \$2,800 (19%) increase in sales tax collections as market demand for vehicles continues to increase.
- Fines and forfeitures – decrease continues due to significantly reduced traffic program and declining collection rate for aged receivables.
- Investments – remained low consistent with historically low interest rates experienced since 2008.
- Intergovernmental revenues – net increase from several factors:
  - net \$3,700 increase due to category reclass to better reflect revenue receipts for internal analysis include increase \$3,200: previously recorded as “Charges for Current Services;” increase \$500: previously recorded as “Miscellaneous;”
  - \$3,300 increase for traffic assistance from local municipalities;
  - \$1,000 additional combined distributions for SCAAP and IV-E programs;
  - net \$6,000 decline for general grants;
  - \$3,000 funding for engineering costs related to major capital in accordance with statutes and bond sales.
- Charges for current services – net increase from several factors:
  - net \$1,300 decrease due to category reclass to better reflect revenue receipts for internal analysis; \$3,200 transferred to Intergovernmental less \$1,900 offset in Miscellaneous;
  - \$3,000 increased reimbursement related to inmate housing.
- Miscellaneous – several factors reflected in the change:
  - net \$2,400 decrease due to category reclasses to better reflect revenue receipts for internal analysis include: \$500 transferred to Intergovernmental, and \$1,900 offset in Charges for current service;
  - \$1,400 increase generally due to statutory recognition unclaimed funds.

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**Revenues Classified by Source – Governmental Activities – FY2013**



The following table presents expenditures by function compared to prior year amounts.

<b>Expenditures by Function - Governmental Funds</b>				
Function:	2013	2012	Increase (Decrease)	Percent of Change
General government	\$ 102,684	\$ 93,392	\$ 9,292	9.95 %
Judicial	140,185	130,463	9,722	7.45 %
Public Safety	225,436	213,771	11,665	5.46 %
Highways and streets	23,244	26,790	(3,546)	(13.24) %
Health	48,154	50,829	(2,675)	(5.26) %
Public Welfare	70,475	75,603	(5,128)	(6.78) %
Education	8,888	9,224	(336)	(3.64) %
Capital outlays	54,018	15,188	38,830	255.66 %
Debt service - principal	20,075	22,780	(2,705)	(11.87) %
Debt service - interest	5,383	6,708	(1,325)	(19.75) %
<b>Total</b>	<u>\$ 698,542</u>	<u>\$ 644,748</u>	<u>\$ 53,794</u>	8.34 %

- Salaries were increased with a 4% merit allocation for all functions; health insurance costs increased, and retirement contributions increased.
- General government – Salaries and benefits increased approximately \$2,000. Capital technology projects and initiatives increased \$6,000.
- Judicial – Salaries and benefits increased approximately \$5,000. Juvenile case activity and legal costs increased \$2,500.
- Public safety – Salaries and benefits increased approximately \$9,500. Special fund reserves were used to fund \$1,000 in inmate commissary costs.
- Highways and streets – Salaries and benefits increased approximately \$250, matching costs for construction on city costs declined after increase of prior year.
- Health – Salaries and benefits increased approximately \$400. Federal grants decreased due to sequestration.
- Public welfare – Salaries and benefits decreased approximately \$20. Federal awards decreased due to sequestration.
- Capital outlays – included expenditures from planned building projects previously placed on hold, and energy preservation projects.
- Debt service –management strategies continue focus on “pay-as-you-go” program.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The FY2013 legally adopted cash budget was adopted on September 18, 2012, for the General Fund totaling \$498,000 (prior to including prior period carry forwards), an increase of \$11,675 from FY2012 budget. Valid encumbrances from prior year are added completing the approved budget. The FY2013 legally adopted budget for all funds prior to encumbrance rollover totaled \$898,780.

Highlights from Dallas County FY2013 Budget include the following:

- The tax rate was set at 24.31 cents per \$100 assessed valuation; without a change since tax year 2010; however, the general fund allocation was reduced from 18.37 cents to 18.27 cents per \$100

assessed valuation with an offset in the Major Technology Fund, which fund balance is committed for county-wide technology projects.

- Salaries increases were approved with a 4% merit pool along with required contribution for a defined benefit plan increase of 0.8% (10.0% – 10.8%) effective January 2012.
- A total of 14 positions were deleted with 36 new positions added for a net increase of 22 positions. The majority of the increased staffing is related to 10 additional juvenile detention officers to supervise juveniles certified as adults.
- The budgeted General Fund unassigned reserve balance of \$47,201 meets key policy targets.

Budgetary variances (refer to pages 92-95) reflect encumbered funds for various products or services not yet ordered.

#### DEBT ADMINISTRATION AND CAPITAL ASSETS

**Long-term debt.** At September 30, 2013, the County had limited tax, unlimited tax, and general obligation bonds outstanding in the amount of \$136,430, net of debt premium of \$9,708. According to Texas statutes, the County has two debt limits. Bonds issued under Article 3, Section 52e of the Texas Constitution total were refunded resulting in zero balance, and bonds issued under Article 722 of Vernon’s Civil Statutes total \$136,430. The debt limits for the two authorizations are \$45,878,850 (25% of real property assessed valuation), and \$10,762,400 (5% of assessed valuation of all taxable property); therefore, the County has legal debt margins on general obligation debt of \$45,878,850, and \$10,628,790, respectively.

The County’s bond ratings are “AAA” from Standard & Poor’s and “Aaa” rating from Moody’s for general obligation debt. These ratings have been upheld since 1978 with the latest evaluation in credit rating action December 2013; at which time the County’s outlook was rated as STABLE.

The following represents the activity of the long-term debt of the County for FY2013 (refer to page 65 for additional information).

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Bonds and Certificates of Obligation	\$ 127,203	\$ 52,432	\$ 33,497	\$ 146,138
Compensated Absences	26,516	33,068	32,847	26,737
Other Postemployment Benefits	181,072	58,072	2,950	236,194
Claims and Judgments	2,800	1,224	524	3,500
Workers’ Compensation	<u>2,248</u>	<u>2,217</u>	<u>2,305</u>	<u>2,160</u>
	<u>\$ 339,839</u>	<u>\$ 147,013</u>	<u>\$ 72,123</u>	<u>\$ 414,729</u>

Legal counsel and subject experts are contracted to review workers’ compensation claims and other legal matters as needed. The FY2013 claims and judgments are for treatment, improper pursuit decisions, and noncompliance with proper termination notice. Actual workers’ compensation expenditures decreased reflecting expiration of prior law enforcement wage claims with new four-year elected official status, and as reflected in County management’s historical analysis updated annually. The County’s OPEB actuarial study last updated October 1, 2012, reflects a high liability due to projected medical costs for aging population. The discount rate for calculating OPEB was 2.5%. More detailed information about the County’s long-term liabilities is presented in Note VI to the financial statements.

**Capital assets.** The capital assets of the County are those assets (land, buildings, improvements, and machinery and equipment (M&E)), which are used in the performance of the County’s functions. Capital

assets also include infrastructure assets – roads and bridges. The County owns and maintains the original courthouse constructed in 1892, which has been renovated as a historical treasure. At September 30, 2013, net capital assets of the governmental activities totaled \$542,472, reflecting a net increase of \$36,715. Depreciation of capital assets (except for infrastructure assets which are reported under the modified approach basis) is recognized in the government-wide financial statements. FY2013 depreciation for buildings, improvements, and M&E totaled \$18,210. Depreciation is not recorded for the historical treasure, the 1892 Old Red Courthouse, which has a book value of \$32,042.

An annual allocation of the tax rate is reserved for fund expenditures related to major capital and major technology assets. A tax rate of \$0.045 per \$100 assessed valuation is split between the Debt Service Fund and Major Projects Fund. Construction or contract development needs are analyzed during the budget cycle and encumbrances/obligations revised. The 2013 allocation reflects transfer of 0.13 cents per \$100 assessed valuation from the Major Projects Fund to the Debt Service Fund consistent with “pay-as-you-go” strategy and requirement for funding newly issued debt.

The County has elected to use the “Modified Approach” as defined in GASB 34 for reporting infrastructure assets which includes 122 miles of roads, and 26 bridges and culverts. The FY2013 assessment revealed the condition of the roads was maintained consistent with County policy, whereas 99.3% of the County’s roads were rated 2.5 or better on a 4.0 scale, based on the Federal Highway Administration Road Pavement Condition Rating (PCR). All of the County’s bridges are in very good condition as rated 6.0 or better on a 9.0 scale.

The County expended \$1,397 on road maintenance for the year ended September 30, 2013. These expenditures delayed deterioration; however, overall road conditions were not improved. The remaining 26 bridges had ratings that met the County’s planned condition level of very good or good condition. Incurred bridge maintenance costs in FY2013 were \$196. Additional details on infrastructure assets can be found in Required Supplementary Information pages 98 and 99 of this report.

County's Capital Assets (net of depreciation)		
	2013	2012
Governmental Activities:		
Land	\$ 27,298	\$ 26,826
Historical Treasures	32,042	32,042
Buildings	366,501	375,007
Machinery and Equipment	20,681	19,743
Infrastructure	26,671	26,955
Construction-in-Progress	<u>69,279</u>	<u>25,184</u>
Total	<u>\$ 542,472</u>	<u>\$ 505,757</u>

Additional information on Dallas County capital assets and debt can be found in Notes V and VI.

#### ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Dallas County budget is developed annually and intended to provide efficient, effective, and controlled usage of the County's resources, as well as a means to accomplish the highest priorities of the Dallas County Commissioners. Through the budget, the County Commissioners set the direction of the County, allocate its resources, and establish its priorities. The FY2014 Budget meets the key established policy directive of the Commissioners Court requiring that the budgeted ending unassigned fund balance be not less than 10.5% of County funded expenditures.

The FY2014 budget process was primarily focused on identifying various balancing strategies that impact services provided to citizens of Dallas County as minimally as possible.

Highlights from Dallas County FY2014 Budget include the following:

- The overall tax rate was unchanged from 2013 tax year budget rates (the general fund allocation decreased 0.655 cents per \$100 of assessed valuation), with an offset to the Major Projects Fund for county-wide utility costs.
- Compensation increases for all levels were approved for a 2% schedule increase; however, step increases for approved programs remain frozen. Required contributions for the defined benefit plan increased 6.5% (10.8% - 11.5%) effective January 2013.
- A net increase of 5 positions was approved; 22 added and 17 deleted.

### **REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report, separate report of the County's component unit, or need any additional financial information, contact the appropriate financial office (County Auditor, County Treasurer, or Budget Director) at 509 Main Street, Dallas, TX 75202, or visit the County's website at [www.dallascounty.org](http://www.dallascounty.org).

# BASIC FINANCIAL STATEMENTS



**DALLAS COUNTY, TEXAS**

Statement of Net Position

September 30, 2013

(in thousands of dollars)

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Hospital District</u>
<b>ASSETS</b>		
Cash, cash equivalents, and investments	\$ 438,287	\$ -
Receivables (net of allowance for uncollectibles)	412,852	283,074
Accrued interest	475	-
Due from other government units	28,781	-
Inventories	1,782	16,158
Prepayments and advances	2,295	-
Assets limited as to use - investments	-	513,928
Other noncurrent assets	-	25,533
Capital assets not being depreciated		
Land	27,298	115,730
Construction - in - progress	69,279	763,984
Infrastructure	26,671	-
Historical treasures	32,042	-
Capital assets (net of accumulated depreciation)		
Buildings	366,501	230,633
Machinery and equipment	20,681	124,910
Total capital assets	<u>542,472</u>	<u>1,235,257</u>
Total assets	<u>1,426,944</u>	<u>2,073,950</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	404	-
Total deferred outflows of resources	<u>404</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	42,208	177,251
Accrued interest payable	921	4,880
Other current liabilities	4,128	32,376
Unearned revenues	10,876	-
Due to other government units	15,040	-
Non-current liabilities:		
Due within one year	51,068	7,015
Due in more than one year	363,661	713,484
Total liabilities	<u>487,902</u>	<u>935,006</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	392,963	-
Total deferred inflows of resources	<u>392,963</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in capital assets	484,639	554,515
Restricted for:		
Highways and streets	29,801	-
Debt service	1,899	-
Major and HUD Section 8 and Academy for Academic Excellence	14,754	-
Record management and capital projects	35,232	-
Unrestricted	(19,842)	584,429
Total net position	<u>\$ 546,483</u>	<u>\$ 1,138,944</u>

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

**DALLAS COUNTY, TEXAS**  
Statement of Activities  
For the Year Ended September 30, 2013  
(in thousands of dollars)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Hospital District
<b>Primary government:</b>						
<b>Governmental activities:</b>						
General government	\$ 156,248	\$ 50,236	\$ -	\$ -	\$ (106,012)	\$ -
Judicial	147,927	46,204	11,825	-	(89,898)	-
Public safety	236,798	24,490	11,204	-	(201,104)	-
Highways and streets	23,756	25,193	-	-	1,437	-
Health	48,216	7,483	30,037	-	(10,696)	-
Education	9,009	-	9,199	-	190	-
Public welfare	70,960	1,269	63,191	-	(6,500)	-
Interest on long-term debt	3,683	-	-	-	(3,683)	-
<b>Total primary government</b>	<b>\$ 696,597</b>	<b>\$ 154,875</b>	<b>\$ 125,456</b>	<b>\$ -</b>	<b>\$ (416,266)</b>	<b>\$ -</b>
<b>Component unit:</b>						
<b>Hospital district</b>	<b>\$ 1,231,607</b>	<b>\$ 757,946</b>	<b>\$ 9,124</b>	<b>\$ 43,464</b>	<b>\$ -</b>	<b>\$ (421,073)</b>
<b>General revenues:</b>						
Property taxes					\$ 370,052	\$ 423,889
Alcoholic beverage and other taxes					25,961	-
Grants and contributions not restricted to specific programs					2,115	22,370
Investment earnings					1,078	14,604
Gain on sale					-	3,100
<b>Total general revenue</b>					<b>399,206</b>	<b>463,963</b>
<b>Change in net position</b>					<b>(17,060)</b>	<b>42,890</b>
<b>Net position - beginning</b>					<b>563,543</b>	<b>1,096,054</b>
<b>Net position - ending</b>					<b>\$ 546,483</b>	<b>\$1,138,944</b>

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

**DALLAS COUNTY, TEXAS**

Balance Sheet  
Governmental Funds  
September 30, 2013  
(in thousands of dollars)

	General	Debt Service	Major Projects	Major Grants	Other Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash, cash equivalents, and investments	\$ 103,742	\$ 2,806	\$ 191,366	\$ 6,829	\$ 128,737	\$ 433,480
Property tax receivables (net of allowance for uncollectibles of \$ 27,672)	287,130	32,062	51,886	-	25,091	396,169
Accounts receivable	9,905	-	-	58	6,720	16,683
Accrued interest	159	2	242	9	63	475
Due from other funds	137	-	-	-	10,884	11,021
Due from other governmental units	7,379	-	4,971	13,421	3,010	28,781
Inventories	1,527	-	-	-	255	1,782
Prepayments and advances	2,267	-	10	3	15	2,295
Total assets	<u>\$ 412,246</u>	<u>\$ 34,870</u>	<u>\$ 248,475</u>	<u>\$ 20,320</u>	<u>\$ 174,775</u>	<u>\$ 890,686</u>
<b>LIABILITIES</b>						
Liabilities :						
Accounts payable and accrued liabilities	\$ 20,392	\$ 1	\$ 7,163	\$ 5,649	\$ 9,003	\$ 42,208
Due to other funds	3,683	-	10,766	218	79	14,746
Due to other governmental units	1,064	-	13,070	-	906	15,040
Unearned revenue - other	9,116	-	3,363	7,440	5,920	25,839
Total liabilities	<u>34,255</u>	<u>1</u>	<u>34,362</u>	<u>13,307</u>	<u>15,908</u>	<u>97,833</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	287,040	32,049	51,872	-	25,088	396,049
Total deferred inflows - property taxes	<u>287,040</u>	<u>32,049</u>	<u>51,872</u>	<u>-</u>	<u>25,088</u>	<u>396,049</u>
<b>FUND BALANCES</b>						
Nonspendable: inventories and prepaids	3,794	-	10	3	270	4,077
Restricted	-	2,820	-	7,010	120,158	129,988
Committed	-	-	162,231	-	13,351	175,582
Assigned	6,786	-	-	-	-	6,786
Unassigned	80,371	-	-	-	-	80,371
Total fund balances	90,951	2,820	162,241	7,013	133,779	396,804
Total liabilities, deferred inflows and fund balances	<u>\$ 412,246</u>	<u>\$ 34,870</u>	<u>\$ 248,475</u>	<u>\$ 20,320</u>	<u>\$ 174,775</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	542,472
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in governmental funds. See page 53.	18,049
Internal service funds are used by management to charge costs related to this fund. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	2,346
Certain liabilities, including bonds payable and related interest, are not due and payable in the current period and therefore are not included in governmental funds. See page 53.	(413,188)
Net position of governmental activities	<u>\$ 546,483</u>

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

**DALLAS COUNTY, TEXAS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2013**  
**(in thousands of dollars)**

	<u>General</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Major Grants</u>	<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Property taxes	\$ 279,056	\$ 23,030	\$ 45,671	\$ -	\$ 23,506	\$ 371,263
Licenses and permits	14,951	-	-	-	24,203	39,154
Fines and forfeitures	7,658	-	-	-	6,493	14,151
Investment income	1,727	63	(535)	(29)	(148)	1,078
Rental revenues	3,191	-	-	-	-	3,191
Intergovernmental revenues	11,432	-	2,643	72,799	38,946	125,820
Charges for current services	94,228	1,455	-	-	21,875	117,558
Miscellaneous	10,063	-	-	-	1,178	11,241
Total revenues	<u>422,306</u>	<u>24,548</u>	<u>47,779</u>	<u>72,770</u>	<u>116,053</u>	<u>683,456</u>
<b>EXPENDITURES</b>						
Current:						
General government	71,710	120	-	-	30,854	102,684
Judicial	130,849	-	-	3,053	6,283	140,185
Public safety	215,323	-	-	6,012	4,101	225,436
Highways and streets	-	-	15,784	-	7,460	23,244
Health	18,167	-	-	29,987	-	48,154
Education	-	-	-	1,557	7,331	8,888
Public welfare	437	-	5,044	33,072	31,922	70,475
Debt service:						
Principal	-	20,075	-	-	-	20,075
Interest	-	5,383	-	-	-	5,383
Capital outlay	-	-	36,097	-	17,921	54,018
Total expenditures	<u>436,486</u>	<u>25,578</u>	<u>56,925</u>	<u>73,681</u>	<u>105,872</u>	<u>698,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,180)</u>	<u>(1,030)</u>	<u>(9,146)</u>	<u>(911)</u>	<u>10,181</u>	<u>(15,086)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	20,582	-	12,444	4,511	3,304	40,841
Transfers (out)	(4,639)	-	(595)	(1,703)	(33,904)	(40,841)
Debt issuance - limited tax notes	-	-	-	-	35,825	35,825
Premium on limited tax notes	-	-	-	-	4,423	4,423
Debt issuance - advance refunding bonds	-	10,515	-	-	-	10,515
Premium on advance refunding bonds	-	1,669	-	-	-	1,669
Payment to advance refunded bond escrow agent	-	(12,055)	-	-	-	(12,055)
Total other financing sources (uses)	<u>15,943</u>	<u>129</u>	<u>11,849</u>	<u>2,808</u>	<u>9,648</u>	<u>40,377</u>
Net change in fund balances	1,763	(901)	2,703	1,897	19,829	25,291
Fund balances - beginning	89,188	3,721	159,538	5,116	113,950	371,513
Fund balances - ending	<u>\$ 90,951</u>	<u>\$ 2,820</u>	<u>\$ 162,241</u>	<u>\$ 7,013</u>	<u>\$ 133,779</u>	<u>\$ 396,804</u>

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

## DALLAS COUNTY, TEXAS

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Year Ended September 30, 2013 (in thousands of dollars)

Amounts reported for governmental activities in the statement of activities  
(page 27) are different because:

Net change in fund balances total governmental funds (page 29)	\$ 25,291
Governmental funds report all capital outlays as expenditures. However, in the statement of activities, the cost of some of the assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays for County - owned assets exceeds depreciation in the current period. See page - 53 - Notes to the Basic Financial Statements for details.	37,419
The net effect of various transactions ( e.g. sale of capital of assets). See page 54 - Notes to the Basic Financial Statements for details.	(704)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. See page 54 - Notes to the Basic Financial Statements for details.	(3,922)
Some expenses reported in statement of activities are not fund expenditures (e.g. compensated absences that are liabilities not normally liquidated with current financial resources). See page 54 - Notes to the Basic Financial Statements for details.	(56,214)
The issuance of long-term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. See page 55 - Notes to the Basic Financial Statements for details.	(19,808)
Internal service funds are used by management to charge the costs to account for group medical self-insurance and workers compensation. The net revenue (loss) is reported with governmental activities. See page 32 - Statement of Revenues, Expenses and Changes in Fund Net Position for details.	<u>878</u>
Change in net position of governmental activities (page 27)	<u>\$ (17,060)</u>

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

**DALLAS COUNTY, TEXAS**

Statement of Net Position

Proprietary Fund

September 30, 2013

(in thousands of dollars)

	<b>Governmental Activities - Internal Service Fund</b>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 4,807
Due from other funds	<u>3,725</u>
Total assets	<u><u>\$ 8,532</u></u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Medical claims	\$ 4,026
Workers' compensation claims - current	<u>1,909</u>
Total current liabilities	5,935
<b>Non-Current Liability:</b>	
Workers' compensation claims - non-current	<u>251</u>
Total liabilities	<u><u>6,186</u></u>
<b>NET POSITION</b>	
Unrestricted	2,346
Total net position	<u><u>\$ 2,346</u></u>

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

**DALLAS COUNTY, TEXAS**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Premiums	<u>\$ 65,984</u>
<b>Operating expenses:</b>	
Benefit payments	60,812
Administration	<u>4,296</u>
<b>Total operating expenses</b>	<u>65,108</u>
<b>Operating profit</b>	876
<b>Non-operating revenues:</b>	
Interest income	<u>2</u>
<b>Change in net assets</b>	878
<b>Total net position - beginning of year</b>	<u>1,468</u>
<b>Total net position - ending of year</b>	<u><u>\$ 2,346</u></u>

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

**DALLAS COUNTY, TEXAS**  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<b>Governmental Activities - Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash for premiums and reimbursements	\$ 64,368
Cash payments for benefit claims	(60,890)
Cash payments for administrative fees	<u>(4,272)</u>
Net cash used by operating activities	<u>(794)</u>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>2</u>
Net cash provided by investing activities	<u>2</u>
Net decrease in cash and cash equivalents	(792)
Cash and cash equivalents at beginning of year	<u>5,599</u>
Cash and cash equivalents at end of year	<u><u>\$ 4,807</u></u>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Operating profit	\$ 876
Adjustments to reconcile operating profit to net cash provided by operating activities:	
(Increase) in due from other funds	(1,616)
(Decrease) in liabilities	<u>(54)</u>
Net cash (used) by operating activities	<u><u>\$ (794)</u></u>

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



**DALLAS COUNTY, TEXAS**  
Statement of Fiduciary Assets and Liabilities  
All Agency Funds  
September 30, 2013  
(in thousands of dollars)

	<u>Total</u>
<b>Assets:</b>	
Cash and investments	\$ 136,461
Accrued interest and other receivable	222
Cash and investments held in escrow	9,830
Total assets	<u>\$ 146,513</u>
<b>Liabilities:</b>	
Due to other governmental units and others	<u>\$ 146,513</u>
Total liabilities	<u>\$ 146,513</u>

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

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of Dallas County (County) reflected in the accompanying financial statements conform to generally accepted accounting principles (GAAP) in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB). The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

In the current year, the County implemented the following:

- GASB Statement No. 60, *Accounting and Financial Reporting*, which is intended to address issues related to service concession arrangements, which are a type of public-private partnership. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2011, and was adopted by the County effective October 1, 2012. The statement did not have any impact on the County's financial statements.
- GASB Statement No. 61, *Financial Reporting Entity*, which modifies requirements for inclusion of component units in the reporting entity and was adopted by the County effective October 1, 2012. The statement did not have any impact on the County's financial statements.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting*, which incorporates certain GASB's authoritative literature and guidance for pronouncements on or before November 30, 1989, and supersedes GASB No. 20, eliminating election to apply non-conflicting past November 30, 1989 pronouncements. The requirements of GASB No. 62 are effective for financial statements for periods beginning after December 15, 2011, and were adopted by the County effective October 1, 2012. Implementation did not impact the County's financial statements.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which amends net asset reporting requirements of GASB No. 34, by redefining outflows and inflows as a measure of net position rather than net assets. Requirements of GASB No. 63 are effective for financial statements for periods beginning after December 15, 2011, and were adopted by the County effective October 1, 2012.
- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Early application was adopted by the County effective October 1, 2012.
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, which provides specific accounting and financial reporting guidance for combinations in the governmental environment. While early application was adopted, the statement did not have any impact on the County's financial statements.

**A. Reporting Entity**

***Primary Government***

The County is a public corporation and political subdivision of the State of Texas (Texas). The Commissioners Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of Texas: general government (e.g., tax collection, funds investment, etc.), judicial (courts, juries,

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

district attorney, etc.), public safety (sheriff, jail, homeland security etc.), highways and streets, health, education, and public welfare (e.g. juvenile services and assistance to indigents).

The accompanying basic financial statements present the government and its discretely presented component unit.

***Discretely Presented Component Unit***

The Dallas County Hospital District, dba Parkland Health & Hospital System (District), is a political subdivision of Texas, and is a discretely presented component unit of the County. The District is composed of Parkland Memorial Hospital (Hospital); Parkland Community Health Plan, Inc. (Health Plan); Parkland Foundation (Foundation); and Parkland Center for Clinical Innovation (PCCI). The County determined that the following component units of the District are not component units of the County: the Health Plan, Foundation, and PCCI. The District is a hospital district, and accordingly, its income is excluded under Section 115 of the Internal Revenue Code (Code), and it is recognized as an organization described in Section 501(c)(3) of the Code and, as such, is exempt from federal income taxes.

During 2013, all income was related to essential government functions. The Hospital, the Foundation, and PCCI have fiscal years ending September 30. The Health Plan's fiscal year ends December 31. All references to annual periods refer to the year ended September 30.

The Hospital operates 716 inpatient beds, 54 neonatal beds, numerous outpatient clinics, and an emergency room. The Hospital also operates the Community Oriented Primary Care clinics in the community and on the Hospital campus. Additionally, the Hospital serves as the major teaching hospital for the UT Southwestern Medical Center at Dallas (UT Southwestern), which is located adjacent to the Hospital, in accordance with an affiliation agreement effective September 1, 2006. The Hospital also manages the County's jail health system. The County's jail is the seventh largest jail in the nation with approximately 6,300 inmates. The District provides direct patient care at five facilities and contracts for services at five juvenile facilities. The District is accounted for as a single-column business-type entity on an accrual basis of accounting.

The Foundation is a nonprofit corporation organized in Texas in 1985, to support and benefit the District exclusively. It is an organization as described in Section 501(c)(3) of the Code. The Foundation's mission is to secure substantial financial resources that advance the clinical, educational, and research quests of the District.

The Health Plan is a nonprofit corporation organized in Texas in 1995. It is an organization as described in Section 501(c)(4) of the Code. The Health Plan participates in the Texas Medicaid Managed Care Program and the Children's Health Insurance Program.

PCCI is a nonprofit research and development corporation organized in Texas in 2012. It is an organization as described in Section 501(c)(3) of the Code. PCCI specializes in the development of software that helps clinicians predict patients that are potentially at high risk for an adverse event.

The District is governed by a Board of Managers appointed by, but not composed of, County Commissioners. The Commissioners Court of the County approves the District's tax rate and annual budget; however, the District operates under different statutory and constitutional authority. The District also has a separate constitutional tax limitation, independent power of eminent domain, and individual right of ownership of property. County taxpayers provide ad

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

valorem tax revenues to the District, but the County does not hold title to any of the District's assets and does not have any rights to any surpluses of the District. The component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. Complete financial statements for the District may be obtained from:

Parkland Health & Hospital System  
5201 Harry Hines Boulevard  
Dallas, Texas 75235  
Attention: Ted Shaw  
Executive Vice President & Interim Chief Financial Officer

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report, except for County fiduciary funds financial activity, information on all of the County activities including its component unit. The effect of inter-fund transfers has been removed from the government-wide financial statements, but continues to be reported in the fund financial statements. However, inter-fund services provided and used are not eliminated in the process of consolidation. Governmental activities are supported mainly by taxes, intergovernmental revenues and charges for services. The primary government is reported separately from the component unit within the government-wide statements.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, e.g. other postemployment benefits are charged to general government functions/programs in the statement of activities because these costs are guaranteed by the general government. Indirect expenses include changes in estimates of workers' compensation, which may not be reasonably allocated to other functions/programs in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General, Debt Service, Major Projects, and Major Grants Funds meet criteria as *major governmental funds*. Each major fund is reported in a separate column in the fund financial statements. Non-major funds include other Special Revenue, and Capital Projects. The combined amounts for these funds are reflected in a single column in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues net of allowances are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Major revenue types, which have been accrued, include district clerk and county clerk

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

fees, justice of the peace fees, revenue from investments, intergovernmental revenue, and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants, and contributions not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized only when they become susceptible to accrual (measurable and available). Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Unavailable means not available to finance expenditures for current fiscal period. Unearned refers to funds received before the earnings process is completed. Except for grants, measurable and available revenues include revenues expected to be received within 60 days after the fiscal year-end. Grants policy includes recognition of revenues, so long as such amounts are collectible within 60 days or soon enough afterwards to be used to pay liabilities for the current period, and where grant eligibility requirements have been met. Property taxes levied prior to September 30, 2013, and became due October 1, 2013 have been assessed to finance the budget of the fiscal year beginning October 1, 2013 and, accordingly, have been reflected as unavailable revenue and property taxes receivable in the governmental fund financial statements and government-wide statements at September 30, 2013.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when the liability has matured and payment is due.

The County reports the following major governmental funds:

**The General Fund** is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues, and investment of idle funds. Primary expenditures are for general government, public safety, judicial, public welfare, health services, and capital acquisition.

**Debt Service Fund** is used to account for accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenue sources are primarily property taxes levied specifically for debt service and revenues generated by a parking garage. Expansion of this parking garage was financed with debt. Interest earnings from investment of idle funds of the Capital Projects Funds are deposited and recorded in the Debt Service Fund to assist in bonded debt retirement.

**Major Projects Fund** (special revenue fund) is used to account for monies received from property taxes and property sales to fund parks, trails, transportation, and major County building projects. These funds are committed by action of the governing body.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Major Grants Fund** is used to account for programs supported by grants-in-aid from various agencies and/or governmental units except for HUD-Section 8 Grants and the Academy for Academic Excellence.

**Non-Major Funds** include special revenue funds (other than major projects) and capital projects funds. The funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes. As an example, the Road and Bridge Fund is legally restricted unlike the Major Technology Fund, which is administratively committed.

Other fund types include proprietary and fiduciary funds:

**Proprietary Fund** financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The County's only Proprietary Fund is the Internal Service Fund used to account for the County's group medical insurance program, workers' compensation, self-insurance program, and flexible spending accounts of employees who participate in the medical and dependent care flexible spending option of the County's cafeteria-style plan. Revenues are derived from County contributions, employee and COBRA premiums, investment of idle funds, and stop-loss collections. Expenses are for claims and administrative expenses committed.

The Proprietary Fund is accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
2. Current-year contributions, administrative expenses, and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal on-going operations (e.g. insurance claims and workers' compensation payments).

**Fiduciary Fund** financial statements include fiduciary funds, which are classified as agency funds used to account for assets held by the County as an agent for individuals, private organizations, other governments, and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following are the County's Agency Funds:

**Administrative Escrow Fund** - used to account for miscellaneous amounts temporarily held for other individuals or entities outside control of Commissioners Court.

