

DALLAS COUNTY, TEXAS

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2002

Prepared by:

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County Auditor
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Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2002

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	1
GFOA Certificate of Achievement	6
Organizational Chart	7
List of Elected and Appointed Officials	8

FINANCIAL SECTION

Independent Auditor’s Report	10
Management’s Discussion and Analysis	12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	27
Statement of Activities	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Net Assets – Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	33
Statement of Cash Flows – Proprietary Funds	34
Statement of Fiduciary Assets and Liabilities - Agency Fund	35
Notes to the Basic Financial Statements	37

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	74
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Projects	76
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –Grants	77
Notes to Schedule of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual	78
Modified Approach – Infrastructure Assets	80
Schedule of Funding Progress of Defined Benefit Pension Plan	82

DALLAS COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2002

TABLE OF CONTENTS

Supplementary Information:

Combining and Individual Funds Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	93
Schedules of Revenues, Expenditures, and Changes in Fund Balances	
Budget to Actual:	
Debt Service Funds	99
Nonmajor Special Revenue Funds	101
Combining Statement of Fiduciary Assets and Liabilities – Agency Fund	112
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules by Source	118
Schedule by Function and Activity	119
Schedule of Changes by Function and Activity	120

STATISTICAL SECTION

Governmental-Wide information:	
Government-Wide Expenses by Function	122
Government-Wide Revenues	123
Fund Information:	
Assessed and Estimated True Value of Taxable Property	124
Property Tax Rates and Tax Levies	125
Tax Levies and Reporting Entity Tax Collections	127
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	128
Fortune 500 Companies with Headquarters in Dallas/Fort Worth	129
Top Non-Public Employers	130
Top Ten Taxpayers	131
General Governmental Revenues by Source	132
General Governmental Expenditures by Function	133
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	135
Computation of Legal Debt Margin – Primary Government	136
Salaries and Surety Bonds of Principal Officials	138
Schedule of Insurance in Force – Primary Government	139
Computation of Direct and Overlapping Bonded Debt	141
Revenue Bond Coverage – Parking Garage	144
Property Values and New Construction	145
Tax Rates for Governmental Units with Overlapping Debt	146
DFW Consolidated Labor Force Statistics	147
Miscellaneous Statistical Data	148

INTRODUCTORY SECTION



DALLAS COUNTY COUNTY AUDITOR

February 7, 2003

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

State law, V.T.C.A. LCC 114.025 and 115.045, requires that Dallas County publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Dallas for the fiscal year ended September 30, 2002.

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 GAAP. 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, who is appointed by the District Judges, the Office of Budget and Evaluation, and the County Treasurer. 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, a firm of licensed certified public accountants. 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, 2002, 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 evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of Dallas County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the separately issued Single Audit 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 MD&A and should be read in conjunction with it. Dallas County's MD&A can be found immediately following the report of the independent auditors. The financial section also includes government-wide financial statements, fund financial statements, notes, 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 impresario 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 2002 estimated population for the County was 2,245,398.

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. Current leadership positions are held by County Commissioners in the National Association of Counties (NACo) and the Texas Conference of Urban Counties (CUC).

The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County and "examining, auditing and approving" all disbursements from County funds prior to their submission to the Commissioners Court for approval. The County Auditor holds committee positions in the Government Finance Officers Association (GFOA) and the Texas Association of County Auditors.

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, fire marshal, 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 hearings are posted annually in August by the Office of Budget and Evaluation with the final budget approved by the Commissioners Court following the hearings. The final budget includes contingency and emergency reserves line items. Unencumbered appropriations lapse at fiscal year-end. Most appropriated budgets are prepared by fund, function, department and category. Capital expenditures are approved on a line item basis. All budget transfers between departments must follow special 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.

Other governmental units indicated below are included in the County's reporting entity because of the significance of their operational and financial relationship with the County.

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 and sets its tax rate, the District is an organization 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 County and serves as the major teaching hospital for the University of Texas Southwestern Medical School. These factors dictate the inclusion of the District in the County's financial statements. The District's financial data is presented separately to emphasize that it is legally separate from the County.

Blended Component Units - For reporting purposes, the Dallas County Housing Finance Corporation (HFC) and North Central Texas Health Facilities Development Corporation (HFDC) qualify as blended component units. The Commissioners Court sits as the governing board of the HFC and appoints the governing board of the HFDC. The activity of the HFC is the approval of reverse mortgage education programs and the issuance of single-family mortgage bonds that are disclosed as conduit debt in Footnote VI. The HFDC has no financial activity since all debt issuances are by and in the name of the individual approved health facilities.