**State Reports Fund** - used to account for State fees collected by the County and subsequently disbursed to the State.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

County Clerk, District Clerk, Sheriff, Justices of the Peace, and Constables Fee Funds - used to account for monies received with ultimate disposition of receipts to be determined at a future date.

Community Supervision and Corrections - used to account for the activities of a Texas agency with funds in the County depository.

Housing Finance Corporation – 1993 Refunding - used to account for monies received as a result of refunding of 1983 Mortgage Revenue bonds issue by Dallas County Housing Finance Corporation (HFC).

Juvenile Department Child Support - used to account for monies held for other parties in the child support program in accordance with court orders.

Housing Finance Corporation – 1994 Refunding - used to account for monies received as a result of refunding 1984 Mortgage Revenue Bonds issued by HFC.

Community Supervision and Corrections Special - used to account for the receipt and distribution of restitution payments made by probationers.

Youth Village - used to account for donated money to be used for the benefit of youths temporarily housed in the facility.

Tax Assessor – Collector - used to account for initial receipt and distribution to proper parties of taxes and fees collected for various governmental entities.

Police Agencies Seized Funds - used to account for seized monies awaiting judicial determination for local police agencies.

Attorney General Seized Funds - used to account for seized monies awaiting judicial determination for the Texas Attorney General.

Gambling Seized Funds - used to account for seized monies for gambling awaiting judicial determination for the Texas Department of Public Safety.

Narcotics Seized Funds - used to account for seized monies for narcotics awaiting judicial determination for the Texas Department of Public Safety.

Sheriff Inmate Trust – used to account for monies held in trust from individuals in County custody.

***Discretely Presented Component Unit***

The District is considered a governmental organization and is subject to the pronouncements of the GASB. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Propriety Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the District has elected to apply the provisions of all relevant

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements.

**Principles of Reporting** – The financial statements include the accounts of the District, as described above. In fiscal year 2013, the District implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements Nos. 14 and 34*. As a result, the District reported the Health Plan and PCCI, as well as the Foundation, as discretely presented component units in its financial statements. The District’s management believes the separate presentation of the District and each discretely presented component unit to be the most reflective of the District’s activities. Previously, the Health Plan was presented in the District’s financial statements as a blended component unit.

Application of this standard changed the presentation of the Health Plan and Foundation to discretely presented component units. The Health Plan was previously presented as a blended component unit. As a result, the cumulative effect of this statement has been reported as a restatement of the beginning net position of the District in the accompanying financial statement as follows:

Net Position of the District as of September 30, 2012 –		
Previously Reported	\$	1,266,077
Reduction in net position for discrete presentation of the Foundation		(53,147)
Reduction in Net Position for discrete presentation of the Health Plan		<u>(116,876)</u>
The District Net Position, as of September 30, 2012 – Restated	\$	<u>1,096,054</u>

The following are transactions between the District and its component units:

The District provides certain administrative services to the Health Plan including employment of all individuals who perform the daily business functions of the Health Plan. The Health Plan pays the District a management fee, which is recorded as an expense for the Health Plan. The management fee revenue for 2013 of \$4,700 is based on the District’s fiscal year end. As permitted by the state of Texas, the Health Plan’s Board of Directors approved an allocation of surplus capital to the District in support of the new District construction project. Funds transferred to the District under this agreement are reflected as program revenues – capital grants and contributions in the accompanying Statement of Activities.

The District supports the Foundation by employment of all individuals performing the daily business functions of the Foundation and payments for goods and services. In fiscal year 2013, the Foundation made a contribution to the District of \$8,000 in support of the new District construction project recorded in Grants and Contributions.

The District also supports PCCI with payments for goods and services, and by employment of all individuals performing the daily business functions of PCCI. In fiscal year 2013, the District sold the intellectual property associated with PCCI’s software system, PIECES™ to PCCI. PIECES™ is an electronic coordination and clinical decision support system that collects and analyzes data in real time using predictive models to



**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

assist healthcare providers in anticipating and preventing adverse clinical events. The intellectual property sold to PCCI at fair value from the District to PCCI. This transaction is recorded as a receivable of \$4,500, gain on the sale of \$3,100 and reduction in expense of \$1,400 on the District's accompanying Statements of Net Position and Activities.

**D. Assets, Liabilities, and Net Position**

**1. Cash, Cash Equivalents, and Investments**

*Primary Government*

For the purpose of the Statement of Cash Flows, the County considers cash on hand, demand deposits, and all highly liquid investments with original maturities less than 90 days at date of purchase to be cash and cash equivalents. Texas statutes and the County's official investment policy authorize the County to invest in fully collateralized security repurchase agreements, fully serviced certificates of deposit at the depository, and obligations of the Texas Local Government Investment Pool (TexPool), which is a local government investment pool sponsored by the Texas Controller of Public Accounts and managed by Federated Investors, U.S. Treasury securities, direct obligations of, or participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal National Mortgage Association, Federal Home Loan Bank, U.S. Small Business Administration, Federal Farm Credit Bank, and Federal Agricultural Mortgage Corporation. To be eligible to receive funds from and investments on behalf of the County, an investment pool must be rated no lower than AAA or AA-m or at an equivalent rating of at least one nationally recognized rating service.

*Discretely Presented Component Unit*

The District considers all highly liquid investments with original maturities of less than 90 days at date of purchase to be cash equivalents. Cash and cash equivalents include demand deposits and investments in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool sponsored by the Texas Comptroller of Public Accounts and managed by Federated Investors. Additional cash and cash equivalents are kept in AAA-rated Securities and Exchange Commission-registered money market mutual funds. All District demand deposits are collateralized with securities pledged to the District and held in safekeeping at a third-party bank on behalf of the District's depository institution.

Statutes give the District authority to invest the funds in obligations of the United States, as well as direct obligations of Texas and other obligations guaranteed or insured by Texas or the United States. The following investments are also acceptable: obligations of states, agencies, counties, or cities of any state that have been rated not less than "A" or its equivalent by a nationally recognized investment firm, and certificates of deposit guaranteed, insured, or secured by approved obligations and prime domestic bankers' acceptances. Other authorized investments include prime commercial paper; fully collateralized repurchase agreements; Securities and Exchange Commission-registered, no-load money market mutual funds whose assets consist exclusively of approved obligations; and approved local government investment pools. All investments at September 30, 2013, are reported at fair value based on quoted market prices with

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

realized and unrealized gains and losses included in the Statement of Activities. Obligations of the United States government with maturity dates in excess of one year that are not expected to be expended within one year are reported as long-term investments in the accompanying Statement of Net Position.

***Primary Government and Discretely Presented Component Unit***

Both the County and the District record investments at fair market value in accordance with provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. All investment income for the County is recognized as revenue in the appropriate fund's Statement of Revenues, Expenditures and Changes in Fund Balance, and in the Statement of Activities as investment earnings. The District's investment income including realized and unrealized gains and losses are included in investment earnings in the Statement of Activities. Deposit and investment risk disclosures are in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3*.

**2. Receivables and Payables**

***Primary Government***

Property taxes are levied prior to September 30 based on taxable values as of January 1, and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected in the government-wide financial statements based on the full accrual method of accounting. Property tax receivables for the prior year's levy are shown net of an allowance for uncollectible accounts.

Accounts receivables from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when earned in the government-wide financial statements. Included are fines and costs assessed by court action, and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts.

Borrowing between funds is recorded as an amount either "Due to" or "Due from." Due to and due from amounts are eliminated in the government-wide financial statements.

***Discretely Presented Component Unit***

The carrying amount of receivables and payables is reported in the Statement of Net Position at approximate fair value due to the short maturity of these instruments.

Patient accounts receivable are presented net of allowances for charity, contractual discounts, and bad debts.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Inventories and Prepayments**

*Primary Government*

Various methods are used to cost inventories; however, the majority of inventories are (determined on a first-in, first-out basis) stated at cost. Inventories in the General and Special Revenue Funds consist of expendable supplies held for consumption. In the General Fund, the cost is recorded as an expenditure at the time an inventory item is used. In the Special Revenue Funds, inventory items expected to be used within a short period of time, are recorded as expenditures at the time of purchase; other inventory items are expensed when used. Reported inventories are denoted as a non-spendable fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of current assets. The inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the fund financial statements, advances and prepayments are denoted as a non-spendable fund balance.

*Discretely Presented Component Unit*

Inventories are stated at the lower of cost (determined on an average-cost basis) or market.

Costs associated with the issuance of bonds are being amortized over the term of the respective bond issue, using a method that approximates the effective interest method.

**4. Restricted Assets/Funds**

*Primary Government*

The following accounts reflect restricted status by third-party or statutory obligations for specific purposes:

- Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds attributable to acquisition of those assets.
- Debt Service fund balance net of accrued interest (amount restricted for future debt service expenditures according to debt covenants);
- Major and HUD Section 8 Grant and Academy for Academic Excellence fund balances (amounts restricted for future grant expenditures according to award restrictions);
- Other Non-Major Governmental fund balances (except for Permanent Improvement and Major Technology) (amounts restricted for other specific purposes according to Texas statutes).

The following accounts reflect committed status by action of the governing body for specific purposes:

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Permanent Improvement and Major Technology fund balances (committed by governing body for future non-major building improvements or major technology related expenditures);
- Major Projects fund balance (amount committed for future major construction-related expenditures according to official action of governing body).

***Discretely Presented Component Unit***

The District classifies net position into three components: invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Unspent related debt proceeds are excluded from the calculation of invested in capital assets, net of related debt.

*Restricted* – This component of net position consists of those assets whose use is restricted through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws, or regulations of other governments, or laws through constitutional provisions or enabling legislation.

*Unrestricted* – This component of net position consists of those assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District uses the accrual method of accounting, whereby revenues are recognized in the accounting period when services are rendered and expenses are recognized when incurred.

For purposes of financial statement presentation, operating revenues include those generated from direct patient care and related support services. Non-operating revenues consist of those revenues that are related to financing and investing types of activities and result from non-exchange transactions or investment income. When an expenditure is incurred for the purposes for which there are both restricted and unrestricted net position available, it is the District’s policy to apply those expenditures to restricted net position, to the extent that such are available, and then to unrestricted net position.

**5. Assets Limited as to Use**

***Discretely Presented Component Unit***

Assets limited as to use represent those assets whose use has been legally restricted, including the 2009 Bond proceeds (see Note VI). Resources are also set aside for Board designated purposes or self-insurance arrangements. Current assets limited as to use represent current assets related to capital projects and debt service to be paid in the next year.

Assets limited as to use at September 30, 2013, consist of investments in TexPool and U.S. government-sponsored enterprises for the following purposes.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Debt Service**

Assets limited as to use for debt service represent those assets related to the 2009 bond issues whose use is legally restricted.

**Bonds Proceeds for Construction**

Bonds proceeds used for construction represent the unspent proceeds on the bonds issued to fund the construction on the District's new campus.

**Designated for Capital Uses**

Assets limited as to use designated for capital uses represent funds designated at the discretion of the Board of Managers for annual additions to capital assets, as well as funding for a combination of renovations and new facilities.

**Other Designated**

Other assets limited as to use include funds designated by the Board of Managers to fund the District's hospital professional liability program.

**6. Capital Assets**

***Primary Government***

Capital assets, including land, construction-in-progress, historical treasures, buildings, machinery and equipment, and infrastructure (e.g., roads and bridges) are reported in the government-wide financial statements. Capital assets (except for grant assets with lower thresholds) are defined as assets where the County bears risks and benefits of ownership with a cost of \$5 or more and with a useful life in excess of one year. Infrastructure assets include County owned roads and bridges. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset life is not capitalized. Additionally, County capital expenditures include amounts incurred to improve city owned infrastructure assets. Accordingly, these amounts are not capitalized. Capital assets, except infrastructure, are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	50
Furniture and fixtures	7
Telecommunication equipment	20
General equipment	5
Construction equipment	10 - 15
Trucks and transportation	7 - 8
Autos	3
Computer hardware	5

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

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**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The 1892 Old Red Courthouse is recorded as a Historical Treasure at historical cost but not depreciated. Infrastructure assets (roads and bridges) include assets acquired prior to June 30, 1980, through the current period. The County uses the modified approach to report infrastructure assets in the government-wide statement of net position. Infrastructure assets are recorded at historical cost but not depreciated. Under the modified approach allowed by GASB Statement No. 34, the County reports annual expenses for maintaining County roads and bridges including estimated costs for preservation at specified levels.

The County evaluates capital assets regularly for impairment under the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. If circumstances suggest that assets may be impaired, an assessment of recoverability is performed prior to any write-down of assets. An impairment charge is recorded on those assets for which the estimated fair value is below its carrying amount. No material impairment charges to capital assets were recorded for the fiscal year ended September 30, 2013.

***Discretely Presented Component Unit***

Capital assets are recorded at cost or if donated, fair market value at the date of receipt. Costs of major renewals and betterments that extend useful lives are capitalized, while maintenance and repairs are charged to current operations. Assets with a purchase price of \$5 or more are capitalized and assets with a purchase price less than \$5 are expensed. Disposals are removed at carrying cost, less accumulated depreciation, with any resulting gain or loss included in other non-operating revenue or expense. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets. Estimated useful lives for buildings are 10 to 40 years, and for equipment, 3 to 20 years.

Capitalized interest is calculated based upon interest cost for the period, less investment income related to long term debt for the same period.

The District evaluates long-lived assets regularly for impairment under the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. If circumstances suggest that assets may be impaired, an assessment of recoverability is performed prior to any write-down of assets.

An impairment charge is recorded on those assets for which the estimated fair value is below its carrying amount. No material impairment charges to long-lived assets were recorded for the fiscal year ended September 30, 2013.

**7. Compensated Absences**

A liability for unused vacation and sick time for all full time employees is reported in the government-wide financial statements in accordance with GASB Statement No.16. This includes related amounts for Social Security, Medicare, and County retirement benefits. The following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered.
- leave or compensation is not contingent on a specific event (such as illness).

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In accordance with GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*,” liabilities for compensated absences are recognized in the fund statements to the extent such liabilities have matured (e.g. are due for payment). Accordingly, there is none in the fund statements as of September 30, 2013, but compensated absences are accrued in the government-wide statements.

***Primary Government***

The County’s permanent, full-time employees accrue annually 80 hours of vacation from date of employment to 6 years of service, 120 hours from 6 to 15 years of service, and 160 hours in excess of 15 years of continuous employment. The maximum accrual is 4, 5 or 6 weeks of vacation for the respective accrual categories specified. Upon termination, an employee is entitled to payment for total accrued but unused hours of vacation.

The County’s permanent, full-time employees accrue annually 96 hours of sick leave. Sick leave is paid to current employees if absent from work due to illness, injury, or other situations requiring medical attention. An employee who terminates for any reason is paid a percentage of their accrued but unused sick leave. Amounts payable are initially 5% after 5 years of service, increasing thereafter at 5% for each additional 5 years of service to a maximum of 50%.

Compensated absences (accrued vacation and sick leave) are reported in the government-wide financial statements and are typically incurred by the following governmental funds: General, Major Grants, Major Projects, and Other Non-major Governmental Funds.

***Discretely Presented Component Unit***

The District accrues an estimated liability for compensated absences as they are earned by employees based on the District’s policy. The District’s liability related to compensated absences was \$36,000 as of September 30, 2013, and is recorded in the financial statements in accounts payable and accrued expenses.

**8. *Deferred Outflows / Inflows of Resources***

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item that qualifies for reporting in this category. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**9. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the term of the bonds. Bonds payable are reported net of unamortized premiums or discounts. Effective October 1, 2012, bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums or discounts, and issuance costs in the period in which bonds are issued. The principal of bonds issued is reported as another financing source. Premiums received on debt issuances are reported as another financing source while discounts are reported as another financing use. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

Long-term obligations, except long-term debt, net pension obligations or net other post-employment benefit obligations (OPEB) are liquidated from the General Fund. Long-term debt is liquidated in the Debt Service Fund. Net pension obligations are liquidated through a trust managed by Texas County and District Retirement System. OPEB obligations remain unfunded.

**10. Unemployment and Workers' Compensation Benefits**

The County is a reimbursing employer for unemployment compensation benefits. Reimbursements are made on the basis of billings received from the Texas Employment Commission. The County also processes workers' compensation payments through a third-party administrator as claims become due. The third-party administrator assists with hearings for contested claims. Expected costs are budgeted annually from current resources (see Note X).

**11. Fund Balances**

***A) Primary Government***

The fund balance amounts for governmental funds are classified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These classifications are defined as:

- Non-spendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term



**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

portions of loans or notes receivable, or property held for resale unless the use of the proceeds are restricted, committed or assigned), and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.

- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation. The restricted fund balance at September 30, 2013, is composed of \$2,820 restricted for future debt service, \$7,010 restricted for grants awarded to the County. The balance of \$120,158 is restricted by law both federal and Texas.
- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the Commissioners Court. This formal action is the passage of a court order specifying the purposes for which amounts can be used. The same type of formal action is necessary to remove or change the specified use. As of September 30, 2013, the committed fund balance of \$175,582 is primarily committed for thoroughfare projects, jail modifications, expansion of records storage facilities, sub-courthouse facilities and upgrades to information technology systems, and other major technology projects.
- Assigned fund balance includes amounts that are constrained in accordance with policies established by the Commissioners Court. An official responsible for budget level control may request assignment for a specific purpose. Amounts assigned are neither restricted nor committed. For governmental fund types other than the General Fund, this is the residual amount within the fund that is not restricted or committed. As of September 30, 2013, the assigned fund balance of \$6,786 is primarily composed of encumbered amounts assigned for various operational expenditures.
- Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

The General Fund target reserve policy is established at 10.5% of expenditures and classified as unassigned reserves, while balances in other funds are set aside for specific purposes as described above.

When both restricted and unrestricted amounts are available for use, County policy is to use restricted amounts first, with unrestricted resources utilized as needed. In the case of unrestricted resources, the policy is to use committed amounts first, followed by assigned amounts, then unassigned amounts as needed.

The composition of the fund balances of the governmental funds for the fiscal year are shown on pages 28 and 105 through 107.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**12. Net Position**

In the government-wide financial statements, net position is categorized into three categories. The first is net investment in capital assets, reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended bond proceeds, restricted or unrestricted. This category represents net investment in property, plant, equipment, and infrastructure. The second category is restricted, which represents assets restricted by requirement of bond covenants, grantor regulations, other externally imposed constraints, or by legislation, in excess of the related liabilities payable from restricted assets. The third category; unrestricted portion of net position, consists of all assets that do not meet the definition of either of the other two categories of net position.

**13. Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimate and assumptions that may affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period.

**14. Program Revenues – Health Care**

**Net Patient Services Revenue** - The District has agreements with third-party payors that provide for reimbursement to the District at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the District's established rates for services and the amounts reimbursed by the third-party payors. The District's more significant third-party payors are the Medicare and Medicaid programs, which accounted for gross charges of approximately 14% and 30% in fiscal 2013, respectively. Allowances for uncollectible amounts are estimated using historical experience, current trends and policy information, aged account balances, and a collectability analysis. Net patient services revenue in the accompanying Statement of Activities is net of contractual adjustments and bad debt provisions totaling approximately \$3,600,000 for the year ended September 30, 2013.

In accordance with provisions of the Medicare and Medicaid programs, inpatient services to Medicare and Medicaid beneficiaries are paid at prospectively determined rates per discharge based on a patient classification system utilizing clinical, diagnostic, and other factors. Medicare outpatient services are reimbursed on a prospective basis through ambulatory payment classifications, which are based on clinical resources used in performing the procedure. Medicaid outpatient services are paid based on the lower of reasonable costs or customary charges, a fee schedule, or blended rates. For certain costs, as defined by the Medicare program, including kidney acquisition, medical education, and bad debts, additional reimbursement is provided based on cost pass-through payments and the cost report.

Cost-reimbursable items are reimbursed to the District at a tentative rate, with final settlement determined after submission of annual cost reports by the District, which are

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

subject to audit by the fiscal intermediary-es prior to final settlement. Any differences between final audited settlements and amounts accrued at the end of the prior reporting period are included currently in the Statement of Activities as an adjustment to the appropriate allowance account. Such adjustments increased net patient services revenue by \$5,700 in fiscal 2013. The District's cost reports have been audited and settled by the fiscal intermediaries through 2009 for Medicare and Medicaid. Cost reports for both programs are subject to certain re-openings and appeals as per federal and state regulations.

**Pharmaceutical Costs** – The District participates in replacement pharmaceutical programs on behalf of patients who enroll and meet eligibility requirements of these programs.

**Grant Revenue** – Grant revenues are recognized in the period in which expenditures related to the grant are incurred or the period in which grant funds become available. The Obama Administration's February 2009 stimulus bill, *American Recovery and Reinvestment Act* (ARRA), established rules for the "meaningful use" of electric health records. Government incentives for implementing electronic medical records were established under the *Health Information Technology for Economic and Clinical Health (HITECH) Act*. The U.S. Department of Health and Human Services released final "meaningful use" rules during 2010 on how healthcare providers could access federal economic stimulus money by using electronic medical records. Health care providers are eligible to receive these incentives during 2013. The District recognized revenue of \$2,500 in federal stimulus funds related to their implementation of electronic medical records during 2013. This amount has been recorded as grant revenue.

**15. Uncompensated Care**

***Discretely Presented Component Unit***

The District provides services to uninsured patients who qualify for tax-supported care. The program is called The District Health*Plus* and is designed for County indigent patients with family incomes up to 200% of the federal poverty level and no third-party coverage, such as Medicaid, Medicare, or commercial insurance. The District recognized ad valorem tax revenues of approximately \$424,000 in 2013, to fund services for qualified patients.

The District also provides services to patients who are County residents and have incomes that exceed the limit for tax supported health care or whose income cannot be determined. Although these patients are uninsured, they do not qualify for tax-supported health care and are classified as self-pay. Certain of these patients are medically indigent. Certain of these patients have limited financial resources and are unable to pay for the services received, while others may be able to pay for some or all services received, but are unwilling to do so. Charges for services to these patients were approximately \$343,000 in 2013, and are reflected in the Statement of Activities.

Management estimates the cost of uncompensated health care, by applying a ratio of overall costs to gross charges applied to the gross uncompensated charges during the year ended September 30, 2013, at approximately \$762,000, of which approximately \$402,000 is charity care.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance for total governmental funds and net position as reported in the government-wide Statement of Net Position. One element of that reconciliation explains, “Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in governmental funds.” The details of this difference are as follows:

Property taxes – assessed in current year which remain uncollected within 60 days of year-end (see page 60)	\$ 3,086
Other receivables and accrued interest (see page 60)	14,963
Net adjustment to increase fund balance - total governmental funds to arrive at net position – governmental activities	\$ <u>18,049</u>

One element of that reconciliation explains, “certain liabilities, including bonds payable and related accrued interest, are not due and payable in the current period and therefore, are not included in governmental funds.” The details of this difference are as follows:

Bonds Payable	\$ (136,430)
Less: deferred outflow – deferred charge on refunding	404
Premium on Bonds Payable	(9,708)
Other post-employment benefits	(236,194)
Accrued interest payable	(921)
Arbitrage rebate accrued	(102)
Claims and judgments	(3,500)
Compensated absences	(26,737)
Net adjustment to decrease fund balance – total government funds to arrive at net position – governmental activities	\$ <u>(413,188)</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances, total governmental funds, and changes in net position of governmental activities as reported in the government-wide statement of activities. Governmental funds report capital expenditures; however, in the statement of activities, the cost of capital assets is allocated over their estimate useful lives and reported as depreciation expense. The detail of this difference is as follows:

Capital expenditures (see page 62)	\$ 55,629
Depreciation expense (see page 62)	(18,210)
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	\$ <u>37,419</u>

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**  
**(Continued)**

Another element of that reconciliation states that “The net effect of various transactions (e.g. sales of capital assets).” In the statement of activities, only the gain or loss on the disposal of capital assets is reported; however, in the government funds, proceeds from sales increase financial resources. The detail of this difference is as follows:

Depreciated cost of capital assets sold or disposed (see page 62)	\$ <u>          (704)</u>
Net adjustment to decrease net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	\$ <u>          (704)</u>

Another element of the reconciliation states, “Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this difference are as follows:

Unearned and Unavailable Revenue – Fund Basis	
September 30, 2012	\$ (406,278)
September 30, 2013	421,888
Unearned and Unavailable Revenue - Statement of Net Position	
September 30, 2012	384,307
September 30, 2013	<u>(403,839)</u>
Net adjustment to increase net changes in fund balances	\$ <u>          (3,922)</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.” The details of this difference represent changes in the following:

Compensated absences	\$ (221)
Accrued interest	(231)
Other postemployment benefits	(55,122)
Arbitrage rebate accrued	60
Claims and judgments	<u>(700)</u>
Net adjustment to decrease net changes in fund balances	\$ <u>          (56,214)</u>

Another element of the reconciliation states, “The issuance of long-term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.”

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**  
**(Continued)**

The details of this difference are as follows:

Debt principal repayment	\$	20,075
Debt issued or incurred:		
Debt issuance – limited tax notes		
Less Limited tax notes of \$35,825 less premium of \$4,423		(40,248)
Debt issuance – advance refunding of bonds		
Less Advance refunding bonds of \$10,515 less premium of \$1,669		
Plus payment to advance refunded bond agent of \$11,440		(744)
Amortization of issuance costs		(763)
Amortization of bond refunding charge		(110)
Amortization of premium		1,982
Net adjustment to increase net changes in fund balances	\$	<u><u>(19,808)</u></u>

**III. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES**

***Primary Government***

The County’s investment policies are in accordance with the laws of Texas. The policies identify authorized investments and investment terms, collateral requirements and safekeeping requirements for collateral.

The County’s demand deposits and bank certificates of deposit are fully collateralized by securities held in the County’s name by third party financial institutions. The County’s collateral agreements require that the total amount of cash and investments on deposit with its depository financial institutions at all times be collateralized based upon par value. The collateral market value shall be a minimum of 102% of par value.

The County’s investments comprise Federal National Mortgage Association Notes; Federal Home Loan Bank Notes; Federal Home Loan Mortgage Corporation Notes, Federal Agricultural Mortgage Corp Notes, Federal Farm Credit Bank Notes; Depository Interest Account, U.S. Small Business Administration Notes, and Tex Pool deposits.

**Deposits**

At September 30, 2013, the carrying amount of the County’s demand deposits and investments was as follows:

	<b>Governmental</b>	<b>Proprietary</b>	<b>Total</b>	<b>Fiduciary</b>	<b>Total</b>
	<u><b>Funds</b></u>	<u><b>Funds</b></u>	<u><b>Total</b></u>	<u><b>Funds</b></u>	<u><b>Total</b></u>
Cash (a)	\$ 69,526	\$ 621	\$ 70,147	\$ 63,285	\$ 133,432
Investments and cash equivalents (a)	<u>363,954</u>	<u>4,186</u>	<u>368,140</u>	<u>73,176</u>	<u>441,316</u>
Total cash, cash equivalents and investments	<u>\$ 433,480</u>	<u>\$ 4,807</u>	<u>\$ 438,287</u>	<u>\$ 136,461</u>	<u>\$ 574,748</u>

(a) The County pools cash, investments, and cash equivalents of certain Governmental and Fiduciary Funds .

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**III. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES (Continued)**

**Custodial Credit Risk – Deposits**

In accordance with Texas and County Cash Management Policies, County deposits are either covered by FDIC insurance or collateralized with securities held by the County or the County's agent in the name of the County.

**Custodial Credit Risk – Investments**

In accordance with Texas and the County's formal investment policies, County investments are insured or registered, or securities held by the County or the County's agent in the name of the County.

**Investments**

At September 30, 2013, the County's investment balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Investments</u>	<u>Weighted Average Days to Maturity</u>	<u>Weighted Average Stated Interest Rate</u>	<u>Rating</u>
Depository Interest Account	\$ 49,900	11.3%	3	0.40%	Note 1
Federal Agricultural Mortgage Corp Notes	5,027	1.1%	464	0.78%	Note 2
Federal Home Loan Bank Notes	111,217	25.2%	801	0.91%	Note 2
U.S. Small Business Administration Notes	1,653	0.4%	1,164	3.20%	Note 2
Federal Home Mortgage Corporation Notes	25,599	5.8%	135	0.86%	Note 2
Federal National Mortgage Association Notes	87,064	19.7%	1,123	0.97%	Note 2
Federal Farm Credit Bank Notes	52,483	11.9%	762	0.75%	Note 2
TexPool deposits	108,373	24.6%	3	0.05%	Note 3
	<u>\$ 441,316</u>	<u>100.00%</u>	536	0.64%	

*Note 1: Fully collateralized interest earning account on deposit with the County's depository bank. Terms limit withdrawals to five each month.*

*Note 2: Moody's Investor Services, Standard & Poor's (S&P) AAA, Fitch AAA.*

*Note 3: Tex Pool's portfolio consists exclusively of U.S. government securities, repurchase agreements collateralized by U.S. government securities and AAA rated no-load money market mutual funds. TexPool is rated AAA by S&P.*

**Interest Rate Risk**

The County's formal investment policy limits the County's exposure to declines in fair values by limiting to two years the weighted average days to maturity of its entire investment portfolio.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**III. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES (Continued)**

**Credit Risk**

The County is authorized by statute and depository contract to invest in insured or registered securities including commercial paper and security repurchase agreements. It is the County's policy to limit its investments in these investment types.

The County's formal investment policy permits investment in Texas and U.S. government obligations and agency securities and investment pools rated AAA or higher. This policy also permits investment in certificates of deposit that are fully collateralized.

**Concentration of Credit Risk**

Permitted investments, other than securities issued by federal or local governments and certificates of deposit, include various concentration limits as to issuer and maturity. The largest percentage of any one issuer is in the form of Federal Home Loan Bank Notes (25.2%).

***Discretely Presented Component Unit***

As of September 30, 2013, the District had deposits and investments as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
Bank deposits	\$ 426	
TexPool deposits	147,387	1
Money market fund deposits	17,669	1
Federal National Mortgage Association notes	136,569	726
Federal Home Loan Bank notes	105,109	254
Federal Home Loan Mortgage Corporation notes	70,303	589
Federal Farm Credit Bureau	36,465	715
	<u>\$ 513,928</u>	
<b>Description on Statement of Net Position</b>		
Assets limited as to use – current portion	\$ 35,735	
Assets limited as to use – noncurrent portion	478,193	
	<u>\$ 513,928</u>	
<b>Investment Maturities</b>		
One year or less	\$ 71,574	
After one through five years	235,358	
After five through ten years	-	
After ten years	41,514	
	<u>\$ 348,446</u>	

Estimated fair values have been determined by the District using appropriate valuation methodologies by third parties, quoted market prices, and information available to management as of September 30, 2013. The District adjusts the carrying value of financial instruments classified as assets to reflect their appropriate fair value. Deferred payment from government programs resulted in a reduction of cash and cash equivalents as of September 30, 2013. A \$106,000 payment on



**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

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**(in thousands of dollars)**

**III. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES (Continued)**

government programs was received in October 2013. Cash and cash equivalents included in assets limited as to use is \$211,000 as of September 30, 2013.

**Interest Rate Risk**

The District invests in fixed rate debt securities with estimated average maturities of approximately one to six years. Interest rate risk is limited by the short-term nature of these investments.

**Credit Risk**

The District has a comprehensive investment policy that is designed to comply with Texas law and the Public Funds Investment Act. The debt securities issued by Federal National Mortgage Association (FNMA), the Federal Home Loan Bank (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), and the Federal Farm Credit Bureau (FFCB) are rated AAA by Standard & Poor's rating agency. TexPool's portfolio consists exclusively of U.S. government securities; repurchase agreements collateralized by U.S. government securities; and AAA rated no-load money market mutual funds. All demand deposits are collateralized by Federal Deposit Insurance Company (FDIC) insurance, with securities pledged to the District, and held in safekeeping at a third party bank on behalf of the District's depository institution.

**Concentration of Credit Risk**

Per the District's investment policy, no more than 40% of the investment portfolio can be invested in any one issuer of U.S. government agencies and government sponsored enterprises, including, but not limited to, FNMA, FHLB, and FHLMC. The largest percentage in any one issuer is invested with FNMA at 27% as of September 30, 2013.

**Custodial Credit Risk**

Per the District's investment policy, all investments are held in the District's name in safekeeping at the District's depository institution.

**Investment Earnings** – Investment earnings for the year ended September 30, 2013, consisted of the following:

Interest income	\$ 20,713
Unrealized loss on investments	<u>(6,109)</u>
Total investment earnings	\$ <u><u>14,604</u></u>

**IV. PROPERTY TAXES AND OTHER RECEIVABLES**

***Primary Government***

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied prior to September 30, become due on October 1 and are delinquent after January 31. Dallas County Tax Office collects property taxes for 75 entities, 4 county entities, 8 school districts, 22 cities, 2 flood control districts, a levee district, and 38 public improvement districts (PIDs) as authorized by V.T.C.A., Tax Code §6.24.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**IV. PROPERTY TAXES AND OTHER RECEIVABLES (Continued)**

The County continues to collect only delinquent taxes for County Education Districts, Wilmer/Hutchins ISD, Levee Districts 4 and 8. The County and Levee Districts are the only entities controlled by the Commissioners Court.

Property tax levies and collections are reduced by allowable exemptions. Certain exemptions are approved by statute and others are approved by local adoption. Exemptions approved by the County include a general homestead (the greater of 20% of appraised valuation or \$5), over 65 homestead (\$69) and effective January 1, 2008 an over 65 tax freeze.

Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor/Collector's Agency Fund. Tax collections are recorded net of the entities' related collection commission paid to the County in this agency fund according to the levy year for which taxes are collected. Tax collections deposited for the County are distributed on a monthly basis to the following funds (amounts are for each one hundred dollars of valuation): General (\$0.1827), Debt Service (\$0.0151), Major Projects (\$0.0299), and Non-Major Funds - Permanent Improvement (\$0.0018), and Major Technology (\$0.0136). This distribution is based upon the tax rate established for each fund by order of the Commissioners Court for the tax year for which the collections are made. Property tax receivables are affected by participation in several Tax Increment Finance (TIF) Districts. In the fiscal year ended September 30, 2013, the County either financially participated in or had authorization to participate in 20 TIF districts at various percentage participation levels. The 2013 total incremental taxable value is \$72,996 (5.9%) greater than the prior year value. One district ended without current period extensions and two reflected significant increases in taxable value. The County's participation is determined by the amount of County property taxes levied and collected each tax year on the captured appraised value of real property located in the TIF district less the tax increment base for the year in which the TIF was designated, multiplied by the County's increment provided per agreement. TIF funds are not recognized as County revenue but are used by the TIF district to finance project costs within the district and/or pay bonds or notes issued for the TIF.

Governmental funds report unavailable and unearned revenue in connection with receivables that are not considered available to liquidate liabilities of the current period. Under GASB 33, "Accounting and Financial Reporting for Nonexchange Transactions," (GASB 33) property taxes are an imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded when the entity has an enforceable legal claim to the asset or when the entity receives resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date as designated in the enabling legislation. The County has a valid lien on January 1 with property assessed at the tax rate adopted prior to the fiscal year-end. In accordance with GASB 33, the County has recorded property taxes receivable including an amount for unavailable revenue as of September 30, 2013.

At the end of the current fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**IV. PROPERTY TAXES AND OTHER RECEIVABLES (Continued)**

<b>Unavailable and Unearned Arising From</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Major Projects</b>	<b>Major Grants</b>	<b>Other Non-Major Governmental</b>	<b>Total</b>
Property taxes	\$ 287,040	\$ 32,049	\$ 51,872	\$ -	\$ 25,088	\$ 396,049
Unearned other receivables and accrued interest	9,116	-	3,363	5	5,920	18,404
Unearned - other	-	-	-	7,435	-	7,435
Unavailable and unearned – Fund Basis	<u>\$ 296,156</u>	<u>\$ 32,049</u>	<u>\$ 55,235</u>	<u>\$ 7,440</u>	<u>\$ 31,008</u>	421,888
Property taxes (see page 53)						(3,086)
Other receivables and accrued interest (see page 53)						<u>(14,963)</u>
Unavailable and Unearned revenue – Government-wide						<u>\$ 403,839</u>

Unavailable means not available to finance expenditures for the current fiscal period. Unearned refers to funds received before the earnings process is completed.

The County is authorized by the tax laws of Texas to levy taxes up to \$0.80 per one hundred dollars of assessed valuation for general governmental services and the payment of principal and interest on certain permanent improvement long-term debt. The tax rate adopted September 2012 for fiscal year 2013 was \$0.2431 per one hundred dollars of assessed value.

Receivables as of September 30, 2013, for governmental funds, net of applicable allowances for uncollectible accounts, as required by GASB 34 are as follows:

	<b>General</b>	<b>Debt Service</b>	<b>Major Projects</b>	<b>Major Grants</b>	<b>Other Non- Major Governmental</b>	<b>Total</b>
Receivables:						
Property taxes	\$ 307,678	\$ 33,879	\$ 55,467	\$ -	\$ 26,817	\$ 423,841
Less allowance for uncollectible property taxes	<u>(20,548)</u>	<u>(1,817)</u>	<u>(3,581)</u>	<u>-</u>	<u>(1,726)</u>	<u>(27,672)</u>
Subtotal	<u>287,130</u>	<u>32,062</u>	<u>51,886</u>	<u>-</u>	<u>25,091</u>	<u>396,169</u>
Accounts receivable	171,038	-	-	58	304,539	475,635
Less allowance for uncollectible accounts receivable	<u>(161,133)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(297,819)</u>	<u>(458,952)</u>
Subtotal	<u>9,905</u>	<u>-</u>	<u>-</u>	<u>58</u>	<u>6,720</u>	<u>16,683</u>
Total net receivables	<u>\$ 297,035</u>	<u>\$ 32,062</u>	<u>\$ 51,886</u>	<u>\$ 58</u>	<u>\$ 31,811</u>	<u>\$ 412,852</u>

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**IV. PROPERTY TAXES AND OTHER RECEIVABLES (Continued)**

*Discretely Presented Component Unit*

Receivables as of September 30, 2013:

**Receivables:**

Property taxes	\$ 21,108
Patient accounts	569,424
Due from affiliates	2,262
Other	<u>187,060</u>
Gross receivables	<u>779,854</u>
Less allowance for uncollectible:	
Property taxes	(16,886)
Patient accounts	<u>(479,894)</u>
Total allowance for uncollectible:	<u>(496,780)</u>
Net total receivables	<u>\$ 283,074</u>

*Discretely Presented Component Unit*

The District received approximately 33% of its total revenues from ad valorem taxes in 2013. Current taxes are collected beginning in October of each year and become delinquent after January 31. Ad valorem tax revenue is recognized in the year for which taxes are levied.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**V. CAPITAL ASSETS**

*Primary Government*

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. Depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are listed at historical cost, but not depreciated as the County elected to use the modified approach. Summary of changes in capital assets are as follows:

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balance</u>
Governmental activities:							
Capital assets, not being depreciated:							
Land	\$ 26,826	\$	472	\$	-	\$	27,298
Construction-in-progress	25,184		44,095		-		69,279
Infrastructure	26,955		-		(284)		26,671
Historical treasures	32,042		-		-		32,042
Total capital assets, not being depreciated	<u>111,007</u>		<u>44,567</u>		<u>(284)</u>		<u>155,290</u>
Capital assets, being depreciated:							
Buildings	605,616		2,812		(28)		608,400
Machinery and equipment	108,368		8,250		(2,630)		113,988
Total capital assets, being depreciated	<u>713,984</u>		<u>11,062</u>		<u>(2,658)</u>		<u>722,388</u>
Less accumulated depreciation for:							
Buildings	(230,609)		(11,290)		-		(241,899)
Machinery and equipment	(88,625)		(6,920)		2,238		(93,307)
Total accumulated depreciation	<u>(319,234)</u>		<u>(18,210)</u>		<u>2,238</u>		<u>(335,206)</u>
Total capital assets, being depreciated, net	<u>394,750</u>		<u>(7,148)</u>		<u>(420)</u>		<u>387,182</u>
Governmental activities capital assets, net	<u>\$ 505,757</u>	<u>\$</u>	<u>37,419</u>	<u>\$</u>	<u>(704)</u>	<u>\$</u>	<u>542,472</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government	\$	9,434
Public safety		5,193
Health		287
Highways and streets		449
Public welfare		995
Education		117
Judicial		1,735
Total depreciation expense	<u>\$</u>	<u>18,210</u>

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**V. CAPITAL ASSETS (Continued)**

*Discretely Presented Component Unit*

The District's capital assets at September 30, 2013 are summarized as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land and improvements	\$ 114,401	\$ 1,329	\$ -	\$ 115,730
Construction in progress	<u>590,809</u>	<u>357,499</u>	<u>(184,324)</u>	<u>763,984</u>
Total capital assets, not being depreciated	<u>705,210</u>	<u>358,828</u>	<u>(184,324)</u>	<u>879,714</u>
Capital assets, being depreciated:				
Buildings	409,549	133,332	-	542,881
Machinery and equipment	<u>396,377</u>	<u>49,715</u>	<u>(905)</u>	<u>445,187</u>
Total capital assets, being depreciated	<u>805,926</u>	<u>183,047</u>	<u>(905)</u>	<u>988,068</u>
Less accumulated depreciation for:				
Land improvements	(3,572)	(364)	-	(3,936)
Buildings	(288,589)	(19,723)	-	(308,312)
Machinery and equipment	<u>(282,259)</u>	<u>(38,871)</u>	<u>853</u>	<u>(320,277)</u>
Total accumulated depreciation	<u>(574,420)</u>	<u>(58,958)</u>	<u>853</u>	<u>(632,525)</u>
Total capital assets, being depreciated, net	<u>231,506</u>	<u>124,089</u>	<u>(52)</u>	<u>355,543</u>
Capital assets, net	\$ <u>936,716</u>	\$ <u>482,917</u>	\$ <u>(184,376)</u>	\$ <u>1,235,257</u>

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**VI. LONG -TERM LIABILITIES**

*Long-Term Debt*

*Primary Government*

During Fiscal 2013, the County issued two long-term debt issues with an aggregate original principle of \$46,340. The following are General Obligation, Certificates of Obligation (COs), and Revenue Bonds outstanding at September 30, 2013:

<u>Description</u>	<u>Interest Rates</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount of Debt</u>	<u>Bonds Outstanding</u>
Combination Tax and Parking Garage Revenue					
Certificates of Obligation Series 2004	4.00%	2004	2014	\$ 16,145	\$ 650
Unlimited Tax Refunding Bonds Series 2005					
Current Interest Bonds	5.00 - 5.25	2005	2020	21,270	18,800
Combination Tax and Parking Garage Revenue					
Certificates of Obligation Series 2006	4.125 - 5.00	2006	2016	63,220	22,220
Unlimited Tax Refunding Bonds Series 2011 A	2.00 - 5.00	2011	2021	30,495	17,215
Limited Tax Notes Series 2011	3.00 - 5.00	2011	2018	41,545	31,205
Limited Tax Notes Series 2013	2.00 - 5.00	2013	2020	35,825	35,825
Limited Tax Refunding Bonds Series 2013	2.00 - 5.00	2013	2025	10,515	<u>10,515</u>
Subtotal					136,430
Premium on Debt					<u>9,708</u>
Total					<u>\$ 146,138</u>

*Long-Term Debt Issued in Fiscal 2013*

On June 27, 2013, the County issued Limited Tax Refunding Bonds Series 2013 with a principal amount of \$10,515, and a premium of \$1,669. This bond advance refunded \$11,440 of combination Tax and Parking Garage Revenue Certificates of Obligation Series 2004. Proceeds of the bond issuance amounting to \$12,055 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, this bond is considered defeased, and the liability for these bonds has been removed from the Government Wide Statement of Net Position. The purpose of this refunding was to reduce future debt service payments by \$1,861; thereby obtaining an economic gain. The cost of issuance of these bonds was \$120, and is included in the accompanying Statement of Revenue, Expenditures, and Changes in Fund Balances. The present value of the economic gain from this refunding amounted to \$1,687.

Additionally, on June 27, 2013, the County issued Limited Tax Notes Series 2013, with a principal amount of \$35,825, and a premium of \$4,423. Proceeds of this bond will be used to fund improvements of certain County buildings to increase energy savings, pay cost of professional services related to the forgoing, and pay related bond issuance costs.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**VI. LONG-TERM LIABILITIES (Continued)**

***Pledged Future Revenues***

The County has pledged future net revenues from certain parking facilities. Pledged net revenues and cash and investments in the respective sinking fund secure the Combination Tax and parking Garage Revenue Certificates of Obligation Series 2004. Net revenues were \$1,272 in fiscal year 2013. Principal and interest paid for the current fiscal year were \$12,045 and \$627, respectively. The outstanding bond principal was \$650 as of September 30, 2013. If net revenues and cash and investments in the respective sinking fund are insufficient, the County is obligated to levy taxes to fund net revenue shortfalls.

***Arbitrage Rebate Liabilities***

The Tax Recovery Act of 1986 established regulations for rebate to the federal government of arbitrage earnings on certain local governmental bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due on an annual basis and remit the amount due at least every five years. The County has recorded an arbitrage liability of \$102 in governmental activities on the government-wide financial statements at September 30, 2013.

***Changes in Long-Term Liabilities***

Long-term liabilities for the year ended September 30, 2013 were as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Funding for Liquidation</u>
Bonds and COs	\$ 127,203	\$ 52,432	\$ 33,497	\$ 146,138	\$ 25,080	a
Other postemployment benefits	181,072	58,072	2,950	236,194	-	b
Claims and judgments	2,800	1,224	524	3,500	600	c
Compensated absences	26,516	33,068	32,847	26,737	23,480	c
Workers' compensation	2,248	2,217	2,305	2,160	1,908	c
Total	<u>\$ 339,839</u>	<u>\$ 147,013</u>	<u>\$ 72,123</u>	<u>\$ 414,729</u>	<u>\$ 51,068</u>	

*Funding for liquidation: a=Debt Service Fund: b=Unfunded: c=General Fund*

*Note: Changes in estimates of workers' compensation are indirect costs charged to General Government in the Statement of Activities and which may not be reasonably allocated as a direct expense to other functions / programs in the Statement of Activities. Other post-employment benefits are charged to General Government functions / programs in the Statement of Activities as these benefits are considered direct costs guaranteed by the general government.*



**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**VI. LONG-TERM LIABILITIES (Continued)**

***Contractual Maturities***

The annual debt service for general obligation, certificates of obligation and revenue bonds is as follows:

<b>Year Ending September 30</b>	<b>Principal</b>	<b>Interest</b>
2014	\$ 25,080	\$ 5,886
2015	25,840	4,770
2016	24,690	3,757
2017	17,410	2,662
2018	16,265	1,803
2019 – 2023	24,610	2,652
2024 - 2025	2,535	192
Subtotal	136,430	21,722
Premium on debt	9,708	-
Total	\$ 146,138	\$ 21,722

The Debt Service Fund has \$2,820 available to service the general long-term bond retirement. There are a number of limitations and restrictions contained in the various bond indentures. County management believes that it complies with all significant limitations and restrictions.

***Discretely Presented Component Unit***

On September 17, 2009, the District issued three series of Dallas County Hospital District Limited Tax Bonds (Bonds), with a total principal amount of \$705,000. The Bonds were authorized by an affirmative vote of the County electorate on November 4, 2008, and were issued pursuant to an order by the Dallas County Commissioners Court. Proceeds of the Bonds will be used to fund the replacement hospital campus pursuant to the District’s master facility plan. The Bonds pay interest on February 15<sup>th</sup> and August 15<sup>th</sup> each year, based upon a 360-day year consisting of twelve 30-day months. Payment of principal and interest on the Bonds is supported by a tax levy initially \$0.02 per \$100 of taxable assessed valuation on the taxable residential real estate, commercial real estate, and business personal property of the County. The Bonds are rated “AAA” by both Standard & Poor’s and Fitch.

Tax-Exempt Series 2009A Bonds were issued with a total principal amount of \$24,800, bear interest at effective rates ranging from 2.06% to 2.59% (stated fixed interest rates of 3.0% and 5.0%), mature from August 15, 2014 to 2016, and were sold at a premium of \$2,500. The Tax-Exempt Series 2009A Bonds are not subject to redemption prior to maturity.

Taxable Series 2009B Bonds were issued in accordance with provisions of the Build America Bonds program with a total principal amount of \$222,500, bear interest at fixed interest rates (before interest rate subsidy) ranging from 4.948% to 6.171%, mature from August 15, 2020 through August 15, 2034, and were sold at par. The Taxable Series 2009B Bonds are subject to redemption prior to maturity on August 15, 2019 or on any date thereafter, in whole or in part, at the option of the District, at the par amount plus any accrued interest. Prior to August 15, 2019, the Taxable Series 2009B Bonds are subject to “make-whole” redemption, at a redemption price that is the greater of (a) the issue price, or (b) the sum of the present value of the remaining scheduled payments of principal and interest to maturity date of the bonds to be redeemed, discounted at the Treasury Rate plus 25 basis points. . If the interest rate subsidy from the U.S. Treasury is reduced or eliminated, the Taxable Series 2009B Bonds may be redeemed, at the option of the District, at the Extraordinary redemption price which is the greater of (a) the issue price, or (b) the sum of the

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

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**VI. LONG-TERM LIABILITIES (Continued)**

present value of the remaining scheduled payments of principal and interest to maturity date of the bonds to be redeemed, discounted at the Treasury Rate plus 100 basis points.

Taxable Series 2009C Bonds were issued in accordance with provisions of the Build America Bonds program with a total principal amount of \$457,700, bear interest at fixed interest rates (before interest rate subsidy) ranging from 4.148% to 5.621%, mature from August 15, 2017 through August 15, 2044, and were sold at par. The Taxable Series 2009C Bonds are subject to “make-whole” redemption, at a price that is the greater of (a) the issue price, or (b) the sum of the present value of the remaining scheduled payments of principal and interest to maturity date of the bonds to be redeemed, discounted at the Treasury Rate plus 25 basis points. If the interest rate subsidy from the U.S. Treasury is reduced or eliminated, the Taxable Series 2009C Bonds may be redeemed, at the option of the District, at the Extraordinary redemption price that is the greater of (a) the issue price, or (b) the sum of the present value of the remaining schedule payments of principal and interest to maturity date of the bonds to be redeemed, discounted at the Treasury Rate plus 100 basis points.

Under the provisions of the Build America Bond Program’s Direct Payment Method, the Taxable Series 2009B and Series 2009C Bonds qualify for interest rate subsidy from the U.S. Treasury of 35% of the interest costs paid on each payment date. Under the Sequestration Transparency Act of 2012, the federal subsidies were reduced by 8.7% effective for payments to issuers between March 2, 2013 and September 30, 2013. The Sequestration loss to the District was \$578,000 in fiscal year 2013.

Long-term debt maturities (including mandatory redemptions), interest payments, net of subsidy, and total debt service at September 30, 2013 are as follows:

<u>Years Ending</u> <u>September 30,</u>	<u>Payments and</u> <u>Mandatory</u> <u>Redemptions</u>	<u>Interest Payments,</u> <u>Net of Subsidy</u>	<u>Total Debt</u> <u>Service</u>
2014	\$ 7,015	\$ 26,701	\$ 33,716
2015	8,230	26,412	34,642
2016	9,525	26,057	35,582
2017	14,710	25,655	40,365
2018	15,105	25,243	40,348
2019 - 2023	82,325	118,824	201,149
2024 - 2028	98,060	103,138	201,198
2029 - 2033	118,200	82,081	200,281
2034 - 2038	142,795	56,401	199,196
2039 - 2043	170,995	27,154	198,149
2044	<u>38,040</u>	<u>1,444</u>	<u>39,484</u>
Subtotal	705,000	519,110	1,224,110
Bond premium	2,542	-	2,542
Accumulated amortization	<u>(1,485)</u>	-	<u>(1,485)</u>
Total	<u>\$ 706,057</u>	<u>\$ 519,110</u>	<u>\$ 1,225,167</u>

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**VI. LONG-TERM LIABILITIES (Continued)**

As of September 30, 2013, the aggregate fair market value of the Bonds was approximately \$788,000 based on quoted market prices. The District is subject to federal arbitrage regulations which limit investment yields on bond proceeds.

The District's ability to issue debt payable from taxes is limited by tax rate limitations imposed by the Texas State Constitution. The District's ad valorem tax rate for all purposes cannot exceed \$0.75 per \$100 valuation. The District's ad valorem tax rate for fiscal 2013 is below the limit at \$0.271 per \$100 valuation.

In the 2008 bond election, the District informed the voters that it may issue an additional series of bonds in the estimated amount of \$42,000 for the new hospital campus.

Interest costs totaled \$38,700 for 2013. Of total interest costs, \$12,900 was expensed during 2013. The remaining \$25,800 was capitalized during 2013.

**VII. INTERFUND RECEIVABLES AND PAYABLE BALANCES AND TRANSFERS**

*Primary Government*

The composition of inter-fund balances as of September 30, 2013 is as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Major Grants	\$ 137
Other Non-Major Governmental	Major Projects	10,754
Other Non-Major Governmental	General	130
Internal Service	General	3,553
Internal Service	Major Projects	12
Internal Service	Major Grants	81
Internal Service	Other Non-Major Governmental	<u>79</u>
Total		<u>\$ 14,746</u>

Transactions between funds of the County can result in receivables and payables at year end when there is a reasonable expectation of repayment. The General fund receivable represents a reimbursement from the Major Grants fund for indirect costs and salaries. The Other Non-Major Governmental fund receivable from the Major Projects fund represents reimbursement of inducement order transfers. Another receivable of the Other Non-Major Governmental fund represents salaries reimbursed by the General fund. The Internal Service fund receivable from General, Major Projects, Major Grants, and Other Non-Major Governmental funds relates to health insurance liabilities expected to be funded in fiscal 2014.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**VII. INTERFUND RECEIVABLES AND PAYABLE BALANCES AND TRANSFERS (Continued)**

**Transfer In:**

	<u>General Fund</u>	<u>Major Projects</u>	<u>Major Grants</u>	<u>Other Non- Major Governmental Funds</u>	<u>Total</u>
<b>Transfer Out:</b>					
General	\$ -	\$ -	\$ 4,511	\$ 128	\$ 4,639
Major Projects	595	-	-	-	595
Major Grants	1,703	-	-	-	1,703
Other Non-Major Governmental Funds	<u>18,284</u>	<u>12,444</u>	<u>-</u>	<u>3,176</u>	<u>33,904</u>
Total	<u>\$ 20,582</u>	<u>\$ 12,444</u>	<u>\$ 4,511</u>	<u>\$ 3,304</u>	<u>\$ 40,841</u>

Transfers from Other Non-Major Governmental funds to the General and Major Projects funds were mainly from Road and Bridge, Technology, Local Government, and Record Management funds. Transfers to the General and Major Projects funds totaled \$20,582, and \$12,444, respectively. Transfers from the Road and Bridge fund were primarily from vehicle registration fees, criminal fines, and forfeitures and were for various transportation related projects. Transfers from the Technology, Local Government, and Record Management funds funded current expenditures for record management, local government, and technology expenditures approved by the respective official custodians to support approved expenditures.

A condition of certain Major Grants requires the County to provide matching funds in order to obtain grant funding. In fiscal 2013, the General fund provided matching funds aggregating \$4,511. The majority of transfers were for health, juvenile, and law enforcement grants.

**ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

***Primary Government***

Approximately 18.8% of the \$42,208 balance in accounts payable and accrued liabilities at September 30, 2013 represents accrued payroll liabilities with the balance being payable to vendors and contractors.

***Discretely Presented Component Unit***

Accounts payable and accrued liabilities in the Statement of Net Position includes accounts payable and accrued expenses of \$104,564, accrued payroll of \$58,417, employee healthcare liabilities of \$8,516, and other employee benefits of \$5,754.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS**

*Primary Government*

**(a) Retirement Plan Description**

*Texas County and District Retirement System*

The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The TCDRS Board of Trustees is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available online at [www.tcdrs.org](http://www.tcdrs.org) or upon written request from the Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The governing body of the employer adopts the plan provisions within options available in Texas state statutes (TCDRS Act) governing TCDRS. Members employed by the County are vested and may retire at age 60 and above with 10 or more years of service; with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after combined 10 years of employment with any organization(s) with an accredited plan (not just the County), but must leave their accumulated contributions in the plan to receive any employer financed benefit.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of an employees accumulated contributions and the employer financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

*Public Agency Retirement Services*

Employees with less than 1,000 hours of annual service are required to participate in the Public Agency Retirement Services Plan (PARS), as an alternative to participation in Social Security. PARS is administered by Phase II Systems, a California corporation. Employee and County contributions are fixed as a percentage of an employee's salary, which percentages are 6.2% and 1.3%, respectively. In fiscal 2013, employee and County contributions were \$99 and \$21, respectively. The County Treasurer administers the investment policy for employee and County contributions.

**(b) Funding Policy**

The County has chosen a fixed rate plan under the provisions of the TCDRS Act. County employees with 1,000 or more hours of service a year are members of the plan. The plan is funded by monthly contributions from both the County and its employees based on the covered payroll of employee members. Regulated by the TCDRS Act, the required 10.8% contribution rate (effective January 1, 2013) of the County is a fixed percentage matched by a 7% contribution rate payable by employee members and adopted by the Commissioners Court.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

The financing objective for the plan is to provide benefits for the employee members that can be adequately financed by a fixed employer contribution rate that remains level as a percentage of covered payroll. Employee and County contribution rates may be changed by the Commissioners Court with options available in the TCDRS Act. If a plan has had adverse experience, the TCDRS Act provisions allow an employer to contribute a fixed supplemental contribution rate determined by the TCDRS actuary above the regular rate for 30 years, or to reduce benefits earned in the future.

The schedule of funding progress, presented as Required Supplementary Information (see page 100) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Plan asset values during fiscal 2013 have increased in value.

**(c) Annual Pension Cost**

For the year ended September 30, 2013, the County's annual pension cost and actual contributions for the TCDRS plan was \$30,760. This excludes contributions for Community Supervision and Corrections Department (CSCD), which is not a department or component unit of the County. Actuarial Valuation Information below includes CSCD. Any experience adjustment based on the TCDRS actuarial studies, is passed to CSCD based on the associated covered payroll. The annual required contributions actuarially determined as a percentage of the covered actuarial payroll of the participating employees for fiscal 2013 complied with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers," parameters based on the actual actuarial valuation as of December 31, 2010. An actuarial valuation as of December 31, 2011 was used to assess the adequacy of future financing arrangements in fiscal 2013.

**Actuarial Valuation Information**

Fiscal year	2011	2012	2013
<b><u>GASB 27 Calculation Information</u></b>			
GASB 27 compliant contribution rate	9.40%	10.00%	10.80%
Actuarial assumed investment return rate	9.00%	9.00%	9.00%
Actuarial amortization factor	12.2964	12.9447	12.9447
Rate actually used to make contributions	9.40%	10.00%	10.80%
<b><u>Actuarial Information</u></b>			
Actuarial valuation date	12/31/2009	12/31/2010	12/31/2011
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization cost method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	18.4 years	20.0 years	20.0 years
Asset valuation method	<sup>1</sup> SAF: 10 years smoothed value <sup>2</sup> ESF: Fund value	<sup>1</sup> SAF: 10 years smoothed value <sup>2</sup> ESF: Fund value	<sup>1</sup> SAF: 10 years smoothed value <sup>2</sup> ESF: Fund value
<b>Actuarial Assumptions:</b>			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**VIII. RETIREMENT COMMITMENTS (Continued)**

**Actuarial Valuation Information**

Fiscal year	2011	2012	2013
<b><u>Schedule of Funding Information</u></b>			
Actuarial valuation date	12/31/2009	12/31/2010	12/31/2011
Actuarial value of assets	953,736	991,089	1,010,337
Actuarial present value of future normal cost contributions	172,577	170,609	164,144
Actuarial accrued liability (AAL)	1,072,039	1,129,476	1,169,677
Unfunded actuarial accrued Liability (UAAL)	118,303	138,387	159,340
Funded ratio	88.96%	87.75%	86.38%
Actuarial covered payroll	318,942	320,891	310,878
UAAL as percentage of covered payroll	37.09%	43.13%	51.25%
<b><u>Required employer rates</u></b>			
Normal cost	6.54%	6.54%	6.52%
UAAL	<u>2.86%</u>	<u>3.46%</u>	<u>4.28%</u>
Total required rate	9.40%	10.00%	10.80%

*Note 1: SAF is defined as "Subdivision Accumulation Fund."*

*Note 2: ESF is defined as "Employee Savings Fund."*

**Annual Pension Cost**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
September 30, 2011	\$26,905	100%	—
September 30, 2012	\$27,539	100%	—
September 30, 2013	\$30,760	100%	—

***Post Retirement Benefits Other Than Pension (OPEB)***

***OPEB Plan Description***

The County's group medical plans (Plan) are administered through the Public Employee Benefits Cooperative. The Plan is a single-employer defined benefit healthcare plan funded on a pay-as-you-go basis. OPEB includes health insurance and Medicare supplements. Contribution, adjustment or elimination of the contribution and adjustments to OPEB eligibility are subject to the governing body's annual budgetary discretion. The County allows retirees and dependents to continue health, dental and other insurance benefits upon retirement.

Age-adjusted premium amounts are not incorporated with the policy, except after the age of 65 when the Plan is secondary payer to Medicare Parts A and B. All retirement credits must be earned within the County for insurance eligibility. Retiree plan participants who opt for other than basic or enhanced coverage must contribute 100% of the costs.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

**Funding Policy**

The County is not required by Texas law or contractual agreement to provide funding for OPEB other than the pay-as-you-go amount necessary to provide current budget year benefits to retirees and eligible beneficiaries and their dependents. Contribution, adjustment, or elimination of the contribution and adjustments to eligibility are subject to the governing body's annual budgetary discretion. For the year ended September 30, 2013, combined County and retiree contributions totaled \$6,765 for the Plan. Retiree Plan members receiving benefits contributed \$3,815 or approximately 56.39% of total cost through their required contributions.

The schedule of funding progress, presented as Required Supplementary Information (see page 100) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of OPEB assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Annual OPEB Cost and Net OPEB Obligation**

The County's annual OPEB cost (expense) calculation is based on the annual required contribution of the employer (ARC), an amount that was actuarially determined by using the Projected Unit Credit method. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This allocation is performed for the group as a whole.

The Projected Unit Credit method allocates costs from date of hire to expected retirement date based on experience by aging active claims to retirement. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. Under this method, actuarial gain or losses, as they occur, reduce or increase future Normal Costs. The following table shows the elements of the County's annual OPEB cost for each of the three fiscal years ended September 30, 2013, the amount actually paid on behalf of the Plan, and changes in the County's net OPEB obligation to the Plan:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Normal cost	\$41,548	\$41,548	\$34,700
Amortization of Unfunded Actuarial Accrued Liability	16,524	16,524	13,300
Interest on net OPEB obligation	4,527	3,150	2,026
Adjustment to annual required contribution	(4,527)	(3,150)	(2,026)
Annual OPEB expense	<u>58,072</u>	<u>58,072</u>	<u>48,000</u>
Contributions made	(2,950)	(3,005)	(3,034)
Change in net OPEB obligation	55,122	55,067	44,966
Net OPEB obligation – beginning of year	<u>181,072</u>	<u>126,005</u>	<u>81,039</u>
Net OPEB obligation – end of year	<u>\$236,194</u>	<u>\$181,072</u>	<u>\$126,005</u>

The County decided against funding any Unfunded Actuarial Accrued Liability (UAAL) at transition and will amortize it over the maximum period of thirty years, open basis, as allowed under GASB 45, "Accounting and Financial Reporting by Employers for Postemployment Pensions."