FACTORS AFFECTING FINANCIAL CONDITION

An understanding of the financial condition of Dallas County is enhanced through a perspective of the environment in which the County operates.

Local economy - Dallas has a diversified economy that has tempered the effects of the recent economic downturn; however, since the Dallas metropolitan area is home to many technology companies as well as American Airlines and Southwest Airlines, the economic impact has been significant. The weak economy has significantly affected sales tax revenues and property tax revenues (to a lesser extent) .

Dallas' strong employment base reflects a commuter/job producer ratio where more workers commute in from outside the County than leave their County of residence to work. Expanded rail service provided by Dallas Area Rapid Transit Authority (DART) has facilitated travel between Dallas and surrounding cities for workers and entertainment.

Long-term Financial Planning - The County maintains a five-year Capital Improvement Plan which is updated each year and approved along with the annual budget. The Capital Improvement Plan consists of those items whose long useful lives distinguish them from recurring operational items. Capital projects have historically been funded in one of three ways: a) with cash, b) through the proceeds of voter approved bonds, or c) through the issuance of an annual Certificate of Obligation. Beginning in FY1998, a Set-Aside of a portion of the County's property tax was earmarked for major technology projects. This program consists of large-scale projects for migration to improved technology.

Beginning in FY2000, the Major Capital Development Fund (MCDF) was established to provide a funding mechanism to replace debt financing for major projects. The MCDF also receives property tax funding and is used to fund large capital projects similar in nature to projects formerly funded by the County through bonds. The MCDF has three categories of projects: a) transportation, b) parks and open space, and c) buildings.

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.

Cash Management - The Commissioners Court has adopted a formal investment policy for the County consistent with State statutes governing the investment of County funds and has designated the County Treasurer as the County's investment officer. The policy was updated with minor changes approved by the finance committee during the year. The general objectives set forth in the policy provide for financial security and optimum liquidity of County funds while achieving the maximum yield on funds invested and maximum levels of invested funds.

Authorized investments are consistent with those investments authorized by State law for Texas counties. Generally, the County has limited its investments to bank certificates of deposit with the County Depository Bank, U.S. Government Securities, commercial paper and fully collateralized repurchase agreements.

Risk Management - The County insures through private carriers against catastrophic losses to its infrastructure and certain major items of personal property. Items so insured include buildings and contents, data media and computer-related equipment, radio transmission towers and related equipment and monies and securities in the Tax Office and County Treasurer's Office.

The County has elected to self-insure against the risks arising from tort claims, workers' compensation benefits due 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 Tax Office, County Treasurer's Office, District and County Clerks offices) 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 for the unemployment compensation program administered by the Texas Employment Commission.

The District and County Clerks have statutory funds authorized by the State legislature and established by order of the Commissioners Court to provide the resources to indemnify third persons for losses due to errors and omissions on the part of employees of these offices.

Pension and Other Post Employment Benefits - The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). Specific plan provisions are adopted by the County within the options available in the state statutes governing the TCDRS. 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 within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed. Through budgetary policy, the County has funded 7% matching contribution for each employee resulting in a 2.1% return for retirees.

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, 2001. 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 21 consecutive years (fiscal years ended 1981 through 2001). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year 2002. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories, including a policy document financial plan, an operations guide, and a communications device.

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, the Director of the Office of Budget and Evaluation, and the Public Works Director 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
County Auditor