**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

September 30, 2013  
(in thousands of dollars)

**VIII. RETIREMENT COMMITMENTS (Continued)**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three fiscal years ended September 30, 2013 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2011	\$48,000	6.32%	\$126,005
September 30, 2012	58,072	5.17%	181,072
September 30, 2013	58,072	5.08%	236,194

**Funding Status and Funding Progress**

The most recent actuarial valuation (dated October 1, 2011) includes an actuarial accrued liability of \$459,971 and an actuarial value of assets of \$0, resulting in an unfunded actuarial balance. There are no Plan assets because the County funds on a pay-as-you-go basis. The covered payroll (annual payroll of active employees covered by the Plan) was \$281,890, and the ratio of the UAAL to the covered payroll was (163.2%).

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Increases in the most recent actuarial valuation are due to actuarial assumptions for increasing post-retirement healthcare costs. The discount rate of 2.5% remains flat from the 2009 valuation. Other estimates include assumptions about future employment mortality, age of retirement and continuance of retiree coverage.

The schedule of funding progress, presented as Required Supplementary Information (see page 100) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of OPEB assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as a percentage of Payroll</u> (b-a)/c
2011	October 1, 2009	-	370,000	(370,000)	0.00%	266,248	(139.0)%
2012	October 1, 2011	-	459,971	(459,971)	0.00%	270,072	(170.3)%
2013	October 1, 2011	-	459,971	(459,971)	0.00%	281,890	(163.2)%

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan, which include actuarial valuations as classified by the TCDRS; the types of benefits provided at the time of each valuation; and the historical pattern of benefit costs between the employer and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. The demographic assumptions requiring approval were accepted by the County's finance leaders.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

Summary information as of the October 1, 2011 actuarial valuation is as follows:

Actuarial valuation data	October 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization period	30 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return	2.5% compounded annually
Inflation rate	2.5%
Projected salary increases	2.0%
Increases in postretirement healthcare costs	9.0% (first year) 5.5% (ultimate – 2018)
Participant data	
Active	
- Number	5,433
- Average age	43.4
- Average past service	9.2
- Average future service to expected retirement	12.0
Retired participants and surviving spouses	
- Number	598
- Average age	67.8
Dependents	
- Number	211
- Average age	65.5

**Additional Disclosure**

The County holds the authority to pay OPEB for its retired employees; therefore, it may incur a debt obligation to pay for OPEB, so long as the County follows the constitutional requirement that it have sufficient taxing authority available at the time such debt is incurred. Any debt incurred in contravention of this constitutional requirement is considered void and payment will not be due.

The County has not incurred a legal debt obligation for OPEB and has not levied a tax for the same. The County funds the cost associated with OPEB on a current “pay-as-you-go” basis for a single fiscal year through an annual appropriation authorization by Commissioners Court during the County’s annual budget adoption process.

GAAP requires governmental organizations to recognize an actuarially calculated accrued liability for OPEB, even though it may not have a legally enforceable obligation to pay OPEB benefits. Information and amounts presented in the County’s Comprehensive Annual Financial Report (CAFR) relative to OPEB expense/expenditures, related liabilities (assets), note disclosures, and supplementary information are intended to achieve compliance with the requirements of generally accepted accounting principles (GASB 45) and does not constitute or imply that the County is legally obligated to provide OPEB benefits.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

*Discretely Presented Component Unit*

*Defined Benefit Plan*

The District maintains the Dallas County Hospital District Retirement Income Plan, a single-employer, defined benefit pension plan (Plan), which covers substantially all of its full-time employees. The Plan is administered by the Board of Managers of the District (Board). Plan provisions and contribution requirements are established and may be amended by the Board. The annual payroll for employees covered by the Plan for the year ended December 31, 2012, which is included in the actuarial valuation as of January 1, 2013, was approximately \$535,000. For the year ended September 30, 2013, the District's total payroll was approximately \$660,000.

Employees are required to contribute 4.5% of their annual salaries to the Plan. The District is required by the Plan to contribute the remaining amounts necessary to fund the Plan using actuarial methods. Effective January 1, 2014, the required employee contribution to the Plan will increase to 4.7% of their annual salary. In accordance with the Governmental Accounting Standards Board pronouncements applicable to benefit plan accounting and reporting, revenues, including contributions, are recognized when earned and expenses are recognized when the underlying translation or event occurs, regardless of the timing of related cash flows. Benefit payments to participants are recorded upon distribution.

Employees attaining the age of 65 who have completed five or more years of service are entitled to annual benefits of 1.25% of their final average annual earnings for each year of service prior to 1982, plus 2.50% of their final average earnings for each year of service after 1981 up to a maximum of 60% of final average earnings, subject to Internal Revenue Service limitations. The Plan permits early retirement, for which the participant is eligible for a reduced benefit at age 55, provided the employee has completed five years of service.

Effective July 1, 2010, the Plan was amended to assure parity with Social Security benefits for some participants. The greater of the above described "normal" benefit accrual rates, or the following alternative rates will apply: 4% of the Participant's final average earnings up to \$10 multiplied by his years of service (capped at 25 years) plus 2% of that portion of the final average earnings, if any, which is between \$10 and \$30, multiplied by his years of service (capped at 25 years). For calendar years following 2010, the breakpoint values of \$10 and \$30 will be indexed to the Social Security Taxable Wage Base. The Plan document was restated effective January 1, 2011 to incorporate three prior amendments.

If an employee terminates his or her employment with the District prior to the completion of five years of service, the employee is entitled to a refund of his or her contribution. After five years of service, the employee, upon termination, is entitled to the pension accrued to the date of termination, payable commencing at his or her normal retirement date or at the age of 55 upon early retirement. Actual benefits to be paid, however, may vary depending on, among other things, actual retirement date, form of payment elected, and certain limitations as described in the Plan document.

The District's funding policy is to make periodic actuarially determined employer contributions in amounts designed to accumulate sufficient assets to pay benefits when due. The projected unit credit method is used to determine both the funding and the pension benefit obligation.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

The plan's assets include investments reported at fair value. Investments in mutual funds, corporate equities, and fixed income securities are reported at fair value based on published market prices. Short term money market funds are reported at cost, which approximates fair value. Investments in common collective trusts and hedge funds are reported at net asset value as a practical expedient for fair value.

Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8% per year, compounded annually; (b) projected salary increases of 4%; (c) inflation of 4.25%, and (d) the assumption that benefits will not increase after retirement. The amortization method used is the level percentage of projected open payroll over a period of 30 years. The actuarial value of assets is equal to a five-year rolling phase-in of the excess of actual investment income over expected investment income, based on the market value.

The District's annual pension cost and net pension asset related to the Plan for the year ended September 30, 2013, were as follows:

Annual required contribution	\$ 21,277
Interest on net pension asset	(1,667)
Adjustment to annual required contribution	1,230
Annual pension cost	20,840
Contributions	19,964
Decrease in net pension asset	(876)
Net pension asset – beginning of year	20,749
Net pension asset – end of year	\$ 19,873

The annual pension costs related to the Plan are as follows:

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
September 30, 2011	\$ 16,024	109%	\$ 21,085
September 30, 2012	15,579	98%	20,749
September 30, 2013	20,840	96%	19,873

During the year ended September 30, 2013, \$24,700 of employee contributions were made in accordance with the established contribution requirements described above. The District contributed approximately \$20,000 to the Plan during the year ended September 30, 2013, in accordance with contribution requirements determined by the January 1, 2013 actuarial valuation. Three-year historical trend information presenting the progress in accumulating sufficient assets to pay benefits when due is presented in the Required Supplementary Information (see page 101) following the notes to the basic financial statements based on the Plan's year-end of December 31.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. This report may be obtained by writing to the District's accounting office. At January 1, 2013, 2012, and 2011, the actuarial value of assets was sufficient to fund 80.0%, 86.2%, and 87.3%, respectively, of the actuarial accrued liability. The unfunded liability as a percentage of the annual payroll for employees covered as of January 1, 2013, 2012, and 2011, was 27.6%, 18.0%, and 16.0%, respectively.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

***Defined Contribution Plan***

The District also maintains a voluntary defined contribution plan covering all employees with at least one year of service. The defined contribution plan is administered by the Board. The defined contribution plan provisions and contribution requirements are established and may be amended by the Board. The payroll for employees covered by the defined contribution plan for the year ended September 30, 2013, was approximately \$573,000. The District's total payroll was approximately \$660,000 for the year ended September 30, 2013. Eligible employees can choose to contribute from 2% to 20% of their base salaries. The District will match employees' contributions 100%, up to 6% of their base salaries. Employees are fully vested at all times in their voluntary contributions, plus earnings thereon. Vesting in the District's matching contributions is based on years of service. After one year of service, employees vest at the rate of 20% per year for five years. Should an employee terminate prior to vesting completely in the District's contributions, the unvested portion can be used to reduce the District's matching contributions in the aggregate in the following year.

Contributions for the year ended September 30, 2013, were approximately \$17,200 from the District and \$37,800 from employees, or 6.6% of covered payroll. The required contribution by the District for 2013 has been increased by \$400 representing increased employee participation contributions.

***Post Retirement Benefits Other Than Pension (OPEB)***

In addition to providing pension benefits, the District provides certain healthcare benefits for retired employees until age 65 (OPEB Plan). As of January 1, 2013, the number of retirees and eligible beneficiaries was 69.

The OPEB Plan is administered by the Board. The OPEB Plan provisions and contribution requirements are established and may be amended by the Board. The OPEB Plan does not issue a publicly available financial report. In September 2011, the Plan provisions were modified to discontinue allowing new enrollees in the Plan effective January 1, 2013.

The District's annual OPEB cost or expense is calculated based on the Annual Required Contribution (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities, or funding excess, over a period not to exceed 30 years. The following table shows the components of the District's OPEB cost for the year ended September 30, 2013, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation to the OPEB Plan.

Annual required contribution	\$ 92
Interest on net OPEB obligation	261
Adjustment to annual required contribution	<u>(209)</u>
Annual OPEB cost	144
Contributions	<u>(620)</u>
Decrease in net OPEB obligation	(476)
Net OPEB obligation - beginning of year	<u>5,221</u>
Net OPEB obligation - end of year	<u>\$ 4,745</u>

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**VIII. RETIREMENT COMMITMENTS (Continued)**

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2011	\$ 305	197%	\$ 5,618
September 30, 2012	227	275%	5,221
September 30, 2013	144	431%	4,745

As of the January 1, 2013 actuarial valuation date, the OPEB Plan was not prefunded. Contributions made were for current year costs incurred only. As of January 1, 2013, the actuarially accrued liability for benefits was \$2,300, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$2,300. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was \$450,600 for January 1, 2012. The ratio of the unfunded actuarial accrued liability to the covered payroll was 0.6% as of January 1, 2012. The covered payroll and ratio do not apply as of January 1, 2013, due to the plan closure.

Actuarial valuations of the OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the annual required contributions of the District and the funded status of the OPEB Plan are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future.

In the January 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5% investment rate of return. The amortization method used is the level percentage of projected open payroll over a period of 30 years.

**IX. LEASES**

***Primary Government***

The County has a number of operating leases. Future minimum rental payments applicable to the operating leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2014	\$ 2,104
2015	1,611
2016	955
2017	685
2018 - 2022	56
Total	\$ <u>5,411</u>

Rental expense for fiscal 2013, for all County operating leases was approximately \$2,245 including \$116 for lease pass-through expenses such as common area maintenance.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**IX. LEASES (Continued)**

The County is also a lessor of land, office space, and parking space under operating leases. Renewal options are available on certain leases. Future minimum rental payments to be received under operating leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2014	\$ 602
2015	602
2016	603
2017	587
2018	509
Total	\$ <u>2,903</u>

Rental payments received for fiscal 2013 were approximately \$591.

***Discretely Presented Component Unit***

The District leases facilities under operating leases that expire over periods of up to four years. Renewal and purchase options are available on certain of these leases. At September 30, 2013, future minimum rental payments applicable to the operating leases were as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2014	\$ 4,090
2015	3,741
2016	1,883
2017	1,321
2018	1,245
2019	595
Total	\$ <u>12,875</u>

Rental expense was approximately \$4,500 for the year ended September 30, 2013 and is recorded in the accompanying Statement of Activities.

The District also is a lessor of land, office space and parking space under operating leases. Renewal options are available on certain of these leases. Rentals received under these arrangements are recorded in the accompanying Statement of Activities.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**IX. LEASES (Continued)**

Minimum future rentals to be received under operating leases at September 30, 2013, are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2014	\$ 459
2015	338
2016	287
2017	198
2018	198
2019 - 2023	720
2024 - 2028	638
2029 - 2033	638
2034 - 2038	348
2039 - 2043	229
2044 - 2048	229
2049 - 2053	229
2054 - 2058	229
2059 - 2063	229
2064 - 2068	229
2069 - 2073	229
2074 - 2078	229
2079 - 2083	229
2084 - 2087	158
Total	\$ <u>6,043</u>

**X. RISK MANAGEMENT**

***Primary Government***

The County has elected to self-insure against risks arising from tort claims, employee group medical insurance benefits, workers' compensation benefits due to employees who are injured while on duty, losses of funds by theft or mysterious disappearances in all fee offices of the County (with the exception of the Office of County Tax Assessor Collector, and the Office of County Treasurer), and any and all other claims asserted by employees and/or third parties against the County arising out of the normal conduct of County business. The County has chosen to be a reimbursing employer under the unemployment compensation program administered by the Texas Workforce Commission.

The County purchased third-party vehicle insurance for Auto Theft Task Force grants. Specific property insurance is purchased to mitigate certain risks. Property insurance deductible limits include buildings at \$1,000; boiler and machinery at \$100; data, edp equipment, media at \$1,000 after period of interruption exceeds 48 hours, and radio equipment at \$25, and builders risk for certain construction projects. Current premium reflects a rate of \$0.29 cents per one hundred dollars of insurance.



**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**X. RISK MANAGEMENT (Continued)**

The County's workers' compensation self-insurance program provides medical and indemnity payments as required by law for on-the-job related injuries. A fiscal 2013 internal analysis of historical data, trends, and policies supports an experience rate reduction for aged-out claims. Actual experience for fiscal 2013 reflects increased payroll costs but reduced coverage claim losses. The liability is recognized in the Internal Service Fund. The third-party administrator for the program monitors the filing of claims, verifies the legitimacy, and processes payments to injured employees.

The Internal Service Fund also was established to account for the County's group medical insurance program. The County self-insures benefits through this fund utilizing its third-party benefit administrator. The County pays certain amounts of premiums for employees into the Internal Service Fund or to a third party, and allows employees to select additional benefits with premiums paid by the employees.

Premiums are paid into the Internal Service Fund by all other governmental funds for medical insurance programs. Contracted insurance providers receive disbursements based on monthly enrollment and premium calculations. Funds are available to pay claims, claim reserves, and administrative costs of the programs. Liabilities include an amount for claims or judgments that have been incurred but not reported. Liabilities of each fund are reported when it is probable that a loss or claim has occurred and the amount of the loss or claim is known or can be reasonably estimated. The County has specific deductible stop loss coverage of \$600 for the fiscal year ended September 30, 2013.

Changes in the medical and workers' compensation claims liability amounts in fiscal years 2012 and 2013 follow:

	<b>Beginning Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Ending Liability</b>
2012 Medical	\$ 3,996	\$ 58,885	\$ 58,889	\$ 3,992
2013 Medical	3,992	62,891	62,857	4,026
2012 Workers' compensation	2,955	1,753	2,460	2,248
2013 Workers' compensation	2,248	2,217	2,305	2,160

***Discretely Presented Component Unit***

The liabilities described below as of September 30, 2013 and 2012, are based on requirements that a liability for claims be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These liabilities include estimates for both reported claims and incurred, but not reported claims. As a result of settled claims, the frequency of new claims, and other economic and social factors, claims liabilities are reevaluated periodically.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
(in thousands of dollars)

**X. RISK MANAGEMENT (Continued)**

	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
Hospital professional and general liability:				
2012	\$ 4,324	\$ 1,770	\$ (1,572)	\$ 4,522
2013	4,522	2,186	(1,759)	4,949
Employee healthcare benefit liability:				
2012	2,350	80,023	(75,288)	7,085
2013	7,085	87,173	(85,742)	8,516
Workers' compensation liability:				
2012	4,188	1,902	(1,736)	4,354
2013	4,354	1,674	(1,241)	4,787

Hospital Professional and General Liability – The District is involved in certain legal actions and claims arising in the ordinary course of operations. The District records estimated self-insurance costs for medical malpractice and general liabilities as other current and long-term liabilities. The amounts provided for funding and the estimated liabilities are based on settlement of claims limited to \$100 per claim and \$300 per occurrence in accordance with the limited liability provisions of the Texas Tort Claim Act. The funding estimate used an actuarially determined 1.5% discount rate for 2013, and is reported in non-current liabilities – due in more than one year in the Statement of Net Position.

Employee Health Care Benefit Liability – The District manages a self-insurance program that provides for the payment of employee health claims. The District records estimated self-insurance costs for health claims as current liabilities. The amount of the estimated liability is derived from a claims modeling system. To obtain coverage, employees authorize payroll withholdings to pay the employee portion of contributions for individual and dependent coverage. Claims are paid by a third-party administrator acting on behalf of the District. The administrative contract between the District and the third-party administrator is renewable annually, and administrative fees are included in the contractual provisions. The employee health care benefit liability is reported in accounts payable and accrued expense in the Statement of Net Position.

Workers' Compensation Liability – The District maintains a self-insurance plan for workers' compensation benefits, managed by a third-party administrator. The District records estimated self-insurance costs for workers' compensation as current liabilities. The amount provided for the estimated liability is based on settlement of claims. The funding estimate used an actuarially determined 1.5% discount rate for 2013, and is reported in accounts payable and accrued expenses in the Statement of Net Position.

**XI. COMMITMENTS AND CONTINGENCIES**

***Primary Government***

Several lawsuits that could affect the County's financial position are in various stages of litigation. An estimated liability of \$3,500 has been established in the government-wide Statement of Net Position to provide coverage for the estimated maximum cost to the County. Settlement of a lawsuit was reached within 60 days of the fiscal year end, totaling \$350 for alleged negligence in pursuit. There are other lawsuits and claims in which the County is involved. Based upon the

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**XI. COMMITMENTS AND CONTINGENCIES (Continued)**

representations of the District Attorney and legal counsel for the Commissioners Court, management believes that potential claims, if any, against the County, resulting from such litigation would not materially affect the financial position or operations of the County.

As of September 30, 2013, the County has encumbered amounts intended to be honored in the subsequent year for the following governmental funds:

Major Projects	
Thoroughfares and trails	\$ 33,630
Jail modification	20,439
Energy management/improvements	4,758
Others	2,608
	<u>61,435</u>
Major Grants	6,295
Other Non-major	40,472
	<u>\$ 108,202</u>

General fund encumbrances are included in its assigned fund balance.

Other non-major encumbrances are primarily for capital projects funded by the Limited Tax Notes Series 2011 and 2013. These notes were issued to fund improvements and remodeling of certain County buildings including the jail, and improvements expected to increase energy savings.

In conjunction with other local entities, the County manages for those entities significant commitments (\$7,755) to fund improvements that will not lead to the construction of County owned assets, but will improve the quality of life for its citizens.

***Discretely Presented Component Unit***

***Litigation***

The District is involved in litigation and compliance investigations arising in the normal course of business or as a result of routine internal compliance reviews conducted by management. The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and government health care program participation requirements, patient privacy requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Management believes that the District has appropriately reserved for any existing or unasserted claims related to such potential regulatory actions and the ultimate outcome will not have a material effect the financial statements.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**XI. COMMITMENTS AND CONTINGENCIES (Continued)**

*Other Matters*

In July 2011, surveyors from the Centers for Medicare and Medicaid Services (CMS) assessed the District's compliance with the CMS Conditions of Participation, the health and safety standards health care organizations must meet in order to participate in the Medicare and Medicaid programs, including the Emergency Medical Treatment and Active Labor Act (collectively, the COP). The survey was in response to a patient complaint.

The CMS assessments found that the District was not fully compliant with the COP. Accordingly, in September 2011, CMS notified the District that it intended to terminate the District's participation in the Medicare and Medicaid program due to failure to meet certain standards (Termination Notice). Recognizing the vital role the District serves in providing health care to the people of the County, CMS suspended that termination when the District entered into a Systems Improvement Agreement (SIA). Under the terms of the SIA, the District agreed to: a) engage a team of independent consultants to analyze the District operations in their entirety under the COP and, within 60 days of their engagement, provide a report to CMS outlining areas of improvement to ensure full compliance with all COP; b) assist the independent consultants in the development of a written plan outlining what specific actions the District must take to return to full compliance with the COP (Corrective Action Plan); c) engage one or more nationally recognized experts, approved by CMS, to develop and implement a Quality Assessment and Performance Improvement Program; and d) and engage a full-time, independent, on-site Compliance Officer to provide oversight and coordination of the District's efforts to return to compliance with the Medicare conditions of participation. Some of the key provisions of the Corrective Action Plan included: i) replacing leadership in at least a dozen health care delivery areas and hiring additional nurses; ii) creating new resident doctors-in-training oversight policies, including a computer tracking system for improved supervision by faculty physicians; iii) reorganizing the nursing program to foster effective response times and provide greater oversight; iv) improving sanitary and infection control protocols; and v) improving emergency room efficiencies.

After an additional series of CMS audits in June 2013, CMS notified the District in August of 2013 that the District was in substantial compliance with the COP, that the District had successfully completed the requirements of the SIA, and that CMS was rescinding its Termination Notice. On August 22, 2013, CMS notified the District that it had restored the District's deemed status for full participation in the federal healthcare programs.

The District has been named as a defendant or co-defendant in certain legal actions alleging medical malpractice, negligence, civil rights, and employment claims. The District maintains employment practices liability insurance.

The District is subject to the provisions of the Texas statute known as the Texas Tort Claims Act, including the provisions thereof which limit liability in tort claims involving personal injury and death caused by a condition or use of tangible personal or real property. Currently, the District's liability is limited under the Act to money damages in a maximum amount of \$100 for each person, \$300 for each single occurrence for bodily injury or death, and \$100 for each single occurrence for injury to or destruction of property. The District is not a party to any litigation or other proceedings pending, or to its knowledge, threatened in any court, agency, or other administrative body (either state or federal) which, if decided adversely to the District, could have a material adverse effect on the financial condition of the District, except as disclosure herein. The District has established and currently maintains, in lieu of any policy of liability insurance against damage or loss, a program of self-insurance which is maintained at or above the amounts which annually, in the opinion of an

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**XI. COMMITMENTS AND CONTINGENCIES (Continued)**

independent actuary, who is a fellow of the Casualty Actuary Society, are required to satisfy future losses which may result from past acts or omissions not subject to statutory limitation.

In response to a qui tam lawsuit filed in March 2010 alleging that the District had submitted certain claims for payment relating to the provision of physical medicine and rehabilitation services that were impermissible under then applicable Medicare and Medicaid program billing regulations, The District entered a settlement agreement in May 2013 with the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the United States Department of Health and Human Services, and the State of Texas, acting through the Texas Attorney General's Office and on behalf of the Texas Health and Human Services Commission (HHSC). Under the settlement agreement, the District paid \$1,400 to settle the allegations and entered into a five-year Corporate Integrity Agreement (CIA) with the OIG-HHS. Under the CIA, among other things the District agreed to (1) implement corrective action to improve systemic performance in compliance, ethics, clinical quality and patient safety; (2) measure, analyze, and track quality indicators, including adverse patient events, and implement written policies and procedures designed to ensure the District's compliance with the federal health care program requirements on billing and reimbursement; (3) engage an outside monitoring organization to review the District's submission of claims for reimbursement from federal healthcare programs (IRO); and (4) engage an outside monitoring organization to review the District's clinical quality systems (QRO). Under the CIA, if the District fails to comply with its provisions, the District is entitled to notice of such non-compliance from the OIG-HHS and an opportunity to cure any alleged non-compliance. The CIA also contains provisions for imposition of monetary penalties for any non-compliance that is not timely cured by the District. Further, for any material breaches of the CIA that are not cured by the District, the CIA provides that the District could be excluded from participation in the Medicare and Medicaid programs, but the CIA also contains dispute resolution provisions for any proceeding seeking to exclude the District from participation in the Medicare and Medicaid programs for non-compliance.

The Patient Protection and Affordable Care Act (PPACA), was signed into law on March 23, 2010. The Health Care and Education Affordability Reconciliation Act (Reconciliation Act), which contains a number of amendments to PPACA, was signed into law on March 30, 2010. These healthcare bills (collectively, the Reform Legislation) seek to increase the number of persons with access to health insurance in the United States by requiring substantially all U.S. citizens to maintain medical insurance coverage. The Reform Legislation makes a number of other changes to Medicare and Medicaid, such as reductions to the annual market basket update for federal fiscal years 2010 through 2019, a productivity offset to the market basket update beginning October 1, 2011 and a reduction to the disproportionate share payments. The various provisions in the Reform Legislation that directly or indirectly affect reimbursement are scheduled to take effect over a number of years.

Also included in the Reform Legislation are provisions aimed at reducing fraud, waste, and abuse in the healthcare industry. These provisions allocate significant additional resources to federal enforcement agencies and expand the use of private contractors to recover potentially inappropriate Medicare and Medicaid payments. The Reform Legislation amends several existing federal laws, including the Medicare Anti-Kickback Statute and the False Claims Act, making it easier for government agencies and private plaintiffs to prevail in lawsuits brought against healthcare providers. These amendments also make it easier for potentially severe fines and penalties to be imposed on healthcare providers accused of violating applicable laws and regulations.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**XI. COMMITMENTS AND CONTINGENCIES (Continued)**

Management cannot predict the positive or negative impact the Reform Legislation may have on the District's financial position, results of operations, changes in net assets, or cash flows.

As of September 30, 2013, the District had commitments outstanding of approximately \$250,000 related to the construction of the New District Campus.

**Disproportionate Share**

The disproportionate share program is a supplemental reimbursement program that allows additional funding for hospitals that provide a significant proportion of Medicaid and indigent care services. Under program guidelines, the District may use the funds to benefit the indigent in either current or future periods. The District recognizes all funds received under the program as operating revenue in the applicable year, and any amounts relating to that year that are not yet received are included in Receivables (net of allowance for uncollectibles) and accrued interest in the accompanying Statement of Net Position. There is no guarantee that this program will continue into future years. The program for fiscal 2013 includes changes to the distribution formula that benefited the District. Total revenue recognized related to the disproportionate share program was \$43,900 in 2013.

**1115 Transformation Waiver Funds**

The 1115 Transformation Waiver began October 1, 2011. Under this waiver, the former Upper Payment Limit (UPL) programs are discontinued in favor of a reimbursement methodology that balances payment for uncompensated care costs (UC) with the need to improve quality of care for Texas recipients using Delivery System Reform Incentive Payments (DSRIP) funds. Over the 5 year waiver period, UC reimbursement generally moves downward while available DSRIP monies increase, so there is an even split between UC and DSRIP by the last year of the waiver. The program divides Texas into 20 Regional Health Partnerships (RHPs), creating an environment where regional collaboration is essential in order to earn available monies. The District serves as an "anchor" hospital for one of these regions. This mixture of new partners, a relatively new program, and new costs to create meaningful change in quality create some risk of delayed payments to the District. There is no guarantee that this program will continue during the course of the five year waiver or that the waiver will be renewed upon initial completion, which could result in a reduction of funding. Also, as the disproportionate share distribution formula increases, the total amount allocated for 1115 Waiver programs decreases. Total revenue recognized related to the 1115 Waiver was \$139,500 in 2013. The District recognizes all funds received under the program as operating revenue in the Statement of Activities, and any amounts relating to that year that are not yet received are included in Receivables (net of allowance for uncollectibles) and accrued interest in the accompanying Statement of Net Position. These amounts involve a considerable amount of judgment, and are subject to audit and final reconciliation by the Texas Health and Human Services Commission.

**Tobacco Settlement Funds**

In the fiscal year ended September 30, 2013, the District received a portion of its funds from the settlement of Texas' lawsuit against the tobacco industry. Under the program guidelines, the District is free to use the funds in either current or future periods without restriction. The District recognizes all funds received from the settlement as operating revenue in the period funds are received.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**XII. NEW ACCOUNTING PRONOUNCEMENTS**

**GASB 66: Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62**

The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

**GASB 67: Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25**

The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement requires defined benefit pension plans to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position.

- Notes to financial statements of defined benefit pension plans include descriptive information, such as the types of benefits provided, the classes of plan members covered, and the composition of the pension plan's board.
- Single-employer and cost-sharing pension plans to present in required supplementary information the following information for each of the 10 most recent fiscal years about employer and non-employer contributing entity obligations for pensions provided through the pension plan.
- Net pension liability to be measured as the total pension liability, less the amount of the pension plan's fiduciary net position.

This Statement is effective for financial statements for fiscal years beginning after June 15, 2013.

**GASB 68: Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27**

The requirements of this Statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information, as follows:

More robust disclosures of assumptions will allow for better informed assessments of the reasonableness of pension measurements.

Explanations of how and why the net pension liability changed from year to year will improve transparency.

The summary net pension liability information, including ratios, will offer an indication of the extent to which the total pension liability is covered by resources held by the pension plan.

The contribution schedules will provide measures to evaluate decisions related to the assessment of contribution rates – in comparison to actuarially, statutorily, or contractually determined rates, when such rates are determined. It also will provide information about whether employers and non-employer contributing entities, if applicable, are keeping pace with those contribution rates.

**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**XII. NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

**GASB 68: Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 (Continued)**

The consistency and transparency of the information reported by employers and governmental non-employer contributing entities about pension transactions will be improved by requiring:

The use of a discount rate that considers the availability of the pension plan's fiduciary net position associated with the pensions of current active and inactive employees and the investment horizon of those resources, rather than utilizing only the long-term expected rate of return regardless of whether the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments and is expected to be invested using a strategy to achieve that return.

A single method of attributing the actuarial present value of projected benefit payments to periods of employee service, rather than allowing a choice among six methods with additional variations.

Immediate recognition in pension expense, rather than a choice of recognition periods, of the effects of changes of benefit terms and the effects of projected pension plan investment earnings.

Recognition of pension expense that incorporates deferred outflows of resources and deferred inflows of resources related to pensions over a defined, closed period, rather than a choice between an open or closed period.

The comparability of reported pension information also will be improved by the changes related to the attribution method used to determine service cost and the total pension liability, requirements for immediate recognition in pension expense of certain items, and the establishment of standardized expense recognition periods for amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions. This Statement is effective for fiscal years beginning after June 15, 2014.

**GASB 70: Accounting and Financial Reporting for Nonexchange Financial Guarantees**

The statement's objective is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. As a part of a nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. The statement is effective for financial statement periods beginning after June 15, 2013. The County has not completed the process of evaluating the impact this statement will have on its financial position, the result of its operations and its cash flows.

**GASB 71: Pension Transition for Contributions Made Subsequent to the Measurement Date**

The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of the statement should be applied simultaneously with provisions of Statement No. 68.



**DALLAS COUNTY**  
**Notes to the Basic Financial Statements**

**September 30, 2013**  
**(in thousands of dollars)**

**XIII. SUBSEQUENT EVENTS**

*Discretely Presented Component Unit*

On November 25, 2013, the District issued Serial 2013 Limited Tax Bond (Bonds), with a total principal amount of \$37,300. This transaction was expected to close on December 11, 2013. The Bonds were authorized by an affirmative vote of the Dallas County electorate on November 4, 2008, and were issued pursuant to an order by the Dallas County Commissioners Court. Proceeds of the Bonds will be used to fund the replacement hospital campus pursuant to the District's master facility plan.

The District evaluated its financial statements through December 18, 2013, the date that the financial statements are issued, and concluded that no additional disclosures are required.

REQUIRED SUPPLEMENTARY  
INFORMATION  
(UNAUDITED)

DALLAS COUNTY, TEXAS  
Required Supplementary Information  
General Fund  
(Unaudited)

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 280,911	\$ 280,911	\$ 279,056	\$ (1,855)
Licenses and permits	13,287	13,287	14,951	1,664
Fines and forfeitures	9,331	9,331	7,658	(1,673)
Investment income	2,307	2,307	1,727	(580)
Rental revenues	3,249	3,249	3,191	(58)
Intergovernmental revenues	8,741	8,741	11,432	2,691
Charges for current services	93,062	93,062	94,228	1,166
Miscellaneous	7,039	7,039	10,063	3,024
Total revenues	<u>417,927</u>	<u>417,927</u>	<u>422,306</u>	<u>4,379</u>
<b>EXPENDITURES:</b>				
General government:				
Salaries	38,151	35,536	35,270	266
Operating	45,121	48,006	32,912	15,094
Property	3,614	6,210	3,528	2,682
Total general government	<u>86,886</u>	<u>89,752</u>	<u>71,710</u>	<u>18,042</u>
Judicial:				
Salaries	102,540	102,239	102,239	-
Operating	28,265	30,408	28,610	1,798
Total judicial	<u>130,805</u>	<u>132,647</u>	<u>130,849</u>	<u>1,798</u>
Public safety:				
Salaries	189,116	193,488	193,398	90
Operating	25,080	24,881	19,263	5,618
Property	38	3,707	2,662	1,045
Total public safety	<u>214,234</u>	<u>222,076</u>	<u>215,323</u>	<u>6,753</u>
Health:				
Salaries	9,068	8,198	8,198	-
Operating	13,252	13,418	9,833	3,585
Property	-	1,277	136	1,141
Total health	<u>22,320</u>	<u>22,893</u>	<u>18,167</u>	<u>4,726</u>

See Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Continued)

DALLAS COUNTY, TEXAS  
Required Supplementary Information  
General Fund  
(Unaudited)  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public welfare:				
Salaries	\$ 487	\$ 419	\$ 419	\$ -
Operating	16	29	18	11
Total public welfare	<u>503</u>	<u>448</u>	<u>437</u>	<u>11</u>
Reserves	<u>50,337</u>	<u>36,400</u>	<u>-</u>	<u>36,400</u>
Total expenditures	<u>505,085</u>	<u>504,216</u>	<u>436,486</u>	<u>67,730</u>
Excess ( deficiency) of revenues over (under) expenditures	<u>(87,158)</u>	<u>(86,289)</u>	<u>(14,180)</u>	<u>72,109</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	17,921	17,921	20,582	2,661
Transfers (out)	<u>(3,770)</u>	<u>(4,639)</u>	<u>(4,639)</u>	<u>-</u>
Total other financing sources (uses)	<u>14,151</u>	<u>13,282</u>	<u>15,943</u>	<u>2,661</u>
Net change in fund balance	(73,007)	(73,007)	1,763	74,770
Fund balance - beginning	<u>89,188</u>	<u>89,188</u>	<u>89,188</u>	<u>-</u>
Fund balance - ending	<u>\$ 16,181</u>	<u>\$ 16,181</u>	<u>\$ 90,951</u>	<u>\$ 74,770</u>

See Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Continued)

DALLAS COUNTY, TEXAS  
 Required Supplementary Information  
 Major Projects Special Revenue Fund  
 (Unaudited)

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Year Ended September 30, 2013  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 45,953	\$ 45,953	\$ 45,671	\$ (282)
Investment income	1,304	1,304	(535)	(1,839)
Intergovernmental revenues	53	53	2,643	2,590
Total revenues	<u>47,310</u>	<u>47,310</u>	<u>47,779</u>	<u>469</u>
<b>EXPENDITURES:</b>				
Highways and streets	91,358	88,956	15,784	73,172
Public welfare	5,452	5,143	5,044	99
Capital outlay	61,812	77,407	36,097	41,310
Total expenditures	<u>158,622</u>	<u>171,506</u>	<u>56,925</u>	<u>114,581</u>
Reserves	13,423	-	-	-
Total expenditures	<u>172,045</u>	<u>171,506</u>	<u>56,925</u>	<u>114,581</u>
Excess ( deficiency) of revenues over (under) expenditures	<u>(124,735)</u>	<u>(124,196)</u>	<u>(9,146)</u>	<u>115,050</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,466	7,466	12,444	4,978
Transfers (out)	(56)	(595)	(595)	-
Total other financing sources (uses)	<u>7,410</u>	<u>6,871</u>	<u>11,849</u>	<u>4,978</u>
Net change in fund balance	(117,325)	(117,325)	2,703	120,028
Fund balance - beginning	159,538	159,538	159,538	-
Fund balance - ending	<u>\$ 42,213</u>	<u>\$ 42,213</u>	<u>\$ 162,241</u>	<u>\$ 120,028</u>

See Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 (Continued)

DALLAS COUNTY, TEXAS  
 Required Supplementary Information  
 Major Grants Special Revenue Fund  
 (Unaudited)

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Year Ended September 30, 2013  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 20	\$ 20	\$ (29)	\$ (49)
Intergovernmental revenues	95,071	95,071	72,799	(22,272)
Total revenues	<u>95,091</u>	<u>95,091</u>	<u>72,770</u>	<u>(22,321)</u>
<b>EXPENDITURES:</b>				
Judicial	4,609	3,609	3,053	556
Public safety	9,075	8,075	6,012	2,063
Health	45,266	40,266	29,987	10,279
Education	2,350	2,350	1,557	793
Public welfare	49,923	47,407	33,072	14,335
Total expenditures	<u>111,223</u>	<u>101,707</u>	<u>73,681</u>	<u>28,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,132)</u>	<u>(6,616)</u>	<u>(911)</u>	<u>5,705</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,000	4,000	4,511	511
Transfers (out)	<u>(2,500)</u>	<u>(2,500)</u>	<u>(1,703)</u>	<u>797</u>
Total other financing sources and (uses)	<u>1,500</u>	<u>1,500</u>	<u>2,808</u>	<u>1,308</u>
Net change in fund balance	(14,632)	(5,116)	1,897	7,013
Fund balance - beginning	5,116	5,116	5,116	-
Fund balance - ending	<u>\$ (9,516)</u>	<u>\$ -</u>	<u>\$ 7,013</u>	<u>\$ 7,013</u>

See Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 (Concluded)

## DALLAS COUNTY, TEXAS

### Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Unaudited)

September 30, 2013

**Budgetary information** – The budget is prepared in accordance with financial policies approved by the County Budget Director and the Commissioners Court following a public hearing. The Budget Director is required by policy to present Commissioners Court with a balanced budget that contains a no-tax increase assumption as a starting point for budget discussions. The adopted budget must contain a projected unreserved cash balance not less than 10.5% of budgeted expenditures and may utilize a drawdown of beginning balance only to the extent that such draw-down does not exceed 4% of total General Fund resources. The amounts budgeted in a fiscal year for expenditures in various funds may not exceed the balances in those funds as of the first day of the fiscal year plus any anticipated revenue for the fiscal year as estimated by the County Auditor.

The following are the funds that have legally adopted annual budgets prepared on a basis consistent with GAAP: General Fund, Debt Service Fund and Special Revenue Funds (except for District Attorney funds). A legally adopted budget is not prepared for the Judicial, Technology, Local Government, Local Official, Record Management and Payroll Special Revenue Funds. Project-length financial plans are adopted for Capital Projects Funds. Budget funds are allocated annually for Major Project's funds in accordance to long-term requirements and projections.

Budget laws of the State of Texas provides that “the amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in said funds plus the anticipated revenues for the current year for which the budget is made as estimated by the County Auditor.” In addition, the law provides that the Commissioners Court “may, upon proper application, transfer an existing budget surplus during the year to a budget of like kind and fund but no such transfer shall increase the total budget.”

Each year, all departments submit to the Budget Director requests for appropriation. These requests are reviewed, compiled and presented to the Commissioners Court for approval. The Commissioners Court conducts departmental budget reviews, adjusts budget requests to final form and conducts a public hearing in the County Administration Building. One copy of the proposed budget must be filed with the County Clerk and one with the County Auditor. Copies must be available to the public. The Commissioners Court must provide for the public hearing on the budget on some date within seven calendar days after the filing of the budget and prior to October 31 of the current fiscal year.

The County controls appropriations at the category level (i.e., salaries, allowances, operations and property) for each department or project within the General Fund and some of the Special Revenue Funds. Grants are budgeted in total and not at the category level. All Debt Service Fund expenditures for principal and interest on long-term debt are considered to be in the operations category. Certain appropriation transfers may be made between categories or departments only with the approval of the Commissioners Court. Other transfers (e.g. court costs) may be authorized by the Budget Director. Transfers that were made during fiscal year 2013 did not increase the County's overall budget. Unencumbered amounts for annually budgeted funds lapse at fiscal year-end. The original budgets inclusive of prior period encumbered funds presented in the report are the approved budgets before amendments and transfers. The final budgets presented in this report reflect the budgets as amended for all appropriation transfers processed during the fiscal year. More comprehensive accounting of activity on the budgetary basis is provided in a separate report, which is available for public inspection in the office of the Dallas County Auditor, 509 Main Street, Room 407, and Dallas, Texas 75202-3504.

**DALLAS COUNTY, TEXAS**

**Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual  
(Unaudited)**

**September 30, 2013**

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. General Fund encumbrances outstanding at year-end are constrained by a responsible official's request for a specific purpose and are reported in the General Fund Assigned Fund Balance.



DALLAS COUNTY, TEXAS  
 Required Supplementary Information  
**Infrastructure Assets under Modified Approach**  
 September 30, 2013  
 (in thousands of dollars)  
 (Unaudited)

**Roads**

A federal highway administration pavement condition rating (PCR) was utilized to assess the condition of the 122.00 lane miles of County roads. The City of Balch Springs annexed 1.04 lane miles, and the City of Lancaster annexed 0.62 lane miles during 2013. District 1 does not have any County roads. The County policy is to maintain roads at a minimum of 2.5 on a 4.0 scale. The following conditions were defined and associated to a rating:

<u>Condition</u>	<u>Rating</u>
Excellent	4
Good	3
Fair	2
Poor	1

**Percentage of Roads with 2.5 or Better Condition**

<u>Road and Bridge District</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District 1	-%	-%	-%	-%	-%
District 2	100.0	100.0	100.0	100.0	100.0
District 3	97.9	97.9	98.0	98.0	96.6
District 4	100.0	100.0	100.0	75.0	61.8
Overall System	99.3%	99.3%	99.3%	91.0%	86.1%

**Comparison of Estimated to Actual Maintenance Costs**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Estimated	\$ 937	\$ 924	\$ 924	\$ 929	\$ 813
Actual	1,397	1,717	1,258	1,585	1,821

DALLAS COUNTY, TEXAS  
 Required Supplementary Information  
**Infrastructure Assets under Modified Approach**  
 September 30, 2013  
 (in thousands of dollars)  
 (Unaudited)

**Bridges**

	<u>Rating</u>	<u>Number</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Very Good	6.0 – 9.0	26	100%	100%	97%	97%	97%
Good	4.0 – 5.9	-	-	-	3	3	3
Fair	3.0 – 3.9	-	-	-	-	-	-
Poor	0.0 – 2.9	-	-	-	-	-	-
Total		<u>26</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

The condition of the County’s bridges is determined using the State of Texas Bridge Inventory Inspection System (BRINSAP). A numerical condition range 0.0 (beyond repair) to 9.0 (excellent condition) is used to assess each of seven elements of the structure. These include deck, superstructure, substructure, channel, culvert, approaches, and miscellaneous items.

Consistent with state law, two cities annexed two bridges in 2013. The City of Glen Heights annexed one, and the City of Grand Prairie annexed one, for a net decrease of \$284.

County’s policy is to maintain bridges at the 4.0 – 5.9 level. Consistent with County policy, the above chart shows that 100% of the County’s bridges are in very good condition.

**Comparison of Estimated to Actual Maintenance Costs**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Estimated	\$ 1,067	\$ 1,380	\$ 1,000	\$ 1,000	\$ 1,000
Actual	196	1,526	228	175	106

DALLAS COUNTY, TEXAS  
Required Supplementary Information  
**Primary Government**  
(in thousands of dollars)  
(Unaudited)

Schedule of Funding Progress  
for the Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Actuarial Covered Payroll (c)	UAAL as a Percentage of Actuarial Covered Payroll {((b-a)/c)}
December 31, 2009	\$953,736	\$1,072,039	\$(118,303)	88.96%	\$318,942	(37.09)%
December 31, 2010	991,089	1,129,476	(138,387)	87.75	320,891	(43.13)
December 31, 2011	1,010,337	1,169,677	(159,339)	86.38	310,878	(51.25)

Note (1): The annual required contributions for fiscal 2011 complied with GASB Statement No. 27 parameters based on the actuarial valuation dated December 31, 2010. The actuarial valuation as of December 31, 2011 is used to assess the adequacy of future financing arrangements for Fiscal 2013. For additional information see Note VIII on page 72.

Note (2): The above information includes actuarial valuation information for CSCD, which is not a department or component unit of the County. Any experience adjustment, based on the TCDRS actuarial studies, is passed to CSCD based on the associated actuarial covered payroll. For additional information see Note VIII on page 71.

Schedule of Funding Progress  
for Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded OAL (UAAL) (b-a)	Funded Ratio (a/b)	Actuarial Covered Payroll (c)	UAAL as a Percentage of Actuarial Covered Payroll {((b-a)/c)}
October 1, 2009	\$ 0	\$ 370,000	\$ (370,000)	0%	\$ 266,248	(139.0)%
October 1, 2011	0	459,971	(459,971)	0	270,072	(170.3)
October 1, 2011	0	459,971	(459,971)	0	281,890	(163.2)

Note: The above table is for GASB 45 disclosure reporting requirements effective beginning with fiscal year 2010. For additional information see Note VIII on page 73. Actuarial covered payroll includes amounts for fiscal year 2011 (\$266,248), 2012 (\$270,072), and 2013 (\$281,890).

DALLAS COUNTY, TEXAS  
Required Supplementary Information  
**Discretely Presented Component Unit**  
(in thousands of dollars)  
(Unaudited)

Schedule of Funding Progress  
for the Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded OAAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {((b-a)/c)}
January 1, 2011	\$ 526,100	\$ 602,800	\$ (76,700)	87.3%	\$ 480,800	(16.0)%
January 1, 2012	556,900	645,800	(88,900)	86.2	493,400	(18.0)
January 1, 2013	590,100	737,900	(147,800)	80.0	534,800	(27.6)

Schedule of Funding Progress  
for Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded OAAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {((b-a)/c)}
January 1, 2011	\$ 0	\$ 3,500	\$ (3,500)	0%	\$465,500	(0.8)%
January 1, 2012	0	2,900	(2,900)	0	450,600	(0.6)
January 1, 2013	0	2,300	(2,300)	0	N/A	N/A

Note: The above table is for GASB 45 disclosure reporting requirements effective beginning with fiscal year 2010. For additional information see Note VIII on page 78.

# SUPPLEMENTARY INFORMATION

DALLAS COUNTY, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects funded by bond sales) that are legally restricted to expenditures for specified purposes. The following are the County's Special Revenue Funds:

Road and Bridge Fund 105 - used to account for the receipt and disbursement of funds designated for construction and maintenance of County roads and bridges other than specific improvement programs for which road bonds are issued.

Permanent Improvement Fund 126 - receives an allocation of property taxes for building maintenance and construction of permanent improvements.

Law Library Fund 470 - used to account for a statutory fee from each civil case filed in a County or District Court that is restricted to the establishment and maintenance of a law library for the use of the judges and litigants of the County.

Major Technology Fund 195 - used to account for monies received from property taxes that are dedicated to improvement of the County's computer systems.

District Attorney Fund 535 - HIDTA/Federal Sharing – used to account for funds from participation in the Dallas Area “High Intensity Drug Traffic Area.”

District Attorney Special Fund 538 - used to account for funds to be used at the discretion of the District Attorney.

District Attorney Forfeiture Funds 540, 541 and 547 - used to account for money and property forfeited in criminal seizures. Funds are to be used for criminal justice.

Historical Commission Fund 168 - used to account for donations and other funds received for the preservation of historical landmarks.

Historical Exhibit Fund 169 - used to account for proceeds from the John F. Kennedy Sixth Floor Exhibit.

Alternative Dispute Resolution Fund 162 - used to account for filing fees imposed on civil court cases for the purpose of funding a system for the peaceable and expeditious resolution of citizen disputes.

Appellate Justice System Fund 471 - used to account for fees collected on civil cases filed in the County for the purpose of assisting the court of appeals, including costs incurred by a county within the judicial district.

HUD Section 8 Fund 467 - used to account for federal awards from HUD for Section 8 activity.

Charter School Fund 468 - used to account for Academy for Academic Excellence.

Judicial Fund 532 - used to account for statutory fees from criminal and civil court filings in County and District Courts restricted to projects for judiciary as approved by Commissioners Court.

Technology Fund 532 - used to account for fees from each civil case filed in Justice Courts restricted for the use of technology projects for the Justice Courts.

DALLAS COUNTY, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS

Local Government Fund 532 - used to account for a statutory fee and earnings that are restricted for the use of elections, transportation and other projects as defined by statute.

Local Official Fund 532 - used to account for money and property forfeited in criminal seizures restricted for use by County Sheriff, Constables and Special VIT interest managed by the County Assessor–Collector of Taxes.

Record Management Fund 532 - used to account for monies received from each civil case filed in County or District Courts restricted to manage, preserve or digitize County records.

**Capital Projects Funds**

The Capital Projects Funds are used to account for proceeds from bond issues specifically designated for capital expenditures. The following are the County’s Capital Projects Funds:

Permanent Improvement Bonds Funds 415, 433, 440, 482 and 493 - used to account for proceeds from improvements to various County buildings, in addition to the acquisition and improvement of open-space land.

Road Bond Funds 414, 418, 424, 427, 481, 490, 492 and 494 - used to account for proceeds from bonds issued for the purchase of right-of-way and for the subsequent construction and maintenance of roads and bridges throughout the County.

**DALLAS COUNTY, TEXAS**  
Combining Balance Sheet  
Non-major Governmental Funds  
September 30, 2013  
(in thousands of dollars)

	<b>Special Revenue</b>										
		<u>District Attorney</u>					<u>District Attorney Forfeitures</u>			<u>Historical Commission</u>	<u>Historical Exhibit</u>
		<u>Road and Bridge</u>	<u>Permanent Improvement</u>	<u>Law Library</u>	<u>Major Technology</u>	<u>HIDTA Federal</u>	<u>Special</u>	<u>Federal</u>	<u>State</u>		
<b>ASSETS</b>											
Cash and investments	\$ 30,449	\$ 4,855	\$ 258	\$ 9,856	\$ 274	\$ 48	\$ 157	\$ 660	\$ 137	\$ 11	\$ 180
Receivables:											
Taxes - current	-	3,145	-	23,672	-	-	-	-	-	-	-
Less allowance for uncollectible	-	(211)	-	(1,515)	-	-	-	-	-	-	-
Net taxes receivable	-	2,934	-	22,157	-	-	-	-	-	-	-
Accounts	265,069	-	4,304	249	-	-	-	-	-	-	153
Less allowance	(259,673)	-	(4,250)	-	-	-	-	-	-	-	-
Accounts receivable	5,396	-	54	249	-	-	-	-	-	-	153
Accrued interest	38	6	-	12	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	-
Inventories	255	-	-	-	-	-	-	-	-	-	-
Prepayments and advances	12	-	3	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 36,150</b>	<b>\$ 7,795</b>	<b>\$ 315</b>	<b>\$ 32,274</b>	<b>\$ 274</b>	<b>\$ 48</b>	<b>\$ 157</b>	<b>\$ 660</b>	<b>\$ 137</b>	<b>\$ 11</b>	<b>\$ 333</b>
<b>LIABILITIES</b>											
Accounts payable	\$ 635	\$ 558	\$ 17	\$ 1,043	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ 23
Due to other funds	13	2	4	16	-	-	-	-	-	-	-
Due to other governmental units	823	-	-	-	-	-	-	-	-	-	-
Deferred and unearned revenue	4,878	3	51	8	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>6,349</b>	<b>563</b>	<b>72</b>	<b>1,067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>23</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue - property taxes	-	2,934	-	22,154	-	-	-	-	-	-	-
<b>Total deferred inflows - property taxes</b>	<b>-</b>	<b>2,934</b>	<b>-</b>	<b>22,154</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>											
Nonspendable: inventories and prepaids	267	-	3	-	-	-	-	-	-	-	-
Restricted	29,534	-	240	-	274	48	157	660	136	10	310
Committed	-	4,298	-	9,053	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>29,801</b>	<b>4,298</b>	<b>243</b>	<b>9,053</b>	<b>274</b>	<b>48</b>	<b>157</b>	<b>660</b>	<b>136</b>	<b>10</b>	<b>310</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 36,150</b>	<b>\$ 7,795</b>	<b>\$ 315</b>	<b>\$ 32,274</b>	<b>\$ 274</b>	<b>\$ 48</b>	<b>\$ 157</b>	<b>\$ 660</b>	<b>\$ 137</b>	<b>\$ 11</b>	<b>\$ 333</b>

(Continued)



**DALLAS COUNTY, TEXAS**  
Combining Balance Sheet  
Non-major Governmental Funds  
September 30, 2013  
(in thousands of dollars)

**Special Revenue**

	Alternative Dispute Resolution	Appellate Justice System	HUD Section 8 Grants	Academy for Academic Excellence	Judicial	Technology	Local Government	Local Official	Record Management	Total
<b>ASSETS</b>										
Cash and investments	\$ 2,202	\$ 145	\$ 4,792	\$ 2,981	\$ 1,465	\$ 664	\$ 3,670	\$ 5,422	\$ 6,792	\$ 75,018
Receivables:										
Taxes - current	-	-	-	-	-	-	-	-	-	26,817
Less allowance for uncollectible	-	-	-	-	-	-	-	-	-	(1,726)
Net taxes receivable	-	-	-	-	-	-	-	-	-	25,091
Accounts	3,683	1,403	-	-	9,470	1,075	8,161	60	10,912	304,539
Less allowance	(3,634)	(1,386)	-	-	(9,147)	(1,003)	(8,039)	(59)	(10,628)	(297,819)
Accounts receivable	49	17	-	-	323	72	122	1	284	6,720
Accrued interest	3	-	-	4	-	-	-	-	-	63
Due from other funds	-	1	-	-	129	-	-	-	-	130
Due from other governmental units	-	-	238	595	-	-	-	-	-	833
Inventories	-	-	-	-	-	-	-	-	-	255
Prepayments and advances	-	-	-	-	-	-	-	-	-	15
Total assets	<u>\$ 2,254</u>	<u>\$ 163</u>	<u>\$ 5,030</u>	<u>\$ 3,580</u>	<u>\$ 1,917</u>	<u>\$ 736</u>	<u>\$ 3,792</u>	<u>\$ 5,423</u>	<u>\$ 7,076</u>	<u>\$ 108,125</u>
<b>LIABILITIES</b>										
Accounts payable	\$ 7	\$ 22	\$ 511	\$ 318	\$ 76	\$ 2	\$ 16	\$ 193	\$ 165	\$ 3,588
Due to other funds	1	-	21	17	-	-	1	3	1	79
Due to other governmental units	-	-	-	-	-	-	-	-	-	823
Deferred and unearned revenue	46	15	-	2	315	71	109	-	275	5,773
Total liabilities	<u>54</u>	<u>37</u>	<u>532</u>	<u>337</u>	<u>391</u>	<u>73</u>	<u>126</u>	<u>196</u>	<u>441</u>	<u>10,263</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	-	25,088
Total deferred inflows - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,088</u>
<b>FUND BALANCES</b>										
Nonspendable: inventories and prepaids	-	-	-	-	-	-	-	-	-	270
Restricted	2,200	126	4,498	3,243	1,526	663	3,666	5,227	6,635	59,153
Committed	-	-	-	-	-	-	-	-	-	13,351
Total fund balances	<u>2,200</u>	<u>126</u>	<u>4,498</u>	<u>3,243</u>	<u>1,526</u>	<u>663</u>	<u>3,666</u>	<u>5,227</u>	<u>6,635</u>	<u>72,774</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,254</u>	<u>\$ 163</u>	<u>\$ 5,030</u>	<u>\$ 3,580</u>	<u>\$ 1,917</u>	<u>\$ 736</u>	<u>\$ 3,792</u>	<u>\$ 5,423</u>	<u>\$ 7,076</u>	<u>\$ 108,125</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**September 30, 2013**  
(In thousands of dollars)

**Capital Projects**

	<b>Permanent Improvement</b>	<b>Roads</b>	<b>Total</b>	<b>Total Non-major Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 46,086	\$ 7,633	\$ 53,719	\$ 128,737
Receivables:				
Taxes - current	-	-	-	26,817
Less allowance for uncollectible	-	-	-	(1,726)
Net taxes receivable	-	-	-	25,091
Accounts	-	-	-	304,539
Less allowance	-	-	-	(297,819)
Accounts receivable	-	-	-	6,720
Accrued interest	-	-	-	63
Due from other funds	10,754	-	10,754	10,884
Due from other governmental units	-	2,177	2,177	3,010
Inventories	-	-	-	255
Prepayments and advances	-	-	-	15
Total assets	<u>\$ 56,840</u>	<u>\$ 9,810</u>	<u>\$ 66,650</u>	<u>\$ 174,775</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,412	\$ 3	\$ 5,415	\$ 9,003
Due to other funds	-	-	-	79
Due to other governmental units	-	83	83	906
Deferred and unearned revenue	-	147	147	5,920
Total liabilities	<u>5,412</u>	<u>233</u>	<u>5,645</u>	<u>15,908</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	25,088
Total deferred inflows - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,088</u>
<b>FUND BALANCES</b>				
Nonspendable: inventories and prepaids	-	-	-	270
Restricted	51,428	9,577	61,005	120,158
Committed	-	-	-	13,351
Total fund balances	<u>51,428</u>	<u>9,577</u>	<u>61,005</u>	<u>133,779</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 56,840</u>	<u>\$ 9,810</u>	<u>\$ 66,650</u>	<u>\$ 174,775</u>

(Concluded)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-major Governmental Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

**Special Revenue**

					<u>District Attorney</u>		<u>District Attorney Forfeitures</u>			<u>Historical Commission</u>	<u>Historical Exhibit</u>
	<u>Road and Bridge</u>	<u>Permanent Improvement</u>	<u>Law Library</u>	<u>Major Technology</u>	<u>HIDTA Federal</u>	<u>Special</u>	<u>Federal</u>	<u>State</u>	<u>Other</u>		
<b>REVENUES</b>											
Property taxes	\$ -	\$ 2,751	\$ -	\$ 20,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway license fees	24,203	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	6,493	-	-	-	-	-	-	-	-	-	-
Investment income	(98)	(15)	-	(49)	-	-	1	-	-	-	1
Intergovernmental revenues	268	-	-	-	-	-	-	-	-	-	-
Charges for current services	2,326	-	971	-	-	-	-	-	-	-	3,532
Miscellaneous	86	-	-	249	-	112	50	653	28	-	-
<b>Total revenues</b>	<b>33,278</b>	<b>2,736</b>	<b>971</b>	<b>20,955</b>	<b>-</b>	<b>112</b>	<b>50</b>	<b>654</b>	<b>28</b>	<b>-</b>	<b>3,533</b>
<b>EXPENDITURES</b>											
Current:											
General government	-	3,155	-	23,994	-	-	-	-	-	1	3,471
Judicial	-	-	803	-	30	105	249	464	26	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	7,460	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>7,460</b>	<b>3,155</b>	<b>803</b>	<b>23,994</b>	<b>30</b>	<b>105</b>	<b>249</b>	<b>464</b>	<b>26</b>	<b>1</b>	<b>3,471</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>25,818</b>	<b>(419)</b>	<b>168</b>	<b>(3,039)</b>	<b>(30)</b>	<b>7</b>	<b>(199)</b>	<b>190</b>	<b>2</b>	<b>(1)</b>	<b>62</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	-	-	-	3,000	-	-	-	-	-	-	-
Transfers (out)	(18,162)	-	(175)	-	-	-	-	(60)	-	-	(190)
Sale of limited tax notes	-	-	-	-	-	-	-	-	-	-	-
Premium on limited tax notes	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(18,162)</b>	<b>-</b>	<b>(175)</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(60)</b>	<b>-</b>	<b>-</b>	<b>(190)</b>
<b>Net change in fund balance</b>	<b>7,656</b>	<b>(419)</b>	<b>(7)</b>	<b>(39)</b>	<b>(30)</b>	<b>7</b>	<b>(199)</b>	<b>130</b>	<b>2</b>	<b>(1)</b>	<b>(128)</b>
Fund balance - beginning	22,145	4,717	250	9,092	304	41	356	530	134	11	438
<b>Fund balance - ending</b>	<b>\$ 29,801</b>	<b>\$ 4,298</b>	<b>\$ 243</b>	<b>\$ 9,053</b>	<b>\$ 274</b>	<b>\$ 48</b>	<b>\$ 157</b>	<b>\$ 660</b>	<b>\$ 136</b>	<b>\$ 10</b>	<b>\$ 310</b>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-major Governmental Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

**Special Revenue**

	Alternative Dispute Resolution	Appellate Justice System	HUD Section 8 Grants	Academy for Academic Excellence	Judicial	Technology	Local Government	Local Official	Record Management	Total
<b>REVENUES</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,506
Highway license fees	-	-	-	-	-	-	-	-	-	24,203
Fines and forfeitures	-	-	-	-	-	-	-	-	-	6,493
Investment income	(7)	-	10	9	-	-	-	-	-	(148)
Intergovernmental revenues	-	-	31,571	7,107	-	-	-	-	-	38,946
Charges for current services	754	313	-	-	632	270	2,462	4,973	5,642	21,875
Miscellaneous	-	-	-	-	-	-	-	-	-	1,178
<b>Total revenues</b>	<b>747</b>	<b>313</b>	<b>31,581</b>	<b>7,116</b>	<b>632</b>	<b>270</b>	<b>2,462</b>	<b>4,973</b>	<b>5,642</b>	<b>116,053</b>
<b>EXPENDITURES</b>										
Current:										
General government	-	-	-	-	-	-	-	-	-	30,621
Judicial	156	299	-	-	888	70	408	133	2,652	6,283
Public safety	-	-	-	-	-	-	-	4,101	-	4,101
Highways and streets	-	-	-	-	-	-	-	-	-	7,460
Education	-	-	-	7,331	-	-	-	-	-	7,331
Public welfare	-	-	31,922	-	-	-	-	-	-	31,922
Capital outlay	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>156</b>	<b>299</b>	<b>31,922</b>	<b>7,331</b>	<b>888</b>	<b>70</b>	<b>408</b>	<b>4,234</b>	<b>2,652</b>	<b>87,718</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>591</b>	<b>14</b>	<b>(341)</b>	<b>(215)</b>	<b>(256)</b>	<b>200</b>	<b>2,054</b>	<b>739</b>	<b>2,990</b>	<b>28,335</b>
<b>OTHER FINANCING SOURCES</b>										
Transfers in	-	-	-	-	304	-	-	-	-	3,304
Transfers (out)	(207)	(106)	(39)	(71)	(45)	(3,000)	(1,604)	(41)	(5,452)	(29,152)
Sale of limited tax notes	-	-	-	-	-	-	-	-	-	-
Premium on limited tax notes	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(207)</b>	<b>(106)</b>	<b>(39)</b>	<b>(71)</b>	<b>259</b>	<b>(3,000)</b>	<b>(1,604)</b>	<b>(41)</b>	<b>(5,452)</b>	<b>(25,848)</b>
<b>Net change in fund balance</b>	<b>384</b>	<b>(92)</b>	<b>(380)</b>	<b>(286)</b>	<b>3</b>	<b>(2,800)</b>	<b>450</b>	<b>698</b>	<b>(2,462)</b>	<b>2,487</b>
<b>Fund balance - beginning</b>	<b>1,816</b>	<b>218</b>	<b>4,878</b>	<b>3,529</b>	<b>1,523</b>	<b>3,463</b>	<b>3,216</b>	<b>4,529</b>	<b>9,097</b>	<b>70,287</b>
<b>Fund balance - ending</b>	<b>\$ 2,200</b>	<b>\$ 126</b>	<b>\$ 4,498</b>	<b>\$ 3,243</b>	<b>\$ 1,526</b>	<b>\$ 663</b>	<b>\$ 3,666</b>	<b>\$ 5,227</b>	<b>\$ 6,635</b>	<b>\$ 72,774</b>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-major Governmental Funds  
For the Year Ended September 30, 2013  
(In thousands of dollars)