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, 2001

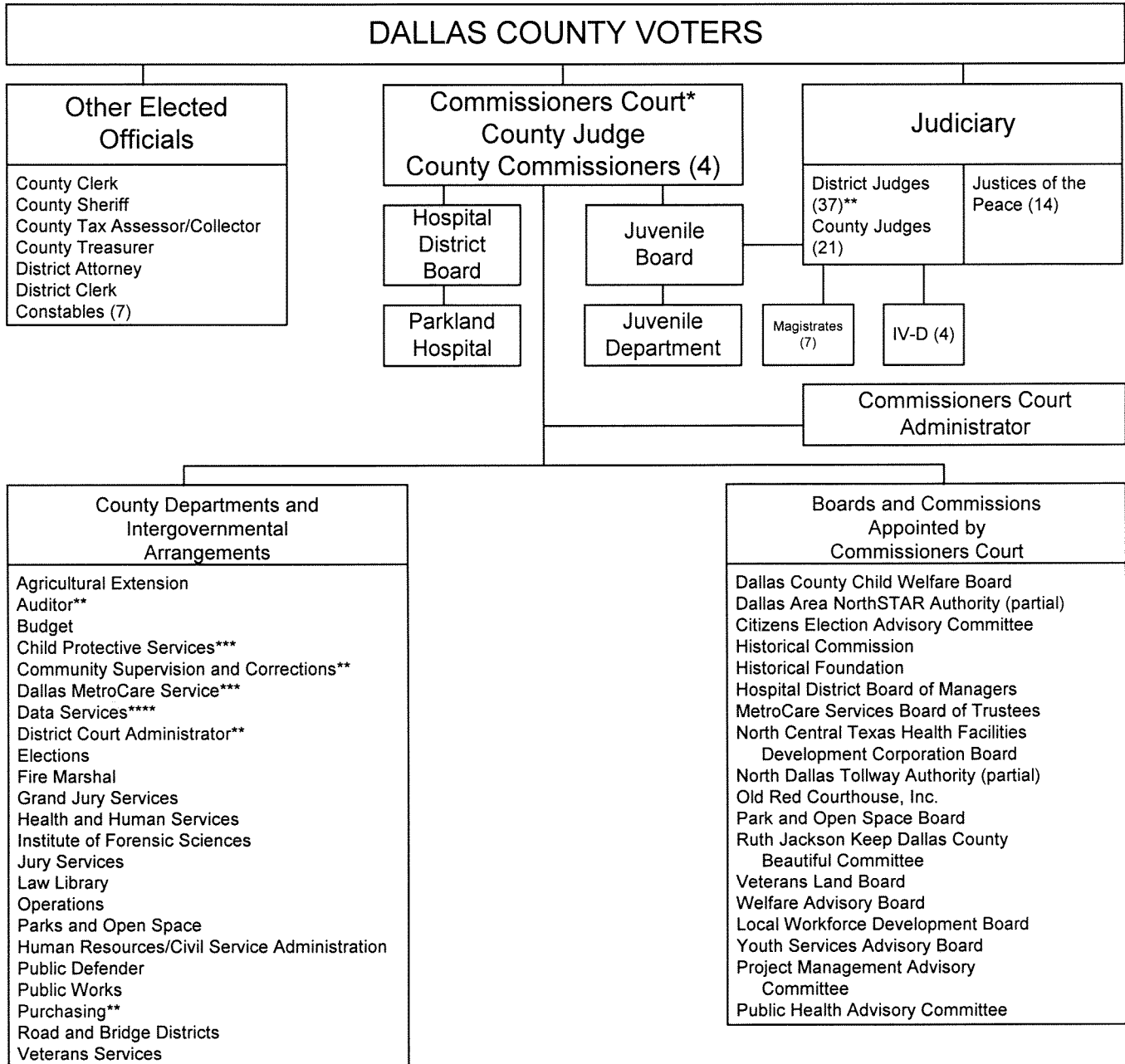
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

COUNTY ORGANIZATION



* Members of the Commissioners Court serve on the following boards and committees: Texas Commission on Jail Standards, Texas Juvenile Crime Commission, Dallas County Juvenile Board Vice Chair, Juvenile Crime Enforcement Coalition (JAIBG), National Association of Counties (NACo) Transportation, Finance, Deferred Compensation, Annual Conference Advisory, Large Urban Counties Caucus Steering Committees, NACo President-elect, NACo President, July 2002, Conference of Urban Counties Vice Chair, Texas Association of Regional Councils, IH635 Coordination Committee, North Central Texas Council of Governments (NCTCOG) Board, NCTCOG Air Carrier Policy Council, Dallas County Tax Committee Chairman, Dallas Regional Mobility Coalition, Public Health Advisory Board Chairman, Regional Transportation Council, Loop 9 Policy Advisory Group, Dallas County Civil Service Commission, Mental Health Task Force, Dallas County DWI Task Force, Commissioners Court and Sheriff Liaison Committee, Community Justice Council, Dallas County Housing Finance Corporation, Dalhoma Trail Advisory Committee, Public Employee Benefit Cooperative Board, Texas CUC Aggregation Project (d.b.a./Public Power Pool) Board, North American Superhighway Coalition Board.