Capital Projects

	<u>Permanent Improvement</u>	<u>Roads</u>	<u>Total</u>	<u>Total Non-major Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 23,506
Highway license fees	-	-	-	24,203
Fines and forfeitures	-	-	-	6,493
Investment income	-	-	-	(148)
Intergovernmental revenues	-	-	-	38,946
Charges for current services	-	-	-	21,875
Miscellaneous	-	-	-	1,178
	-	-	-	116,053
<b>Total revenues</b>	-	-	-	116,053
<b>EXPENDITURES</b>				
Current:				
General government	233	-	233	30,854
Judicial	-	-	-	6,283
Public safety	-	-	-	4,101
Highways and streets	-	-	-	7,460
Education	-	-	-	7,331
Public welfare	-	-	-	31,922
Capital outlay	17,783	138	17,921	17,921
	18,016	138	18,154	105,872
<b>Total expenditures</b>	18,016	138	18,154	105,872
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(18,016)</b>	<b>(138)</b>	<b>(18,154)</b>	<b>10,181</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	3,304
Transfers (out)	(4,752)	-	(4,752)	(33,904)
Sale of limited tax notes	35,825	-	35,825	35,825
Premium on limited tax notes	4,423	-	4,423	4,423
Total other financing sources (uses)	35,496	-	35,496	9,648
<b>Net change in fund balance</b>	17,480	(138)	17,342	19,829
<b>Fund balance - beginning</b>	33,948	9,715	43,663	113,950
<b>Fund balance - ending</b>	\$ 51,428	\$ 9,577	\$ 61,005	\$ 133,779

(Concluded)

DALLAS COUNTY, TEXAS  
Debt Service Fund - County Wide - Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 23,220	\$ 23,220	\$ 23,030	\$ (190)
Investment income	70	70	63	(7)
Charges for current services	1,292	1,292	1,455	163
Total revenues	<u>24,582</u>	<u>24,582</u>	<u>24,548</u>	<u>(34)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	120	120	-
Debt service				
Principal	20,075	20,111	20,075	36
Interest	5,386	5,442	5,383	59
Total debt service	<u>25,461</u>	<u>25,553</u>	<u>25,458</u>	<u>95</u>
Reserves	2,479	2,267	-	2,267
Total expenditures	<u>27,940</u>	<u>27,940</u>	<u>25,578</u>	<u>2,362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,358)</u>	<u>(3,358)</u>	<u>(1,030)</u>	<u>2,328</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of refunding bonds	10,515	10,515	10,515	-
Premium on refunding bonds	1,669	1,669	1,669	-
Payment to refunded bond escrow agent	(12,055)	(12,055)	(12,055)	-
Total other financing sources (uses)	<u>129</u>	<u>129</u>	<u>129</u>	<u>-</u>
Net change in fund balance	(3,229)	(3,229)	(901)	2,328
Fund balance - beginning	3,721	3,721	3,721	-
Fund balance - ending	<u>\$ 492</u>	<u>\$ 492</u>	<u>\$ 2,820</u>	<u>\$ 2,328</u>

(Continued)

DALLAS COUNTY, TEXAS  
Road and Bridge Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Highway license fees	\$ 23,338	\$ 23,338	\$ 24,203	\$ 865
Fines and forfeitures	7,350	7,350	6,493	(857)
Investment income	120	120	(98)	(218)
Intergovernmental revenues	245	245	268	23
Charges for current services	2,218	2,218	2,326	108
Miscellaneous	37	37	86	49
Total revenues	<u>33,308</u>	<u>33,308</u>	<u>33,278</u>	<u>(30)</u>
<b>EXPENDITURES:</b>				
Highways and streets:				
Salaries	5,570	4,569	4,569	-
Operating	2,099	3,077	2,618	459
Property	1,169	1,324	273	1,051
Total highways and streets	<u>8,838</u>	<u>8,970</u>	<u>7,460</u>	<u>1,510</u>
Reserves	34,612	27,245	-	27,245
Total expenditures	<u>43,450</u>	<u>36,215</u>	<u>7,460</u>	<u>28,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,142)</u>	<u>(2,907)</u>	<u>25,818</u>	<u>28,725</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(12,003)</u>	<u>(19,238)</u>	<u>(18,162)</u>	<u>1,076</u>
Total other financing sources (uses)	<u>(12,003)</u>	<u>(19,238)</u>	<u>(18,162)</u>	<u>1,076</u>
Net change in fund balance	(22,145)	(22,145)	7,656	29,801
Fund balance - beginning	<u>22,145</u>	<u>22,145</u>	<u>22,145</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,801</u>	<u>\$ 29,801</u>

DALLAS COUNTY, TEXAS  
 Permanent Improvement Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2013  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 2,768	\$ 2,768	\$ 2,751	\$ (17)
Investment income	45	45	(15)	(60)
Total revenues	<u>2,813</u>	<u>2,813</u>	<u>2,736</u>	<u>(77)</u>
<b>EXPENDITURES:</b>				
General government:				
Property	<u>2,227</u>	<u>5,374</u>	<u>3,155</u>	<u>2,219</u>
Total general government	<u>2,227</u>	<u>5,374</u>	<u>3,155</u>	<u>2,219</u>
Reserves	<u>5,303</u>	<u>2,156</u>	<u>-</u>	<u>2,156</u>
Total expenditures	<u>7,530</u>	<u>7,530</u>	<u>3,155</u>	<u>4,375</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,717)</u>	<u>(4,717)</u>	<u>(419)</u>	<u>4,298</u>
Net change in fund balance	(4,717)	(4,717)	(419)	4,298
Fund balance - beginning	<u>4,717</u>	<u>4,717</u>	<u>4,717</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,298</u>	<u>\$ 4,298</u>



DALLAS COUNTY, TEXAS  
 Law Library Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2013  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for current services	\$ 997	\$ 997	\$ 971	\$ (26)
Total revenues	<u>997</u>	<u>997</u>	<u>971</u>	<u>(26)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Salaries	475	423	423	-
Operating	407	486	380	106
Total judicial	<u>882</u>	<u>909</u>	<u>803</u>	<u>106</u>
Reserves	190	163	-	163
Total expenditures	<u>1,072</u>	<u>1,072</u>	<u>803</u>	<u>269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(75)</u>	<u>(75)</u>	<u>168</u>	<u>243</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(175)</u>	<u>(175)</u>	<u>(175)</u>	<u>-</u>
Total other financing sources (uses)	<u>(175)</u>	<u>(175)</u>	<u>(175)</u>	<u>-</u>
Net change in fund balance	(250)	(250)	(7)	243
Fund balance - beginning	250	250	250	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243</u>	<u>\$ 243</u>

(Continued)

DALLAS COUNTY, TEXAS  
Major Technology Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 20,899	\$ 20,899	\$ 20,755	\$ (144)
Investment income	120	120	(49)	(169)
Intergovernmental revenues	1	1	-	(1)
Miscellaneous	-	-	249	249
Total revenues	<u>21,020</u>	<u>21,020</u>	<u>20,955</u>	<u>(65)</u>
<b>EXPENDITURES:</b>				
General government:				
Property	24,155	29,084	23,994	5,090
Reserves	<u>7,872</u>	<u>2,943</u>	<u>-</u>	<u>2,943</u>
Total expenditures	<u>32,027</u>	<u>32,027</u>	<u>23,994</u>	<u>8,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,007)</u>	<u>(11,007)</u>	<u>(3,039)</u>	<u>7,968</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total other financing sources (uses)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net change in fund balance	(8,007)	(8,007)	(39)	7,968
Fund balance - beginning	<u>9,092</u>	<u>9,092</u>	<u>9,092</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,085</u>	<u>\$ 1,085</u>	<u>\$ 9,053</u>	<u>\$ 7,968</u>

**DALLAS COUNTY, TEXAS**  
**Historical Commission Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2013**  
**(in thousands of dollars)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
General government:				
Operating	2	2	1	1
Total expenditures	2	2	1	1
Excess (deficiency) of revenues over (under) expenditures	(2)	(2)	(1)	1
Net change in fund balance	(2)	(2)	(1)	1
Fund balance - beginning	11	11	11	-
Fund balance - ending	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 10</u>	<u>\$ 1</u>

DALLAS COUNTY, TEXAS  
Historical Exhibit Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 1	\$ 1	\$ 1	\$ -
Charges for current services	<u>2,910</u>	<u>2,910</u>	<u>3,532</u>	<u>622</u>
Total revenues	<u>2,911</u>	<u>2,911</u>	<u>3,533</u>	<u>622</u>
<b>EXPENDITURES:</b>				
General government:				
Operating	<u>3,223</u>	<u>3,159</u>	<u>3,471</u>	<u>(312)</u>
Total expenditures	<u>3,223</u>	<u>3,159</u>	<u>3,471</u>	<u>(312)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(312)</u>	<u>(248)</u>	<u>62</u>	<u>310</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(126)</u>	<u>(190)</u>	<u>(190)</u>	<u>-</u>
Total other financing sources (uses)	<u>(126)</u>	<u>(190)</u>	<u>(190)</u>	<u>-</u>
Net change in fund balance	(438)	(438)	(128)	310
Fund balance - beginning	<u>438</u>	<u>438</u>	<u>438</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310</u>	<u>\$ 310</u>

(Continued)

DALLAS COUNTY, TEXAS  
Alternative Dispute Resolution Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 14	\$ 14	\$ (7)	\$ (21)
Charges for current services	795	795	754	(41)
Total revenues	<u>809</u>	<u>809</u>	<u>747</u>	<u>(62)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Salaries	124	125	125	-
Operating	14	31	31	-
Reserves	2,108	2,090	-	2,090
Total expenditures	<u>2,246</u>	<u>2,246</u>	<u>156</u>	<u>2,090</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,437)</u>	<u>(1,437)</u>	<u>591</u>	<u>2,028</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(379)</u>	<u>(379)</u>	<u>(207)</u>	<u>172</u>
Total other financing sources (uses)	<u>(379)</u>	<u>(379)</u>	<u>(207)</u>	<u>172</u>
Net change in fund balances	(1,816)	(1,816)	384	2,200
Fund balances - beginning	1,816	1,816	1,816	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,200</u>	<u>\$ 2,200</u>

DALLAS COUNTY, TEXAS  
Appellate Justice System Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 1	\$ 1	\$ -	\$ (1)
Charges for current services	334	334	313	(21)
Total revenues	<u>335</u>	<u>335</u>	<u>313</u>	<u>(22)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Operating	311	311	299	12
Total expenditures	<u>311</u>	<u>311</u>	<u>299</u>	<u>12</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24</u>	<u>24</u>	<u>14</u>	<u>(10)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(139)</u>	<u>(139)</u>	<u>(106)</u>	<u>33</u>
Total other financing sources (uses)	<u>(139)</u>	<u>(139)</u>	<u>(106)</u>	<u>33</u>
Net change in fund balance	(115)	(115)	(92)	23
Fund balance - beginning	<u>218</u>	<u>218</u>	<u>218</u>	<u>-</u>
Fund balance - ending	<u>\$ 103</u>	<u>\$ 103</u>	<u>\$ 126</u>	<u>\$ 23</u>

DALLAS COUNTY, TEXAS  
 HUD Section 8 Grants Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2013  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 9	\$ 9	\$ 10	\$ 1
Intergovernmental revenues	<u>28,274</u>	<u>28,274</u>	<u>31,571</u>	<u>3,297</u>
Total revenues	<u>28,283</u>	<u>28,283</u>	<u>31,581</u>	<u>3,298</u>
<b>EXPENDITURES:</b>				
Public welfare	<u>30,625</u>	<u>33,122</u>	<u>31,922</u>	<u>1,200</u>
Total expenditures	<u>30,625</u>	<u>33,122</u>	<u>31,922</u>	<u>1,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,342)</u>	<u>(4,839)</u>	<u>(341)</u>	<u>4,498</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(39)</u>	<u>(39)</u>	<u>(39)</u>	<u>-</u>
Total other financing sources (uses)	<u>(39)</u>	<u>(39)</u>	<u>(39)</u>	<u>-</u>
Net change in fund balance	(2,381)	(4,878)	(380)	4,498
Fund balance - beginning	<u>4,878</u>	<u>4,878</u>	<u>4,878</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,497</u>	<u>\$ -</u>	<u>\$ 4,498</u>	<u>\$ 4,498</u>

DALLAS COUNTY, TEXAS  
Academy for Academic Excellence Grants Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 9	\$ 9
Intergovernmental revenues	<u>7,471</u>	<u>7,471</u>	<u>7,107</u>	<u>(364)</u>
Total revenues	<u>7,471</u>	<u>7,471</u>	<u>7,116</u>	<u>(355)</u>
<b>EXPENDITURES:</b>				
Education	<u>10,929</u>	<u>10,929</u>	<u>7,331</u>	<u>3,598</u>
Total expenditures	<u>10,929</u>	<u>10,929</u>	<u>7,331</u>	<u>3,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,458)</u>	<u>(3,458)</u>	<u>(215)</u>	<u>3,243</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(71)</u>	<u>(71)</u>	<u>(71)</u>	<u>-</u>
Total other financing sources (uses)	<u>(71)</u>	<u>(71)</u>	<u>(71)</u>	<u>-</u>
Net change in fund balance	(3,529)	(3,529)	(286)	3,243
Fund balance - beginning	<u>3,529</u>	<u>3,529</u>	<u>3,529</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,243</u>	<u>\$ 3,243</u>

(Concluded)





# FIDUCIARY SECTION

DALLAS COUNTY, TEXAS  
FIDUCIARY FUNDS – ALL AGENCY FUNDS

Agency Funds are used to account for assets held by the County in an agency capacity for individuals, private organizations, other governmental units and/or other funds. The following are the County's Agency Funds:

Escrow Fund (Fund 532) - used to account for miscellaneous amounts temporarily held for other individuals or entities outside control of Commissioners Court.

State Reports Fund (Fund 166) - used to account for State fees collected by the County and subsequently disbursed to the State.

County Clerk, District Clerk, Sheriff, Justices of the Peace and Constables Fee Funds (Funds 501-506, 580-587) - used to account for monies received with ultimate disposition of receipts to be determined at a future date.

Community Supervision and Corrections (Fund 128) - used to account for the activities of a State agency with funds in the County depository.

Housing Finance Corporation - 1993 Refunding (Fund 570) - used to account for monies received as a result of refunding of 1983 Mortgage Revenue bonds issued by HFC.

Juvenile Department Child Support (Funds 802-808) - used to account for money held for other parties in the child support program in accordance with court orders.

Housing Finance Corporation - 1994 Refunding (Fund 571) - used to account for monies received as a result of refunding 1984 Mortgage Revenue Bonds issued by HFC.

Community Supervision and Corrections Special (Fund 543) - used to account for the receipt and distribution of restitution payments made by probationers.

Youth Village (Fund 537) - used to account for donated money to be used for the benefit of youths temporarily housed in the facility.

Tax Assessor-Collector (Fund 704) - used to account for initial receipt and distribution to proper parties of taxes and fees collected for various entities of government.

Police Agencies Seized Funds (Fund 542) - used to account for seized monies awaiting judicial determination for local police agencies.

Attorney General Seized Funds (Fund 544) - used to account for seized monies awaiting judicial determination for the Texas Attorney General.

Gambling Seized Funds (Fund 545) - used to account for seized monies for gambling awaiting judicial determination for the Texas Department of Public Safety.

Narcotics Seized Funds (Fund 546) - used to account for seized monies for narcotics awaiting judicial determination for the Texas Department of Public Safety.

Sheriff Inmate Trust (Fund 515) - used to account for monies held in trust for individuals in County custody.

**DALLAS COUNTY, TEXAS**  
 Combining Statement of Fiduciary Assets and Liabilities- Agency Funds  
 September 30, 2013  
 (in thousands of dollars)

	Fee Office Funds					Fee Office Funds			Housing Finance Corporation - 1993 Refunding	
	Administrative Fund Escrow	Sheriff Inmate Trust	State Reports	County Clerk	District Clerk	Sheriff	Community Supervision and Corrections	Justices of the Peace		Constables
<b>Assets:</b>										
Cash and investments	\$ 7,272	\$ 391	\$ 3,206	\$ 41,209	\$ 18,472	\$ 848	\$ 11,964	\$ 2,661	\$ 109	\$ 49
Accrued interest/ other receivables	32	-	-	-	-	-	190	-	-	-
Cash and investments held in escrow	9,830	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 17,134</u>	<u>\$ 391</u>	<u>\$ 3,206</u>	<u>\$ 41,209</u>	<u>\$ 18,472</u>	<u>\$ 848</u>	<u>\$ 12,154</u>	<u>\$ 2,661</u>	<u>\$ 109</u>	<u>\$ 49</u>
<b>Liabilities:</b>										
Due to other governmental units and others	\$ 17,134	\$ 391	\$ 3,206	\$ 41,209	\$ 18,472	\$ 848	\$ 12,154	\$ 2,661	\$ 109	\$ 49
<b>Total liabilities</b>	<u>\$ 17,134</u>	<u>\$ 391</u>	<u>\$ 3,206</u>	<u>\$ 41,209</u>	<u>\$ 18,472</u>	<u>\$ 848</u>	<u>\$ 12,154</u>	<u>\$ 2,661</u>	<u>\$ 109</u>	<u>\$ 49</u>

DALLAS COUNTY, TEXAS  
 Combining Statement of Fiduciary Assets and Liabilities- Agency Funds  
 September 30, 2013  
 (in thousands of dollars)

	Departmental Special Funds					District Attorney Seized Funds				Total
	Juvenile Department Child Support	Housing Finance Corporation - 1994 Refunding	Community Supervision and Corrections Special	Youth Village	Tax Assessor - Collector	Police Agencies	Attorney General	Gambling	Narcotics	
<b>Assets:</b>										
Cash and investments	\$ 692	\$ 753	\$ 1,836	\$ 1	\$ 46,798	\$ 37	\$ 27	\$ 58	\$ 78	\$ 136,461
Accrued interest/ other receivables	-	-	-	-	-	-	-	-	-	222
Cash and investments held in escrow	-	-	-	-	-	-	-	-	-	9,830
<b>Total assets</b>	<u>\$ 692</u>	<u>\$ 753</u>	<u>\$ 1,836</u>	<u>\$ 1</u>	<u>\$ 46,798</u>	<u>\$ 37</u>	<u>\$ 27</u>	<u>\$ 58</u>	<u>\$ 78</u>	<u>\$ 146,513</u>
<b>Liabilities:</b>										
Due to other governmental units and others	\$ 692	\$ 753	\$ 1,836	\$ 1	\$ 46,798	\$ 37	\$ 27	\$ 58	\$ 78	\$ 146,513
<b>Total liabilities</b>	<u>\$ 692</u>	<u>\$ 753</u>	<u>\$ 1,836</u>	<u>\$ 1</u>	<u>\$ 46,798</u>	<u>\$ 37</u>	<u>\$ 27</u>	<u>\$ 58</u>	<u>\$ 78</u>	<u>\$ 146,513</u>

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<b>Balance October 1, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2013</b>
<hr/> <b>Administrative Fund - Escrow</b> <hr/>				
Assets:				
Cash and investments	\$ 7,528	\$ 19,324	\$ (19,580)	\$ 7,272
Accrued interest receivable	47	32	(47)	32
Cash and investments held in escrow	10,360	530	(1,060)	\$ 9,830
Total assets	\$ 17,935	\$ 19,886	\$ (20,687)	\$ 17,134
Liabilities:				
Due to other governmental units and others - administrative	\$ 17,935	\$ 19,886	\$ (20,687)	\$ 17,134
Total liabilities	\$ 17,935	\$ 19,886	\$ (20,687)	\$ 17,134
 <hr/> <b>Sheriff Inmate Trust</b> <hr/>				
Assets:				
Cash and investments	\$ 421	\$ -	\$ (30)	\$ 391
Total assets	\$ 421	\$ -	\$ (30)	\$ 391
Liabilities:				
Due to other governmental units and others	\$ 421	\$ -	\$ (30)	\$ 391
Total liabilities	\$ 421	\$ -	\$ (30)	\$ 391

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<b>Balance October 1, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2013</b>
<hr/> <b>Fee Office Fund - State Reports</b> <hr/>				
Assets:				
Cash and investments	\$ 3,351	\$ 1,746,561	\$ (1,746,706)	\$ 3,206
Total assets	\$ 3,351	\$ 1,746,561	\$ (1,746,706)	\$ 3,206
Liabilities:				
Due to other governmental units and others - fee office	\$ 3,351	\$ 29,851	\$ (29,996)	\$ 3,206
Total liabilities	\$ 3,351	\$ 29,851	\$ (29,996)	\$ 3,206

<hr/> <b>Fee Office Fund - County Clerk</b> <hr/>				
Assets:				
Cash and investments	\$ 39,342	\$ 176,433	\$ (174,566)	\$ 41,209
Total assets	\$ 39,342	\$ 176,433	\$ (174,566)	\$ 41,209
Liabilities:				
Due to other governmental units and others - fee office	\$ 39,342	\$ 180,069	\$ (178,202)	\$ 41,209
Total liabilities	\$ 39,342	\$ 180,069	\$ (178,202)	\$ 41,209

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
<b>Fee Office Fund - District Clerk</b>				
Assets:				
Cash and investments	\$ 17,969	\$ 82,999	\$ (82,496)	\$ 18,472
Total assets	<u>\$ 17,969</u>	<u>\$ 82,999</u>	<u>\$ (82,496)</u>	<u>\$ 18,472</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 17,969	\$ 87,144	\$ (86,641)	\$ 18,472
Total liabilities	<u>\$ 17,969</u>	<u>\$ 87,144</u>	<u>\$ (86,641)</u>	<u>\$ 18,472</u>
<b>Fee Office Fund - Sheriff</b>				
Assets:				
Cash and investments	\$ 886	\$ 28,817	\$ (28,855)	\$ 848
Total assets	<u>\$ 886</u>	<u>\$ 28,817</u>	<u>\$ (28,855)</u>	<u>\$ 848</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 886	\$ 19,319	\$ (19,357)	\$ 848
Total liabilities	<u>\$ 886</u>	<u>\$ 19,319</u>	<u>\$ (19,357)</u>	<u>\$ 848</u>

(Continued)



**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<b>Balance October 1, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2013</b>
<b>Fee Office Fund - Community Supervision and Corrections</b>				
<b>Assets:</b>				
Cash and investments	\$ 9,165	\$ 6,689,568	\$ (6,686,769)	\$ 11,964
Accrued interest and other receivable	964	790	(1,564)	190
Total assets	<b>\$ 10,129</b>	<b>\$ 6,690,358</b>	<b>\$ (6,688,333)</b>	<b>\$ 12,154</b>
<b>Liabilities:</b>				
Due to other governmental units and others - fee office	\$ 10,129	\$ 46,757	\$ (44,732)	\$ 12,154
Total liabilities	<b>\$ 10,129</b>	<b>\$ 46,757</b>	<b>\$ (44,732)</b>	<b>\$ 12,154</b>
<b>Fee Office Fund - Justices of the Peace</b>				
<b>Assets:</b>				
Cash and investments	\$ 3,034	\$ 1,164	\$ (1,537)	\$ 2,661
Total assets	<b>\$ 3,034</b>	<b>\$ 1,164</b>	<b>\$ (1,537)</b>	<b>\$ 2,661</b>
<b>Liabilities:</b>				
Due to other governmental units and others - fee office	\$ 3,034	\$ 1,209	\$ (1,582)	\$ 2,661
Total liabilities	<b>\$ 3,034</b>	<b>\$ 1,209</b>	<b>\$ (1,582)</b>	<b>\$ 2,661</b>

**DALLAS COUNTY, TEXAS**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended September 30, 2013**  
(in thousands of dollars)

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
<hr/> <b>Fee Office Fund - Constables</b> <hr/>				
Assets:				
Cash and investments	\$ 103	\$ 1,590	\$ (1,584)	\$ 109
Total assets	<u>\$ 103</u>	<u>\$ 1,590</u>	<u>\$ (1,584)</u>	<u>\$ 109</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 103	\$ 1,066	\$ (1,060)	\$ 109
Total liabilities	<u>\$ 103</u>	<u>\$ 1,066</u>	<u>\$ (1,060)</u>	<u>\$ 109</u>
 <hr/> <b>Departmental Special Fund - Housing Finance Corporation - 1993 Refunding</b> <hr/>				
Assets:				
Cash and investments	\$ 49	\$ -	\$ -	\$ 49
Total assets	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 49	\$ -	\$ -	\$ 49
Total liabilities	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>

DALLAS COUNTY, TEXAS  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
<b>Departmental Special Fund - Juvenile Department Child Support</b>				
Assets:				
Cash and investments	\$ 693	\$ 1,036	\$ (1,037)	\$ 692
Total assets	<u>\$ 693</u>	<u>\$ 1,036</u>	<u>\$ (1,037)</u>	<u>\$ 692</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 693	\$ 520	\$ (521)	\$ 692
Total liabilities	<u>\$ 693</u>	<u>\$ 520</u>	<u>\$ (521)</u>	<u>\$ 692</u>
<b>Departmental Special Fund - Housing Finance Corporation - 1994 Refunding</b>				
Assets:				
Cash and investments	\$ 967	\$ 649	\$ (863)	\$ 753
Total assets	<u>\$ 967</u>	<u>\$ 649</u>	<u>\$ (863)</u>	<u>\$ 753</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 967	\$ 479	\$ (693)	\$ 753
Total liabilities	<u>\$ 967</u>	<u>\$ 479</u>	<u>\$ (693)</u>	<u>\$ 753</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
<b>Departmental Special Fund - Community Supervision and Corrections Special</b>				
Assets:				
Cash and investments	\$ 1,353	\$ 9,607	\$ (9,124)	\$ 1,836
Total assets	<u>\$ 1,353</u>	<u>\$ 9,607</u>	<u>\$ (9,124)</u>	<u>\$ 1,836</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 1,353	\$ 6,502	\$ (6,019)	1,836
Total liabilities	<u>\$ 1,353</u>	<u>\$ 6,502</u>	<u>\$ (6,019)</u>	<u>\$ 1,836</u>
<b>Departmental Special Fund - Youth Village</b>				
Assets:				
Cash and investments	\$ 1	\$ -	\$ -	\$ 1
Total assets	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 1	\$ -	\$ -	\$ 1
Total liabilities	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
<hr/>				
<b>Departmental Special Fund - Tax Assessor and Collector</b>				
<hr/>				
Assets:				
Cash and investments	\$ 43,749	\$ 46,813	\$ (43,764)	\$ 46,798
Total assets	<u>\$ 43,749</u>	<u>\$ 46,813</u>	<u>\$ (43,764)</u>	<u>\$ 46,798</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 43,749	\$ 433,648	\$ (430,599)	\$ 46,798
Total liabilities	<u>\$ 43,749</u>	<u>\$ 433,648</u>	<u>\$ (430,599)</u>	<u>\$ 46,798</u>
<b>District Attorney Seized Funds - Police Agencies</b>				
<hr/>				
Assets:				
Cash and investments	\$ 38	\$ 10	\$ (11)	\$ 37
Total assets	<u>\$ 38</u>	<u>\$ 10</u>	<u>\$ (11)</u>	<u>\$ 37</u>
Liabilities:				
Due to other governmental units and others	\$ 38	\$ 8	\$ (9)	\$ 37
Total liabilities	<u>\$ 38</u>	<u>\$ 8</u>	<u>\$ (9)</u>	<u>\$ 37</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
<b>District Attorney Seized Funds - Attorney General</b>				
<hr/>				
Assets:				
Cash and investments	\$ 26	\$ 1	\$ -	\$ 27
Total assets	<u>\$ 26</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 27</u>
Liabilities:				
Due to other governmental units and others	\$ 26	\$ 1	\$ -	\$ 27
Total liabilities	<u>\$ 26</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 27</u>
<b>District Attorney Seized Funds - Gambling</b>				
<hr/>				
Assets:				
Cash and investments	\$ 59	\$ 7	\$ (8)	\$ 58
Total assets	<u>\$ 59</u>	<u>\$ 7</u>	<u>\$ (8)</u>	<u>\$ 58</u>
Liabilities:				
Due to other governmental units and others	\$ 59	\$ -	\$ (1)	\$ 58
Total liabilities	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 58</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<u>Balance October 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2013</u>
<b>District Attorney Seized Funds - Narcotics</b>				
Assets:				
Cash and investments	\$ 193	\$ 915	\$ (1,030)	\$ 78
Total assets	<u>\$ 193</u>	<u>\$ 915</u>	<u>\$ (1,030)</u>	<u>\$ 78</u>
Liabilities:				
Due to other governmental units and others	\$ 193	\$ 583	\$ (698)	\$ 78
Total liabilities	<u>\$ 193</u>	<u>\$ 583</u>	<u>\$ (698)</u>	<u>\$ 78</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2013  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2013</u>
<b>Assets:</b>				
Cash and investments	\$ 128,927	\$ 8,805,494	\$ (8,797,960)	\$ 136,461
Accrued interest and other receivable	1,011	822	(1,611)	222
Cash and investments held in escrow	<u>10,360</u>	<u>530</u>	<u>(1,060)</u>	<u>9,830</u>
<b>Total assets</b>	<u><u>\$ 140,298</u></u>	<u><u>\$ 8,806,846</u></u>	<u><u>\$ (8,800,631)</u></u>	<u><u>\$ 146,513</u></u>
<b>Liabilities:</b>				
Due to other governmental units and others	<u>\$ 140,298</u>	<u>\$ 827,042</u>	<u>\$ (820,827)</u>	<u>\$ 146,513</u>
<b>Total liabilities</b>	<u><u>\$ 140,298</u></u>	<u><u>\$ 827,042</u></u>	<u><u>\$ (820,827)</u></u>	<u><u>\$ 146,513</u></u>

(Concluded)



**STATISTICAL SECTION**  
**(Unaudited)**

## STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information to enhance the understanding of the information in the financial statements, note disclosures, and required supplementary information and what the data indicates about the County's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	137
These schedules contain trend information to aid in understanding how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	142
These schedules contain information to aid in assessing the County's most significant local revenue source - property tax.	
<b>Debt Capacity</b>	147
These schedules present information to aid in assessing the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	152
These schedules offer demographic and economic indicators to aid in understanding the environment within which the County's financial activities take place.	
<b>Operating Information</b>	154
These schedules contain service and infrastructure data to aid in understanding how the information in the County's financial report relates to services the County provides and the activities it performs.	

**DALLAS COUNTY, TEXAS**  
**Net Position of Primary Government**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**  
**(unaudited)**

**Table 1**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 334,983	\$ 318,404	\$ 343,757	\$ 371,524	\$ 429,277	\$ 455,302	\$ 453,807	\$ 455,452	\$ 454,302	\$ 484,639
Restricted	24,123	16,584	21,548	59,017	40,360	63,686	61,654	66,840	78,434	81,686
Unrestricted	(31,472)	69,644	91,806	46,414	18,529	28,797	26,672	41,628	30,807	(19,842)
<b>Total governmental activities net position</b>	<u><u>\$ 327,634</u></u>	<u><u>\$ 404,632</u></u>	<u><u>\$ 457,111</u></u>	<u><u>\$ 476,955</u></u>	<u><u>\$ 488,166</u></u>	<u><u>\$ 547,785</u></u>	<u><u>\$ 542,133</u></u>	<u><u>\$ 563,920</u></u>	<u><u>\$ 563,543</u></u>	<u><u>\$ 546,483</u></u>

Source: Dallas County Financial Records

**DALLAS COUNTY, TEXAS**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**  
**(unaudited)**

Table 2

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 71,871	\$ 72,765	\$ 77,465	\$ 99,805	\$ 126,656	\$ 120,224	\$ 147,707	\$ 137,867	\$ 149,009	\$ 156,248
Judicial	98,858	102,371	115,244	126,971	134,413	139,852	136,703	138,104	133,061	147,927
Public Safety	169,137	172,347	198,138	216,521	235,161	234,898	236,728	233,243	222,386	236,798
Highways and Streets	21,143	33,852	29,174	32,955	34,689	30,119	23,787	21,195	27,349	23,756
Health	40,506	44,285	45,948	41,590	46,735	48,598	51,033	53,264	50,924	48,216
Education	6,461	7,941	9,547	10,189	11,699	11,470	11,104	9,994	9,340	9,009
Public Welfare	56,735	61,106	65,908	66,913	72,374	82,019	85,635	97,261	76,449	70,960
Libraries	60	23	12	10	3	-	-	-	-	-
Interest on long term debt	11,534	10,131	9,288	10,599	9,784	6,939	6,475	5,189	4,681	3,683
<b>Total primary government expenses</b>	<b>\$ 476,305</b>	<b>\$ 504,821</b>	<b>\$ 550,724</b>	<b>\$ 605,553</b>	<b>\$ 671,514</b>	<b>\$ 674,119</b>	<b>\$ 699,172</b>	<b>\$ 696,117</b>	<b>\$ 673,199</b>	<b>\$ 696,597</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 50,562	\$ 44,371	\$ 50,809	\$ 47,125	\$ 55,659	\$ 50,104	\$ 46,405	\$ 47,054	\$ 44,792	\$ 50,236
Judicial	48,633	52,703	58,257	58,164	60,655	68,280	50,648	43,797	44,746	46,204
Public Safety	19,928	21,046	20,337	22,845	21,156	23,143	21,133	23,527	22,422	24,490
Highways and Streets (1)	36,778	38,954	41,849	42,244	44,495	40,002	36,968	27,340	26,511	25,193
Health	6,451	6,193	6,409	6,150	6,385	7,171	7,607	7,882	6,138	7,483
Public Welfare	1,400	2,671	2,530	1,134	1,423	1,323	1,399	1,499	1,237	1,269
<b>Operating grants and contributions:</b>										
General government	-	-	-	-	-	156	819	947	971	-
Judicial	2,107	3,009	3,330	1,636	2,475	28,398	15,259	16,198	13,309	11,825
Public Safety	6,774	4,269	5,977	5,419	5,373	8,066	10,935	10,835	8,875	11,204
Health	27,067	26,892	26,359	26,472	28,943	29,948	33,309	32,894	32,932	30,037
Education	6,019	9,060	9,444	7,879	12,155	10,742	8,971	12,042	10,165	9,199
Public Welfare	47,528	44,132	47,706	51,880	59,293	67,345	74,318	89,732	67,718	63,191
<b>Capital grants and contributions:</b>										
Judicial	1,252	-	-	26	-	-	50	257	-	-
Public Safety	-	-	-	480	621	-	389	-	-	-
Health	564	-	-	-	-	-	-	-	-	-
Public Welfare	5,592	4,192	10,649	5,650	442	1,843	76	-	-	-
<b>Total governmental activities program revenues</b>	<b>\$ 260,655</b>	<b>\$ 257,492</b>	<b>\$ 283,656</b>	<b>\$ 277,104</b>	<b>\$ 299,075</b>	<b>\$ 336,521</b>	<b>\$ 308,286</b>	<b>\$ 314,004</b>	<b>\$ 279,816</b>	<b>\$ 280,331</b>
<b>Total net (expense) revenue</b>	<b>\$ (215,650)</b>	<b>\$ (247,329)</b>	<b>\$ (267,068)</b>	<b>\$ (328,449)</b>	<b>\$ (372,439)</b>	<b>\$ (337,598)</b>	<b>\$ (390,886)</b>	<b>\$ (382,113)</b>	<b>\$ (393,383)</b>	<b>\$ (416,266)</b>
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
Property taxes	\$ 255,324	\$ 267,462	\$ 284,946	\$ 309,560	\$ 356,596	\$ 372,201	\$ 364,868	\$ 371,618	\$ 366,998	\$ 370,052
Alcoholic beverage taxes (1)	10,120	10,695	11,129	11,858	12,119	11,742	11,732	19,953	21,300	25,961
Unrestricted grants and contributions	4,180	5,243	3,640	3,534	4,659	1,750	5,161	6,758	1,392	2,115
Investment earnings	4,393	9,724	19,832	23,341	10,276	11,524	3,521	4,258	3,259	1,078
Insurable gain, net of insurance proceeds	-	-	-	-	-	-	-	2,850	57	-
Gain on the sale of property	-	31,203	-	-	-	-	3,967	-	-	-
<b>Total primary government</b>	<b>\$ 274,017</b>	<b>\$ 324,327</b>	<b>\$ 319,547</b>	<b>\$ 348,293</b>	<b>\$ 383,650</b>	<b>\$ 397,217</b>	<b>\$ 389,249</b>	<b>\$ 405,437</b>	<b>\$ 393,006</b>	<b>\$ 399,206</b>
<b>Other activities:</b>										
Insurable loss, net of insurance proceeds	-	-	-	-	-	-	(4,015)	-	-	-
Loss on retirement of capital assets	-	-	-	-	-	-	-	(804)	-	-
Interest paid - advance refunding	-	-	-	-	-	-	-	(733)	-	-
<b>Total other expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,015)</b>	<b>\$ (1,537)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 58,367	\$ 76,998	\$ 52,479	\$ 19,844	\$ 11,211	\$ 59,619	\$ (5,652)	\$ 21,787	\$ (377)	\$ (17,060)
<b>Total primary government</b>	<b>\$ 58,367</b>	<b>\$ 76,998</b>	<b>\$ 52,479</b>	<b>\$ 19,844</b>	<b>\$ 11,211</b>	<b>\$ 59,619</b>	<b>\$ (5,652)</b>	<b>\$ 21,787</b>	<b>\$ (377)</b>	<b>\$ (17,060)</b>

Note:  
(1) In FY 2011, the County reclassified \$8,221 from Charges for services - Highways and Streets to General Revenues. This classification will be applied going forward.

Source: Dallas County Financial Records

**DALLAS COUNTY, TEXAS**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**  
**(unaudited)**

Table 3

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Property Taxes	\$ 255,324	\$ 267,462	\$ 284,946	\$ 309,560	\$ 356,596	\$ 372,201	\$ 364,868	\$ 371,618	\$ 366,998	\$ 370,052
Alcoholic beverage / other taxes	10,120	10,695	11,129	11,858	12,119	11,742	11,732	19,953	21,300	25,961
<b>Total Taxes</b>	<b>\$ 265,444</b>	<b>\$ 278,157</b>	<b>\$ 296,075</b>	<b>\$ 321,418</b>	<b>\$ 368,715</b>	<b>\$ 383,943</b>	<b>\$ 376,600</b>	<b>\$ 391,571</b>	<b>\$ 388,298</b>	<b>\$ 396,013</b>

Source: Dallas County Financial Records

Note: Other taxes reflect \$8,221 increase in Fiscal Year 2011 due to changes in presentation of special highway taxes; previously reported as charges for services.

**DALLAS COUNTY, TEXAS**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**  
**(unaudited)**

Table 4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund (GASB 54)</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,562	\$ 3,366	\$ 3,794
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	7,871	7,778	6,786
Unassigned	-	-	-	-	-	-	-	56,700	78,044	80,371
<b>General Fund (before GASB 54)</b>										
Reserved	13,926	16,925	12,050	7,822	8,073	8,734	9,886	-	-	-
Unreserved	41,195	38,857	44,346	32,139	26,737	35,762	41,353	-	-	-
<b>Total General Fund</b>	<u>\$ 55,121</u>	<u>\$ 55,782</u>	<u>\$ 56,396</u>	<u>\$ 39,961</u>	<u>\$ 34,810</u>	<u>\$ 44,496</u>	<u>\$ 51,239</u>	<u>\$ 68,133</u>	<u>\$ 89,188</u>	<u>\$ 90,951</u>
<b>All Other Governmental Funds (GASB 54)</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282	\$ 208	\$ 283
Restricted	-	-	-	-	-	-	-	108,201	108,777	129,988
Committed	-	-	-	-	-	-	-	166,590	173,340	175,582
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>All Other Governmental Funds (before GASB 54)</b>										
Reserved	48,856	39,364	40,519	107,960	90,351	72,436	56,123	-	-	-
Unreserved reported in:										
Debt Service	5,484	7,369	13,420	7,631	3,381	2,785	3,128	-	-	-
Major Projects	12,440	53,696	65,709	6,091	6,249	29,567	77,906	-	-	-
Grants Funds	4,950	6,780	6,437	9,298	1,993	1,819	(3,786)	-	-	-
Special Revenue	21,060	22,153	21,091	19,916	29,840	46,103	44,354	-	-	-
Capital Projects	72,395	39,851	81,422	45,263	13,057	19,019	18,632	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 165,185</u>	<u>\$ 169,213</u>	<u>\$ 228,598</u>	<u>\$ 196,159</u>	<u>\$ 144,871</u>	<u>\$ 171,729</u>	<u>\$ 196,357</u>	<u>\$ 275,073</u>	<u>\$ 282,325</u>	<u>\$ 305,853</u>

Source: Dallas County Financial Records

Note: In 2011, the County implemented GASB Statement No. 54. Under GASB Statement No. 54, fund balances are classified as Nonspendable, Restricted, Committed, Assigned or Unassigned. Prior to GASB 54, fund balances were classified as Reserved or Unreserved. Amounts for fiscal years 2010 and earlier have not been restated to reclassify these balances.

**DALLAS COUNTY, TEXAS**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(in thousands of dollars)**  
**(unaudited)**

Table 5

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Property taxes	\$ 255,324	\$ 262,124	\$ 286,792	\$ 308,443	\$ 356,136	\$ 372,285	\$ 364,620	\$ 372,074	\$ 367,478	\$ 371,263
Licenses and permits (3)	33,776	33,458	32,704	33,826	31,413	29,253	26,422	33,520	36,009	39,154
Fines and forfeitures	22,837	24,404	26,060	25,691	27,507	25,280	21,512	17,732	16,206	14,151
Investment income and rental revenues	9,605	14,856	22,851	26,654	14,558	15,173	6,790	7,017	6,221	4,269
Intergovernmental revenues	101,494	94,575	104,752	103,944	112,951	151,373	128,861	145,937	120,670	125,820
Charges for current services (3)	95,172	100,209	115,239	114,991	123,353	128,905	126,521	123,235	115,139	117,558
Miscellaneous revenues	13,545	13,023	16,277	11,579	17,852	10,635	14,603	17,035	11,275	11,241
<b>Total revenues</b>	<b>531,753</b>	<b>542,649</b>	<b>604,675</b>	<b>625,128</b>	<b>683,770</b>	<b>732,904</b>	<b>689,329</b>	<b>716,550</b>	<b>672,998</b>	<b>683,456</b>
<b>Expenditures</b>										
General government and judicial (a)	170,880	179,375	194,847	221,496	234,758	238,079	232,214	233,904	223,855	242,869
Public safety (a)	165,390	169,831	192,710	211,970	231,062	228,083	225,898	222,489	213,771	225,436
Highways and streets (a)	13,666	20,059	22,040	22,728	26,107	23,116	22,122	20,152	26,790	23,244
Health (a)	40,659	43,895	45,484	41,020	46,584	48,711	51,094	52,967	50,829	48,154
Public welfare (a)	60,113	60,225	70,261	65,364	70,484	79,815	83,677	96,448	75,603	70,475
Libraries (a)	49	19	-	-	-	-	-	-	-	-
Education (a)	6,455	8,061	9,512	10,102	11,599	11,358	10,981	10,065	9,224	8,888
Capital outlay (a) (1)	41,188	48,869	34,748	59,172	82,798	39,660	15,454	11,394	15,188	54,018
Debt service										
Principal	35,225	34,940	32,180	30,980	27,915	19,955	17,355	18,190	22,780	20,075
Interest	10,645	9,265	8,310	11,170	8,902	7,583	6,625	5,284	6,708	5,383
<b>Total expenditures</b>	<b>544,270</b>	<b>574,539</b>	<b>610,092</b>	<b>674,002</b>	<b>740,209</b>	<b>696,360</b>	<b>665,420</b>	<b>670,893</b>	<b>644,748</b>	<b>698,542</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(12,517)</b>	<b>(31,890)</b>	<b>(5,417)</b>	<b>(48,874)</b>	<b>(56,439)</b>	<b>36,544</b>	<b>23,909</b>	<b>45,657</b>	<b>28,250</b>	<b>(15,086)</b>
<b>Other financing sources (uses)</b>										
Transfers in	67,357	60,473	59,833	71,749	67,551	63,473	47,570	49,046	47,154	40,841
Transfers (out)	(67,357)	(60,473)	(59,833)	(71,749)	(67,551)	(63,473)	(47,570)	(49,046)	(47,154)	(40,841)
Debt issuance - advance refunding bonds	-	24,096	-	-	-	-	-	32,400	-	10,515
Debt issuance - limited tax notes	16,145	36,535	63,220	-	-	-	-	41,545	-	35,825
Premium on advance refunding bonds	-	-	-	-	-	-	-	2,132	-	1,669
Premium on limited tax notes	509	1,933	2,196	-	-	-	-	3,749	-	4,423
Interest on advance refunding bonds	-	-	-	-	-	-	-	57	-	-
Interest on limited tax notes	-	-	-	-	-	-	-	82	-	-
Accrued interest on revenue bonds	72	-	-	-	-	-	-	-	-	-
Payment to advance refunded bond escrow agent	-	(25,985)	-	-	-	-	-	(34,270)	-	(12,055)
Sale of capital assets	-	-	-	-	-	-	4,462	-	-	-
Insurance proceeds	-	-	-	-	-	-	3,000	4,258	57	-
<b>Total other financing sources (uses)</b>	<b>16,726</b>	<b>36,579</b>	<b>65,416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,462</b>	<b>49,953</b>	<b>57</b>	<b>40,377</b>
<b>Net change in fund balance</b>	<b>\$ 4,209</b>	<b>\$ 4,689</b>	<b>\$ 59,999</b>	<b>\$ (48,874)</b>	<b>\$ (56,439)</b>	<b>\$ 36,544</b>	<b>\$ 31,371</b>	<b>\$ 95,610</b>	<b>\$ 28,307</b>	<b>\$ 25,291</b>
<b>Sum of expenditures (a)</b>	<b>498,400</b>	<b>530,334</b>	<b>569,602</b>	<b>631,852</b>	<b>703,392</b>	<b>668,822</b>	<b>641,440</b>	<b>647,419</b>	<b>615,260</b>	<b>673,084</b>
Less: Expenditures capitalized for government-wide statement of net position. (2)	(43,723)	(43,349)	(45,354)	(66,128)	(84,369)	(39,508)	(12,711)	(14,007)	(18,988)	(55,629)
<b>Non-capital expenditures</b>	<b>\$ 454,677</b>	<b>\$ 486,985</b>	<b>\$ 524,248</b>	<b>\$ 565,724</b>	<b>\$ 619,023</b>	<b>\$ 629,314</b>	<b>\$ 628,729</b>	<b>\$ 633,412</b>	<b>\$ 596,272</b>	<b>\$ 617,455</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>10.1%</b>	<b>9.1%</b>	<b>7.7%</b>	<b>7.5%</b>	<b>5.9%</b>	<b>4.4%</b>	<b>3.8%</b>	<b>3.7%</b>	<b>4.9%</b>	<b>4.1%</b>

Source: Dallas County Financial Records

Notes:

- (1) Some purchases that have met the County's capitalization threshold are classified as current expenditures at the functional level; these purchases are excluded from capital outlay expenditures.
- (2) The amount of capital expenditures on page 54 of the Notes to the Basic Financial Statements and referenced on page 62 includes capital expenditures recorded within functional expenditure categories and Capital Outlay expenditures noted in (1) which meet the County's capitalization threshold.
- (3) In FY 2011, the County reclassified \$8,221 from Charges for current services to Licenses and permits. This classification has been applied going forward.

**DALLAS COUNTY, TEXAS**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
(in thousands of dollars, except for Note (1))  
(unaudited)

Table 6

Year	Real Property		Personal Property		Total		Total Primary Government Direct Tax Rate	Statutory Ratio of Assessed Value to True Value
	Assessed Value Notes (1) & (4)	Estimated True Value Note (2)	Assessed Value Notes (1) & (4)	Estimated True Value Note (2)	Assessed Value Notes (1) & (4)	Estimated True Value Note (2)		
2004	\$ 137,634,909	\$ 139,194,180	\$ 25,506,283	\$ 25,506,283	\$ 163,141,192	\$ 164,700,463	0.20390	99.05%
2005	145,616,669	147,709,138	25,613,845	25,613,845	171,230,514	173,322,983	0.21390	98.79%
2006	158,357,737	161,310,649	25,992,417	25,992,417	184,350,154	187,303,066	0.21390	98.42%
2007	175,200,112	177,328,144	28,323,579	28,323,579	203,523,691	205,651,723	0.22810	98.97%
2008	187,657,752	189,375,558	30,463,426	30,463,426	218,121,178	219,838,984	0.22810	99.22%
2009	182,573,892	183,604,362	30,712,196	30,712,196	213,286,088	214,316,558	0.22810	99.52%
2010	176,079,924	176,830,527	28,685,037	28,685,037	204,764,961	205,515,564	0.24310	99.63%
2011	173,840,792	174,569,081	28,953,511	28,953,511	202,794,303	203,522,592	0.24310	99.64%
2012	176,477,746	177,340,633	30,175,252	30,175,252	206,652,998	207,515,885	0.24310	99.58%
2013	183,537,954	184,293,875	31,732,599	31,732,599	215,270,553	216,026,474	0.24310	99.65%

Source: Dallas County Tax Assessor-Collector.

Note (1) Assessed values shown in this table includes rolling stock and amounts allowed for all exemptions. The Dallas County Commissioners Court approved the greater of 20% or \$5,000 allowance for homestead exemptions for all taxpayers. The Dallas County Commissioners Court approved an additional \$69,000 allowance for homestead exemptions for taxpayers 65 years of age or older. The approved allowance for disabled veterans is \$5,000 for disabilities of 10% but less than 30%, \$7,500 for disabilities of 30% but less than 50%, \$10,000 for disabilities of 50% but less than 70%, and \$12,000 for disabilities 70% or more. The 65 or older and disability exemptions limit school taxes to the amount paid in the year that the individual qualified for the exemption.

Note (2) The differences between assessed value and estimated true value are the result of property items whose values were in dispute at the time of certification of values by the Appraisal District.

Note (3) Effective January 1, 2008 the Dallas County Commissioners Court approved a deferral on the total taxes imposed by the County on property held by disabled and 65 or older homeowners. Deferred taxes accrue interest at an 8% annual rate.

Note (4) The assessment date is January 1.



**DALLAS COUNTY, TEXAS**  
**Property Tax Rates and Tax Levies**  
**Last Ten Tax Years**  
**Tax Rates Per \$100 of Taxable Value**  
**(unaudited)**

Table 7

Tax Year	General Fund	Major Technology Fund	Permanent Improvement Fund	Major Projects Development Fund	Debt Service Funds	Total Primary Government	Component Unit	Total Reporting Entity
<b>Rates (1)</b>								
2004	\$ 0.15210	\$ 0.00500	\$ 0.00180	\$ 0.01301	\$ 0.03199	\$ 0.20390	\$ 0.25400	\$ 0.45790
2005	0.16210	0.00500	0.00180	0.01621	0.02879	0.21390	0.25400	0.46790
2006	0.15450	0.01260	0.00180	0.02525	0.01975	0.21390	0.25400	0.46790
2007	0.16870	0.01260	0.00180	0.02593	0.01907	0.22810	0.25400	0.48210
2008	0.16870	0.01260	0.00180	0.02996	0.01504	0.22810	0.25400	0.48210
2009	0.16870	0.01260	0.00180	0.03064	0.01436	0.22810	0.27400	0.50210
2010	0.18370	0.01260	0.00180	0.03083	0.01417	0.24310	0.27100	0.51410
2011	0.18370	0.01260	0.00180	0.03120	0.01380	0.24310	0.27100	0.51410
2012	0.18270	0.01360	0.00180	0.02990	0.01510	0.24310	0.27100	0.51410
2013	0.17615	0.01360	0.00180	0.03184	0.01971	0.24310	0.27600	0.51910
<b>Tax levies (1)</b> (in thousands of dollars)								
2004	\$ 197,148	\$ 6,481	\$ 2,333	\$ 16,863	\$ 41,465	\$ 264,290 (a)	\$ 329,229	\$ 593,519
2005	219,902	6,783	2,442	21,990	39,056	290,173 (a)	344,572	634,745
2006	226,423	18,466	2,638	37,004	28,944	313,475 (b)	372,243	685,718
2007	272,413	20,346	2,907	41,871	30,794	368,331 (c)	410,153	778,484
2008	287,381	21,464	3,066	51,041	25,617	388,569 (d)	433,936	822,505
2009	278,064	20,768	2,967	50,500	23,673	375,972 (e)	453,929	829,901
2010	287,607	19,727	2,818	48,270	22,183	380,605 (f)	429,605	810,210
2011	284,368	19,505	2,786	48,298	21,362	376,319 (g)	422,501	798,820
2012	286,951	21,361	2,827	46,961	23,716	381,816 (g)	428,355	810,171
2013	288,053	22,240	2,943	52,067	32,231	397,534 (h)	454,275	851,809

Note (1) Tax levy figures are shown net of exemptions. Tax rates shown are amounts per hundred dollars of net assessed value. Effective January 1, 2008 the Dallas County Commissioners Court approved a tax limitation "freeze" on the total taxes imposed by the County on property held by disabled and over 65 homeowners.

Note (2) Legal Tax Limitation - Total Reporting Entity  
Original - Texas Constitution, Article 8, Section 9 \$ 0.80000  
Additional authorized by voters - Texas Constitution 0.15000  
Additional authorized by Texas Constitution 0.75000  
Legal limitation includes provision for debt service \$ 1.70000

Tax figures also include tax increment financing (listed below) for collection by Dallas County with remittance to the various cities without actual revenue recognition totaling:  
(a) in excess of \$ 1 million  
(b) \$ 1.7 million  
(c) \$ 2.9 million  
(d) \$ 3.8 million  
(e) \$ 3.2 million  
(f) \$ 2.7 million  
(g) \$ 2.9 million  
(h) \$ 3.1 million

Taxes due: October 1  
Taxes delinquent: February 1 year following levy  
Tax lien and assessment date: January 1 year of levy  
Taxes added to delinquent roll: April 1 (personal property) or July 1 (real property) in the year following levy

Delinquent tax penalty and interest:  
February of delinquent year - 6% penalty plus 1% interest  
March of delinquent year - 7% penalty plus 2% interest  
April of delinquent year - 8% penalty plus 3% interest  
May of delinquent year - 9% penalty plus 4% interest  
June of delinquent year - 10% penalty plus 5% interest  
After July 1 of delinquent year - 12% penalty plus 1% interest per month delinquent

**DALLAS COUNTY, TEXAS**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Tax Years**  
**(Rates are per \$100 property value)**  
**(unaudited)**

Table 8

Name	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Dallas County	\$ 0.20390	\$ 0.21390	\$ 0.21390	\$ 0.22810	\$ 0.22810	\$ 0.22810	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310
Dallas County Schools	0.00546	0.00530	0.00503	0.00471	0.00493	0.00521	0.01000	0.01000	0.00994	0.01000
Dallas County Hospital Dist.	0.25400	0.25400	0.25400	0.25400	0.25400	0.27400	0.27100	0.27100	0.27100	0.27600
Dallas County Community College District	0.08030	0.08160	0.08100	0.08040	0.08940	0.09490	0.09923	0.09967	0.11938	0.12470
<b>School Districts</b>										
Carrollton-Farmers Branch	1.78240	1.82590	1.68300	1.36700	1.36230	1.34220	1.34690	1.35680	1.33060	1.32350
Cedar Hill	1.74130	1.84843	1.74330	1.40000	1.50000	1.40000	1.44000	1.44000	1.44000	1.52500
Coppell	1.73500	1.72900	1.59900	1.26900	1.27900	1.28340	1.42420	1.42420	1.41880	1.43240
Dallas	1.66940	1.68836	1.50264	1.19964	1.18340	1.27134	1.23781	1.29035	1.29035	1.28209
Desoto	1.74000	1.79000	1.76000	1.49000	1.51000	1.49000	1.49000	1.44000	1.44000	1.49000
Duncanville	1.83600	1.86600	1.73600	1.41800	1.41800	1.41800	1.41800	1.41800	1.43000	1.41000
Ferris	1.77190	1.77190	1.57070	1.26970	1.27720	1.27720	1.31785	1.30630	1.31000	1.31000
Garland	1.62140	1.67010	1.54490	1.25330	1.25330	1.25330	1.25330	1.25330	1.25330	1.25330
Grand Prairie	1.75110	1.75860	1.62970	1.46500	1.46500	1.46500	1.46500	1.46500	1.46500	1.46500
Grapevine-Colleyville	1.70105	1.70000	1.57430	1.29000	1.29000	1.29000	1.29000	1.31000	1.32010	1.32010
Highland Park	1.61000	1.53000	1.35570	1.03670	1.09000	1.11000	1.11500	1.13420	1.13420	1.12670
Irving	1.83700	1.81400	1.64400	1.34850	1.39100	1.42500	1.46500	1.46500	1.46500	1.46500
Lancaster	1.85446	1.85446	1.72600	1.40770	1.41270	1.41270	1.41270	1.41270	1.41800	1.41800
Mesquite	1.76000	1.76240	1.66800	1.37670	1.40000	1.42000	1.42000	1.42000	1.42000	1.41000
Richardson	1.82000	1.82000	1.63005	1.34005	1.34005	1.34005	1.34005	1.34005	1.34005	1.34005
Sunnyvale	1.44600	1.66590	1.51905	1.38005	1.37000	1.36000	1.35100	1.41000	1.41000	1.41000
Wilmer / Hutchins*	1.58000	1.28540	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Special Districts</b>										
Dallas County FCD #1	2.06000	2.78000	2.83554	2.83554	2.83554	2.83554	2.83554	2.90000	3.05000	2.75000
Dallas County URD	2.32220	2.36030	2.09670	1.62800	1.62600	1.76300	2.05000	2.12200	1.84000	1.79100
Denton County LID #1**	0.00000	0.00000	0.00000	0.15500	0.16500	0.16500	0.16350	0.16350	0.20700	0.18500
Denton County RUD #1***	0.00000	0.00000	0.00000	0.40000	0.38000	0.35000	0.17000	0.11000	0.01000	0.00000
Grand Prairie Metro URD	2.45000	2.55000	2.05000	2.14000	2.14000	2.18000	2.12000	2.06500	0.60000	0.60000
Irving FCD, Section I	0.20000	0.21370	0.22539	0.27139	0.24201	0.29143	0.35549	0.43000	0.46530	0.50000
Irving FCD, Section III	0.29351	0.29351	0.29038	0.27199	0.26335	0.27400	0.27400	0.13400	0.13900	0.14210
Lancaster MUD #1	0.90000	0.90000	0.90000	0.90000	0.90000	0.90000	1.06000	1.06000	1.06000	1.06000
Northwest Dallas Co FCD	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
Valwood Improvement Auth	0.31200	0.34500	0.34250	0.32250	0.31250	0.30750	0.30750	0.30750	0.30750	0.29000
<b>Cities and Towns</b>										
Addison	0.47600	0.47600	0.46400	0.43370	0.45350	0.49600	0.53000	0.58000	0.58000	0.57180
Balch Springs	0.52550	0.55571	0.57728	0.62098	0.62000	0.76000	0.76000	0.78000	0.80300	0.77000
Carrollton	0.59930	0.63288	0.63288	0.61788	0.61788	0.61788	0.61788	0.61788	0.61788	0.61788
Cedar Hill	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140	0.67000	0.68588	0.69569	0.69876
Cockrell Hill	0.73379	0.76159	0.76853	0.78811	0.78811	0.78811	0.81109	0.81109	0.82315	0.81191
Combine**	0.00000	0.00000	0.00000	0.21000	0.21000	0.23000	0.23000	0.23000	0.25000	0.27000
Coppell	0.64860	0.64860	0.64146	0.64146	0.64146	0.64146	0.69046	0.69046	0.67046	0.63750
Dallas	0.71970	0.74170	0.72920	0.74790	0.74790	0.74790	0.79700	0.79700	0.79700	0.79700
Desoto	0.66689	0.68499	0.69835	0.70973	0.69973	0.69973	0.73512	0.75740	0.75740	0.75740
Duncanville	0.71800	0.71800	0.69600	0.69600	0.69600	0.69600	0.73769	0.73769	0.73769	0.75845
Farmers Branch	0.49450	0.49450	0.49450	0.49450	0.49450	0.51950	0.52950	0.52950	0.55310	0.55310
Ferris**	0.00000	0.00000	0.00000	0.60000	0.65000	0.64809	0.68713	0.68713	0.68713	0.68713
Garland	0.64110	0.66610	0.67860	0.68860	0.69960	0.70460	0.70460	0.70460	0.70460	0.70460
Glenn Heights	0.65310	0.65310	0.69617	0.68404	0.69436	0.73932	0.79500	0.79500	0.79500	0.79500
Grand Prairie	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000
Grapevine**	0.00000	0.00000	0.00000	0.36250	0.35000	0.35000	0.35000	0.34800	0.34570	0.34250
Highland Park	0.23000	0.23000	0.22500	0.22000	0.22000	0.22000	0.22000	0.22000	0.22000	0.22000
Hutchins	0.53300	0.54000	0.54109	0.53755	0.52810	0.56300	0.58100	0.60672	0.66091	0.69091
Irving	0.54790	0.54790	0.54790	0.54060	0.54060	0.54060	0.57610	0.59860	0.59860	0.59860
Lancaster	0.67170	0.67170	0.67170	0.73750	0.77750	0.77750	0.86750	0.86750	0.86750	0.86750
Lewisville**	0.00000	0.00000	0.00000	0.44050	0.44021	0.44021	0.44021	0.44021	0.44021	0.44021
Mesquite	0.58148	0.60148	0.62000	0.64000	0.64000	0.64000	0.64000	0.64000	0.64000	0.64000
Ovilla**	0.00000	0.00000	0.00000	0.66800	0.66800	0.66790	0.67460	0.66380	0.66750	0.67190
Richardson	0.52516	0.52516	0.57516	0.57516	0.57516	0.57516	0.63516	0.63516	0.63516	0.63516
Rowlett	0.67695	0.74717	0.74717	0.74717	0.74717	0.74717	0.74717	0.74717	0.74717	0.74717
Sachse	0.55832	0.55832	0.55341	0.55341	0.61000	0.70582	0.70582	0.77082	0.77082	0.77082
Scagoville	0.63500	0.63500	0.63500	0.63500	0.63500	0.65000	0.66500	0.69085	0.69085	0.71379
Sunnyvale	0.37997	0.37997	0.37997	0.37997	0.37796	0.40796	0.40796	0.40796	0.40796	0.40796
University Park	0.32539	0.30958	0.29272	0.26836	0.26548	0.26548	0.27845	0.27845	0.27845	0.27432
Wilmer*	0.66000	0.66000	0.61000	0.61000	0.48566	0.43599	0.43599	0.40000	0.36682	0.38944
Wylie**	0.00000	0.00000	0.00000	0.73325	0.89890	0.89890	0.89890	0.89890	0.88890	0.88390

Source: Financial reports of governmental units which have overlapping debt.  
Dallas Central Appraisal District

Note: Rate established to fund adopted budget of the following fiscal year.

\* Wilmer - Hutchins ISD was absorbed by Dallas ISD beginning in 2006  
\*\* The City of Combine, Ferris, Grapevine, Lewisville, Ovilla, Wilmer, and Wylie were not taxable entities until 2007.  
Denton County LID #1 and Denton County RUD #1 were not taxable entities until 2007.  
+ Denton County RUD #1 was dissolved in 2013 and will no longer collect taxes.

**DALLAS COUNTY, TEXAS**  
**Principal Property Taxpayers**  
**September 30, 2013**  
**(in thousands of dollars)**  
**(unaudited)**

Table 9

Name of Taxpayer	Nature of Business	2013			2004		
		Total Assessed Valuation	Rank	Percent of Dallas County Assessed Valuation	Total Assessed Valuation	Rank	Percent of Dallas County Assessed Valuation
Oncor Electric Delivery	Electric Utility	\$ 1,343,904	1	0.73 %	\$ —		— %
AT&T/American Telephone	Telephone Utility	997,052	2	0.54	270,849	10	0.2
Wal-Mart Real Estate/Stores	Retail	684,169	3	0.37	431,497	7	0.31
Crescent TC Investors LP	Real Estate	658,123	4	0.36	793,480	4	0.58
Texas Instruments	Electronics	632,781	5	0.34	1,272,884	3	0.92
NorthPark Land Partners	Real Estate	602,355	6	0.33	—		—
Southwest Airlines	Airline	591,395	7	0.32	476,922	6	0.35
Verizon	Telephone Utility	441,368	8	0.24	536,833	5	0.39
Post Properties Inc	Real Estate	367,828	9	0.20	—		—
Galleria Mall Investors LP	Real Estate	344,402	10	0.19	—		—
Southwestern Bell/Cingular Telephone Company	Telephone Utility	—		—	1,505,448	1	1.09
Texas Utilities Electric Company	Electric Utility	—		—	1,376,066	2	1
Trammel Crow	Real Estate	—		—	324,764	8	0.24
Exxon / Mobil	Crude Oil & Natural Gas	—		—	273,239	9	0.20
<b>Total</b>		<u>\$ 6,663,377</u>		<u>3.63 %</u>	<u>\$ 7,261,982</u>		<u>5.28 %</u>

Source: Dallas County Tax Assessor-Collector.

Notes (1) Estimated amounts based on 2013 and 2004 appraisal roll excluding property under protest.

**DALLAS COUNTY, TEXAS**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(in thousands of dollars)  
(unaudited)

Table 10

Year	Tax Levies (f) (g)	Collections of Current Tax Levy During Fiscal Period (a)	Percentage of Collected During Fiscal Period (a)	Collections of Delinquent Tax During Fiscal Period (b)	Total Collections (e)	Percentage of Total Collections to Tax Levies
2004	\$ 593,519	\$ 582,127	98.08	\$ 8,908	\$ 591,035	97.99 %
2005	638,335 (c)	624,911	97.90	7,027	631,938	99.00
2006	683,907 (c)	671,481	98.18	7,951	679,432	99.35
2007	767,576 (c)	756,012	98.49	8,016	764,028	99.54
2008	810,865 (c)	795,692	98.13	7,497	803,189	99.05
2009	822,915 (c)	808,714	98.27	7,512	816,226	99.19
2010	806,297 (c)	794,219	98.50	7,091	801,310	99.38
2011	794,950 (c)	784,883	98.73	6,202	791,085	99.51
2012	804,531 (c)	795,230	98.84	4,859	800,089	99.45
2013	851,809 (d)					

Source: Dallas County Financial Records.

- Notes: (a) Current fiscal period collections are those collected between October 1 and September 30.  
(b) Delinquent taxes include taxes collected in subsequent fiscal years.  
(c) Total levy as of the last supplement processed during the fiscal year.  
(d) Collections on the 2013 tax roll are incomplete until the end of the fiscal year, September 30, 2014.  
(e) Tax collections exclude TIF payments and are reported net of commission for the office of the Tax Assessor Collector.  
(f) Original levy excludes property under protest which is subsequently added to tax rolls as a result of arbitration.  
(g) Tax levies include Dallas County and its component unit. Refer to Table 7 for tax levies and tax rates for Dallas County and its component unit.

Taxes due: October 1

Taxes delinquent: February 1 year following levy

Tax lien and assessment date: January 1 year of levy

Taxes added to delinquent roll: April 1 (personal property) or July 1 (real property) in the year following levy

Delinquent tax penalty and interest:

February of delinquent year - 6% penalty plus 1% interest

March of delinquent year - 7% penalty plus 2% interest

April of delinquent year - 8% penalty plus 3% interest

May of delinquent year - 9% penalty plus 4% interest

June of delinquent year - 10% penalty plus 5% interest

After July 1 of delinquent year - 12% penalty plus 1% interest per month delinquent

Records of uncollected taxes are provided to the County's law firm under a contract authorized by the Commissioners Court in accordance with Sections 6.30, 33.11 and 33.07 of the Property Tax Code of the State of Texas. A delinquent tax notice is mailed to the taxpayer not less than 30 or more than 60 days prior to the date (either April 1, for personal property or July 1, for real property) at which time unpaid accounts are placed with the law firm for collection. The taxpayer is notified by the law firm that the delinquent tax account has been placed for collection with the law firm. If payment is not received within a reasonable period of time, the law firm will file suit for collection.

**DALLAS COUNTY, TEXAS**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
(in thousands of dollars, except per capita amount)  
(unaudited)

Table 11

<u>Year</u>	<u>Estimated Population</u>	<u>Assessed Value</u>	<u>Bonded Debt (1)</u>	<u>Less Debt Service Funds (2)</u>	<u>Net Bonded Debt</u>	<u>Net Bonded Debt Percentage of Assessed Value</u>	<u>Net Bonded Debt Percentage of Personal Income (3)</u>	<u>Net Bonded Debt Per Capita</u>
2004	2,284	\$ 164,700,463	\$ 219,765	\$ 4,181	\$ 215,584	0.13089 %	0.2404 %	\$ 94
2005	2,330	173,322,983	185,495	6,307	179,188	0.10338	0.1873	77
2006	2,383	187,303,067	217,293	11,847	205,446	0.10969	0.2019	86
2007	2,417	205,651,722	186,676	6,495	180,181	0.08761	0.1721	75
2008	2,452	219,838,984	158,885	2,433	156,452	0.07117	0.1435	64
2009	2,471	214,316,558	139,059	1,946	137,113	0.06398	0.1277	55
2010	2,368	205,515,564	124,211	2,311	121,900	0.05931	0.1130	51
2011	2,374	203,522,592	144,323	1,072	143,251	0.07039	0.1287	60
2012	2,386	207,515,885	121,605	3,031	118,574	0.05714	0.1044	50
2013	2,454	216,026,474	136,430	1,899	134,531	0.06228	0.1164	55

Source: Dallas County Financial Records.

Note: Assessed Value includes rolling stock, values under protest as claimed by property owners and adjusted market value.

(1) Total gross bonded debt for the primary government includes all general obligation bonds. All years have been updated to net premiums from bonded debt amounts.

(2) The County is required by Texas statutes to maintain a sinking / debt service fund to redeem bonds at maturity. All years have been updated to net accrued interest payable from debt service funds.

(3) See schedule of Demographic and Economic Statistics on page 152 (Table 15) for personal income data.

**DALLAS COUNTY, TEXAS**  
**Direct and Overlapping Bonded Debt**  
**September 30, 2013**  
(in thousands of dollars)  
(unaudited)

Table 12

Name	Indebtedness as of	Bonded Debt	Percentage of Debt Applicable to Dallas County	Dallas County's Share of Debt
Dallas County	9/30/2013	\$ 136,430	100.00%	\$ 136,430
Total direct		<u>\$ 136,430</u>		<u>\$ 136,430</u>
Overlapping Debt:				
Intermediate educational agency:				
Dallas County Schools	12/31/2013	\$ 61,595	100.00%	\$ 61,595
Independent school districts:				
Carrollton-Farmers Branch	12/31/2013	331,290	81.04%	268,477
Cedar Hill	12/31/2013	132,074	100.00%	132,074
Coppell	12/31/2013	174,798	100.00%	174,798
Dallas	12/31/2013	2,614,110	100.00%	2,614,110
Desoto	12/31/2013	131,193	100.00%	131,193
Duncanville	12/31/2013	146,497	100.00%	146,497
Ferris	12/31/2013	31,353	4.01%	1,257
Garland	12/31/2013	372,319	100.00%	372,319
Grand Prairie	12/31/2013	476,160	100.00%	476,160
Grapevine-Colleyville	12/31/2013	345,235	11.73%	40,496
Highland Park	12/31/2013	101,595	100.00%	101,595
Irving	12/31/2013	534,452	100.00%	534,452
Lancaster	12/31/2013	100,357	100.00%	100,357
Mesquite	12/31/2013	369,568	100.00%	369,568
Richardson	12/31/2013	441,310	100.00%	441,310
Sunnyvale	12/31/2013	59,292	100.00%	59,292
Total intermediate educational agency & independent school districts		<u>\$ 6,423,198</u>		<u>\$ 6,025,550</u>
Special districts:				
Dallas County FCD #1	12/31/2013	29,325	100.00%	29,325
Dallas County Community College	12/31/2013	355,880	100.00%	355,880
Dallas County Hospital District	12/31/2013	743,250	100.00%	743,250
Dallas County Utility & Reclamation Dist.	12/31/2013	253,943	100.00%	253,943
Denton County LID #1	12/31/2013	9,780	6.18%	604
Irving FCD, Section I	12/31/2013	7,109	100.00%	7,109
Irving FCD, Section III	12/31/2013	1,460	100.00%	1,460
Lancaster MUD #1	12/31/2013	3,030	100.00%	3,030
Northwest Dallas Co FCD	12/31/2013	8,424	100.00%	8,424
Valwood Improvement Authority	12/31/2013	8,433	100.00%	8,433
Water Control and Imp. District No. 6	9/30/2013	9,023	100.00%	9,023
Total special districts		<u>\$ 1,429,657</u>		<u>\$ 1,420,481</u>

Source: County Auditor's Office and Municipal Advisory Council of Texas, *Estimated Overlapping Debt Statement*

- Notes:
- Overlapping governments are those taxing entities that are within the geographic boundaries of Dallas County.
  - Percentages of Debt Applicable to Dallas County are based on the Market Value of properties within each entity.
  - Information was not provided by the Municipal Advisory Council of Texas for the Water Control and Improvement District No. 6; entity provided information to the Dallas County Auditor's Office.

**DALLAS COUNTY, TEXAS**  
**Computation of Direct and Overlapping Bonded Debt**  
**September 30, 2013**  
**(in thousands of dollars)**  
**(unaudited)**

Table 12

<u>Name</u>	<u>Indebtedness as of</u>	<u>Gross Debt Less Sinking Funds</u>	<u>Percentage of Debt Applicable to Dallas County</u>	<u>Dallas County's Share of Debt</u>
<b>Overlapping Debt (Continued):</b>				
<b>Cities and towns:</b>				
Addison	12/31/2013	\$ 101,010	100.00%	\$ 101,010
Balch Springs	12/31/2013	6,765	100.00%	6,765
Carrollton	12/31/2013	155,755	49.63%	77,301
Cedar Hill	12/31/2013	80,055	97.04%	77,685
Cockrell Hill	12/31/2013	1,750	100.00%	1,750
Coppell	12/31/2013	83,165	98.13%	81,610
Dallas	12/31/2013	1,691,185	94.90%	1,604,935
Desoto	12/31/2013	82,695	100.00%	82,695
Duncanville	12/31/2013	12,910	100.00%	12,910
Farmers Branch	12/31/2013	28,390	100.00%	28,390
Ferris	12/31/2013	3,445	7.07%	244
Garland	12/31/2013	471,989	99.80%	471,045
Glenn Heights	12/31/2013	5,060	67.08%	3,394
Grand Prairie	12/31/2013	230,785	50.38%	116,269
Grapevine	12/31/2013	165,289	2.45%	4,050
Hutchins	12/31/2013	8,039	100.00%	8,039
Irving	12/31/2013	349,415	100.00%	349,415
Lancaster	12/31/2013	84,315	100.00%	84,315
Lewisville	12/31/2013	103,475	0.84%	869
Mesquite	12/31/2013	118,840	99.53%	118,281
Ovilla	12/31/2013	6,530	8.94%	584
Richardson	12/31/2013	269,945	60.47%	163,236
Rowlett	12/31/2013	82,507	85.36%	70,428
Sachse	12/31/2013	39,200	64.91%	25,445
Seagoville	12/31/2013	5,142	98.41%	5,060
Sunnyvale	12/31/2013	10,160	100.00%	10,160
Wilmer	12/31/2013	205	100.00%	205
Wylie	12/31/2013	108,225	0.40%	433
<b>Total cities and towns</b>		<b>4,306,246</b>		<b>3,506,524</b>
<b>Total Overlapping</b>		<b>12,159,101</b>		<b>10,952,555</b>
<b>Total Direct and Overlapping</b>		<b>\$ 12,295,531</b>		<b>\$ 11,088,985</b>

Source: County Auditor's Office and Municipal Advisory Council of Texas, *Estimated Overlapping Debt Statement*

- Notes:
- Overlapping governments are those taxing entities that are within the geographic boundaries of the Dallas County.
  - Percentages of Debt Applicable to Dallas County are based on the Market Value of properties within each entity.

(Concluded)

Table 13

**DALLAS COUNTY, TEXAS**  
**Legal Debt Margin - Primary Government**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**  
**(unaudited)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit (Article 3, Section 52 of the Texas Constitution)	\$ 34,405,411	\$ 36,400,734	\$ 39,585,249	\$ 43,795,676	\$ 46,909,632	\$ 45,638,690	\$ 44,015,299	\$ 43,454,874	\$ 44,114,339	\$ 45,878,850 (1)
Total net debt applicable to limit	132,919	91,805	75,736	65,628	55,831	46,415	37,565	-	-	-
Legal debt margin	\$ 34,272,492	\$ 36,308,929	\$ 39,509,513	\$ 39,509,513	\$ 46,853,801	\$ 45,592,275	\$ 45,592,275	\$ 43,454,874	\$ 44,114,339	\$ 45,878,850
Total net debt applicable to the limit as a percentage of debt limit	0.39%	0.25%	0.19%	0.15%	0.12%	0.10%	0.10%	0.00%	0.00%	0.00%
Debt Limit (Under Texas General Law)	\$ 8,156,396	\$ 8,560,839	\$ 9,216,671	\$ 10,175,314	\$ 10,905,098	\$ 10,663,348	\$ 10,237,312	\$ 10,138,650	\$ 10,331,630	\$ 10,762,400 (2)
Total net debt applicable to limit	81,214	86,518	128,137	113,417	99,673	89,859	81,145	141,966	117,884	133,610
Legal debt margin	\$ 8,075,182	\$ 8,474,321	\$ 9,088,534	\$ 9,088,534	\$ 10,805,425	\$ 10,573,489	\$ 10,573,489	\$ 9,996,684	\$ 10,213,746	\$ 10,628,790
Total net debt applicable to the limit as a percentage of debt limit	1.00%	1.01%	1.39%	1.11%	0.91%	0.84%	0.79%	1.40%	1.14%	1.24%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed valuation of real property*	\$ 183,515,398
Bonds issued under Article 3, Section 52 of the Texas Constitution:	
Debt limit, one-fourth of real property assessed valuation	\$ -
Amount of debt applied to debt limit:	
Bonded debt	-
Less debt service funds - appropriation for future debt payments	-
Total amount of debt applicable to debt limit	\$ 45,878,850
Legal debt margin, bonds issued under Article 3, section 52, of the Texas Constitution	
Bonds issued under Texas General Laws:	
Debt limit, five percent of assessed valuation of all taxable property	10,762,400 (2)
Amount of debt applied to debt limit:	
Bonded debt	-
Less debt service funds - appropriation for future debt payments	2,820
Total amount of debt applicable to debt limit	(133,610)
Legal debt margin, bonds issued under Texas General Laws	\$ 10,628,790

(1) As to bonds issued under Article 3, Section 52a of the Texas Constitution, counties "may issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of such district or territory."

(2) Government Code 1301.003 (c) "the total indebtedness of any County for the purpose provided in this chapter, shall not be increased by any issue of bonds to a sum exceeding five percent of its said taxable values."

	Real Property	All
Assessed value of real property	\$ 183,515,398	\$ 215,247,997
Rolling Stock	(22,556)	(22,556)
Adjusted Assessed Value of Real Property	\$ 183,515,398	\$ 215,247,997



**DALLAS COUNTY, TEXAS**  
**Pledged Revenue Coverage**  
**Last Nine Fiscal Years**  
**(in thousands of dollars)**  
**(unaudited)**

Table 14

Fiscal Year (1)	Tax and Parking Garage Revenue Bonds			Debt Service			Coverage (2)
	Total Resources	Less: Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	
2005	\$ 1,046	\$ -	\$ 1,046	\$ 305	\$ 741	\$ 1,046	1.00
2006	1,084	-	1,084	350	734	1,084	1.00
2007	1,201	48	1,153	380	724	1,104	1.04
2008	1,194	150	1,044	410	712	1,122	0.93
2009	1,155	136	1,019	445	700	1,145	0.89
2010	1,092	173	919	480	686	1,166	0.79
2011	1,309	204	1,105	520	669	1,189	0.93
2012	1,340	176	1,164	560	649	1,209	0.96
2013 (3)	1,448	176	1,272	605	569	1,174	1.08

Note: This schedule was prepared starting in 2005; prior fiscal years are not applicable. The George Allen parking garage was opened March 19, 2007, and the parking garage system revenues are available to service the Debt Service fund requirements.

- (1) Operating expenses from fiscal year 2008 forward include expenses for Founders Plaza and George Allen parking garage systems.
- (2) Funds on deposit in sinking fund in addition to net available revenue provide adequate coverage in compliance with bond covenants.
- (3) Debt service is net of amounts attributable to advance refunded debt.

**DALLAS COUNTY, TEXAS**  
**Demographic and Economic Statistics**  
**Last Ten Years**  
**(unaudited)**

Table 15

Year	Population (1)	Personal Income (in millions of dollars) (2)	Wage Mean (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6) (b)
2004	2,284,096	\$ 89,692	\$ 39,766	32.2	148,131	5.5 %
2005	2,330,050	95,652	40,959	32.6	146,216	5.2
2006	2,383,300	101,747	41,321	32.4	158,700	4.6
2007	2,417,650	104,705	42,174	32.8	158,126	4.3
2008	2,451,800	109,053	44,060	33.1	157,631	5.3
2009	2,471,000	107,337	45,422	33.2	157,524	8.7
2010	2,368,139	107,915	47,351	31.7	157,158	8.4
2011	2,373,870	111,292	48,078	32.3	157,575	8.9
2012	2,385,990	113,536	48,808	32.4	158,932	6.7
2013	2,453,843	115,623	48,596	32.6	158,932 (a)	6.6

Source:

- 1) North Texas Commission population estimate for all years except 2010 ([ntc-dfw.org/ntpoppopest.html](http://ntc-dfw.org/ntpoppopest.html)). For 2010, the US Census Bureau population figure was used (<http://quickfacts.census.gov>).
- 2) Bureau of Economic Analysis - U.S. Department of Commerce ([www.bea.gov](http://www.bea.gov)) for amounts through Fiscal Year 2006. For 2007 and 2008, personal income was estimated using CPI figures based on the South-Urban region, and for years after 2008, personal income is estimated using CPI South Urban - Dallas-Fort Worth, TX figures available from the U.S. Department of Labor. (<http://www.bls.gov/cpi/#data>)
- 3) Texas Workforce Commission LMI Tracer ([www.texasindustryprofiles.com/apps/win/eds.php](http://www.texasindustryprofiles.com/apps/win/eds.php)) for amounts through Fiscal Year 2012. For 2013 LWDA Wages by SOC ([www.texaswages.com](http://www.texaswages.com)).
- 4) U.S. Census Bureau - ACS Survey ([factfinder.census.gov](http://factfinder.census.gov)) for Dallas County, TX.
- 5) Dallas Independent School District Financial Report
- 6) U.S. Department of Labor (Bureau of Labor Statistics) for Dallas metropolitan area through 2008, and after 2008, for Counties and equivalents: Dallas County, Texas. (<http://www.bls.gov/lau/data.htm>)

Note:

- (a) The 2013 figure is not available; 2012 figure is used.
- (b) For years 2003 through 2007, unemployment figures were reported as an annual average. For years subsequent to 2007, the unemployment rate is reported using the September rate.

**DALLAS COUNTY, TEXAS**  
Principal Employers  
September 30, 2013  
(unaudited)

Table 16

2013					2004				
Company	Product	Employees	Rank	Percentage of Total County Employment	Company	Product	Employees	Percentage of Total County Employment	
AMR Corporation (American Airlines)	Airline, Technology and Management Services	24,700	1	1.01 %	AMR Corporation (American Airlines)	Airline, Technology and Management Services	28,847	1.26 %	
Bank of America	Financial Services	20,000	2	0.82	Wal-Mart Stores, Inc.	Retail	20,350	0.89	
Texas Health Resource	Non-profit Health Care	19,230	3	0.78	Dallas Public Schools	Public Independent School District	19,244	0.84	
Dallas Public Schools	Public Independent School District	18,314	4	0.75	Texas Health Resource	Non-profit Health Care	15,324	0.67	
Baylor Health Care System	Health Care Provider	17,097	5	0.70	Lockheed Martin Aeronautics Company	Military Aircraft Design and Production	14,800	0.65	
AT&T	Telecommunications	15,800	6	0.64	Baylor Health Care System	Health Care Provider	14,730	0.64	
Lockheed Martin Aeronautics Company	Military Aircraft Design and Production	14,126	7	0.58	Southwestern Bell Telephone	Telecommunications	14,000	0.61	
JPMorgan Chase	Financial Services	13,500	8	0.55	Verizon	Telecommunications	14,000	0.61	
UT - Southwestern Medical Center	Health Care Provider	13,122	9	0.53	U.S. Postal Service	Mail Delivery	13,225	0.58	
City of Dallas	Municipality	12,836	10	0.52	The Visiting Nurse Association of Texas	Non-profit Health Related Services	12,897	0.56	
HCA North Texas Division	Health Care Provider	12,000	11	0.49	Brinker International	Restaurants	12,000	0.53	
U.S. Postal Service	Mail Delivery	10,439	12	0.43	City of Dallas	Municipality	10,800	0.47	
Kroger L.P.I., Dallas Marketing Area	Retail Grocery	10,097	13	0.41	Texas Instruments, Incorporated	Electronics and Semi-conductors	10,191	0.45	
Texas Instruments, Incorporated	Electronics and Semi-conductors	9,100	14	0.37	Kroger L.P.I., Dallas Marketing Area	Retail Grocery	9,832	0.43	
Raytheon Company	Defense Systems & Electronics	8,700	15	0.35	Electronic Data Systems	Computer and Data Services	8,000	0.35	
Target*	Retail	8,674	16	0.35	Bank of America	Financial Services	8,000	0.35	
United Parcel Service Inc.	Package Distribution Company	8,555	17	0.35	Target	Retail	7,957	0.35	
Parkland Health & Hospital	Health Care Provider	8,134	18	0.33	J.C. Penney	Retail	7,906	0.35	
J.C. Penney	Retail	7,964	19	0.32	TXU Corporation	Energy	7,272	0.32	
Dallas County	Local Government	7,411	20	0.30	Safeway/ Tom Thumb Food & Pharmacy	Retail Grocery	7,022	0.31	

Source: Dallas Business Journal Book of Lists 2012 ([http://www.ntc-dfw.org/publications/profile2012\\_web.pdf](http://www.ntc-dfw.org/publications/profile2012_web.pdf))

2013 data is not available; 2012 data is used

Note: Walmart declined to submit a survey for 2012

\*Target estimated the employees figure for 2012

2004 did not include government employers (Dallas Public Schools, U.S. Postal Service, etc.)

2003 data is used for government employers

**DALLAS COUNTY, TEXAS**  
**Full-time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**  
**(unaudited)**

Table 17

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	4,518	4,821	5,080	4,260	4,164	4,517	736	648	660	671
Judicial										
Truancy*	22	22	18	28	27	22	34	32	35	37
Courts**	-	-	-	-	-	-	1,382	1,337	1,375	1,404
Public Safety										
Constable	224	257	256	270	293	270	181	136	114	115
Sheriff	1,884	1,693	1,828	2,280	2,392	2,203	2,242	2,231	2,201	2,200
Juvenile**	-	-	-	817	775	731	678	673	666	669
Other**	-	-	-	-	-	-	221	213	206	212
Highways and streets										
Road and Bridge	117	117	103	86	87	88	78	71	71	62
Public Works**	-	-	-	-	-	-	62	62	56	57
Health**	-	-	-	-	-	-	284	284	270	278
Education**	-	-	-	-	-	-	158	136	129	116
Public Welfare**	-	-	-	-	-	-	228	220	221	216
<b>Total</b>	<b>6,765</b>	<b>6,910</b>	<b>7,285</b>	<b>7,741</b>	<b>7,738</b>	<b>7,831</b>	<b>6,284</b>	<b>6,043</b>	<b>6,004</b>	<b>6,037</b>

\* Department established 2004

\*\* Reported in General Government category prior to 2010

Source: Dallas County Financial Records

Note:

Full-time equivalent employee totals information:

- The total full-time equivalent county employee totals are filled positions as of September 30, 2013.
- Starting in 2010, the total full-time equivalent County employee totals do not include temporary employees. Temporary employees are considered to be those who are working but are not employed directly through the County.
- Truancy classification includes full-time equivalent County employees in addition to 12 Truancy Judges.

Significant budget changes:

- In 2010, 71 positions were rifted from the Constable Traffic Section.
- In 2011, 203 positions were deleted due to budgetary cuts.

**DALLAS COUNTY, TEXAS**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**(unaudited)**

Table 18

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Assessor-Collector of Taxes:</b>										
Budgeted employees	229	229	229	227	227	229	222	223	223	222
Ad valorem assessment notices issued	762,082	771,740	780,046	790,552	795,364	797,621	797,652	797,821	799,639	802,161
Motor vehicle registrations	1,806,423	1,856,256	1,981,824	1,987,802	2,036,945	2,076,773	2,060,385	2,029,531	2,094,546	2,110,732
Number of entity collection contracts	44	48	51	51	53	55	59	69	74	74
<b>Constables:</b>										
Budgeted employees	224	257	256	288	312	309	277	182	125	124
Civil process papers served	127,907	128,722	122,517	123,926	126,021	115,865	111,996	108,507	76,636	72,107
<b>County Clerk (4):</b>										
Budgeted employees	195	198	201	205	207	210	191	207	207	201
Marriage licenses	17,071	17,277	16,535	16,630	17,000	15,937	15,443	16,531	16,038	16,359
Civil suits	15,277	16,882	17,629	18,337	13,462	11,456	11,574	11,489	10,349	9,785
Probate cases	9,515	9,566	10,230	10,891	10,965	11,396	12,128	12,373	12,268	12,582
Criminal cases	63,502	66,691	67,505	64,852	63,000	67,305	70,540	59,390	57,296	58,240
<b>District Clerk:</b>										
Budgeted employees	254	262	266	267	266	264	264	254	249	257
Civil process cases	45,710	45,706	42,152	45,006	47,671	49,629	47,849	47,508	47,007	48,002
Criminal cases	29,564	29,907	28,879	27,379	26,319	26,280	24,560	23,556	23,130	23,131
Jurors	100,049	96,219	102,165	100,003	105,672	99,459	90,894	102,176	108,911	116,967
<b>Justice of the Peace Courts:</b>										
Budgeted employees	136	149	147	170	167	166	166	149	144	128
Cases	314,708	366,492	412,118	411,311	466,453	423,508	340,175	222,409	196,264	166,138
<b>Sheriff:</b>										
Budgeted employees	1,684	1,693	1,828	2,068	2,195	2,420	2,392	2,202	2,169	2,157
Daily average in county jail	7,017	7,330	8,037	6,568	6,060	5,983	6,550	6,494	6,018	6,028
Persons booked	93,757	101,080	107,571	96,751	99,078	98,821	96,533	91,696	85,001	82,537
Civil process papers served	785	841	589	492	795	485	749	705	N/A	N/A
<b>Truancy Courts (1) :</b>										
Budgeted employees	22	22	18	29	29	29	32	32	32	37
Cases Filed	19,061	14,300	20,933	16,270	32,619	40,439	47,012	48,871	36,673	35,127
<b>County Treasurer</b>										
Budgeted employees	18	18	18	18	18	17	16	14	14	14
Total Receipts (2) (3)	\$ 27,530,654	\$ 34,833,076	\$ 37,138,554	\$ 43,216,196	\$ 45,112,755	\$ 11,985,157	\$ 14,036,054	\$ 34,952,589	\$ 41,055,225	\$ 24,793,695
Total Disbursements (2) (3)	\$ 27,518,573	\$ 34,806,088	\$ 37,044,033	\$ 43,236,585	\$ 45,130,340	\$ 12,004,698	\$ 14,013,885	\$ 34,910,215	\$ 41,059,939	\$ 24,856,829
Investment Earnings (2)	\$ 5,360	\$ 11,396	\$ 20,525	\$ 26,323	\$ 17,716	\$ 9,234	\$ 4,746	\$ 5,224	\$ 5,166	\$ 2,805

Sources: Dallas County Financial Records

Note (1): Truancy courts established April 2004. Dallas County currently operates four Truancy courts.

(2): In thousands of dollars.

(3): Dallas County switched most short term investments to TexPool in FY 2009. The method resulted in a dramatic decrease in overall transactions as investments are not matured and reinvested daily.

(4): In 2012, includes 38 positions funded by the Records Management Fund. The positions were paid by general fund in FY 2013.

**DALLAS COUNTY, TEXAS**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**(unaudited)**

Table 19

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Government</b>										
Number of buildings	22	22	22	22 (a)	21	21	21	22 (b)	22	23 (c)
<b>Public Safety</b>										
Number of buildings	10	10	10	10	10	9 (d)	9	9	9	9
Number of jails	5	4	4	5	5	4 (e)	4	4	4	4
Number of vehicles	492	479	593	584	640	713	816	756	718	709
<b>Highways and streets</b>										
Number of buildings	4	4	4	4	4	4	4	4	4	4
Streets (lane miles)	137	137	137	137	137	135	133	133	124	122 (f)
Number of bridges	51	51	41	38	37	36	36	32	28	26 (f)
<b>Health</b>										
Number of buildings	1	1	1	1	1	1	1	1	1	1
<b>Public Welfare</b>										
Number of buildings	3	3	3	3	3	3	2 (g)	2	2	2
<b>Judicial</b>										
Number of buildings	7	7	7	7	7	7	7	7	7	7
Number of Juvenile beds	670	706	750	750	762	710 (h)	787	618	618	618
Number of courts	71	69	70	71	71	71	71	71	71	71

Source: Operating Indicators were provided by the various operating departments.

Notes:

- (a) Includes a demolished (FY 07) building. The land was used to construct a new County building (Forensic Science).
- (b) Forensic building completed in 2008 but not put into use until 2011 due to construction issues.
- (c) Building purchased for record storage in January 2013.
- (d) Building reduction due to the swap of Auto Service Center Building for future location.
- (e) George Allen Jail is depopulated.
- (f) See infrastructure assets for more information; pages 98-99.
- (g) Building reduction due to the sale of the Juvenile Administration/ Detention Building.
- (h) Budget ramifications and the re-structuring of internal programs reduced the number of juvenile beds.