** The 37 District Judges appoint the County Auditor and participate in selecting the Directors of the Juvenile Department, the Community Supervision and Corrections Department and the Purchasing Agent.

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

**** Data services are outsourced. New contract with Schlumberger effective November 1, 2002.

DALLAS COUNTY, TEXAS

Principal Officials

As of September 30, 2002

<u>Official Title</u>	<u>Incumbent</u>
County Judge	Margaret Keliher*
Commissioner, Precinct 1	Jimmy L. Jackson
Commissioner, Precinct 2	Mike Cantrell
Commissioner, Precinct 3	John Wiley Price
Commissioner, Precinct 4	Kenneth A. Mayfield
County Auditor	Virginia Porter
County Treasurer	Bill Melton**
Assessor-Collector of Taxes	David Childs
County Clerk	Earl C. Bullock, Jr.**
District Attorney	William Hill
District Clerk	Jim Hamlin
Sheriff	James C. Bowles

* Interim Appointment. In November, elected for four year term effective January 2003.

**Current term ended in December 2002. Incumbent did not seek re-election.

FINANCIAL SECTION



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

Independent Auditors' Report

The Honorable Commissioners Court
Dallas County, Texas:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dallas County, Texas (the County), as of and for the year ended September 30, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America

As described in Note I, the County implemented a new reporting model as required by the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement*, effective October 1, 2001.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 7, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



The management's discussion and analysis on pages 12 through 24; the budgetary comparison schedules and related notes for the General Fund, Major Projects Fund and Grants Fund on pages 74 through 79; the Modified Approach – Infrastructure Assets on pages 80 and 81; and the discretely presented component unit's Schedule of Funding Progress of Defined Benefit Pension Plan on page 82 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, combining and individual fund financial statements and schedules listed under supplementary information, and statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

February 7, 2003

DALLAS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the County of Dallas's (County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2002. The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements. *All amounts, unless otherwise indicated, are expressed in thousands of dollars.* The discussion and analysis does not include comparative data for prior years as this information is not available for the first year of implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" Future years will include, when available, comparative analysis of government-wide data.

The County also implemented the provisions of GASB Statement 37, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" This Statement clarifies certain GASB 34 provisions related to MD&A requirements and the modified approach to infrastructure. Additionally, the County also implemented GASB Statement 38, "*Certain Financial Statement Note Disclosures*" and GASB Interpretation No. 6, "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement, effective October 1, 2001.*"

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the FY2002 by \$241,740 (*net assets*). Of this amount, \$31,395 is restricted for specific purposes. As required by GASB 34, net assets also reflect \$285,000 that is invested in capital assets net of related debt. With the presentation of the investment in capital assets, unrestricted net assets becomes a negative \$74,655. Analysis of the negative unrestricted net assets reveals that a large portion of debt was generated for maintenance on roads not owned by the County. Further, certain debt which also decreases net assets will not likely require a draw-down of reserves because the amounts have previously been recorded against budgeted accounts. (e.g. vacation and sick pay, legal claims and workers compensation).
- In contrast to the government-wide statements, the fund statements report a combined fund balance at year-end of \$206,304; of which \$90,811 or 44% represent unreserved fund balances. The more significant components of unreserved fund balance are maintained in the General Fund as emergency reserves and in the major project fund for planned technology and capital building projects.
- The general fund unreserved fund balance of \$35,245 equals 10.5% of total general fund expenditures. The County's budgetary fund balance target is 10.5%.
- The County's bonded indebtedness decreased by \$32,870 due to the maturity and liquidation of County bonds consistent with the County's "pay as you go" program.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise 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.

The 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 the 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 as prescribed by GASB Statement No. 34 in regards to interfund activity, payables and receivables.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Increases or decreases in net assets contrasted with budgetary decisions should 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 assets changed during the most recent fiscal year using full accrual basis of accounting. All changes in net assets 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, libraries and education.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 funds 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. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 thirty nine individual governmental funds (excluding fiduciary funds), eighteen special revenue funds, eighteen capital project funds, two debt service funds 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, the Debt Service Fund (county-wide), Major Projects and Grant Funds which are classified as major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund

data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget as a management control device during the year for the General Fund and for certain Special Revenue Funds. A budgetary comparison schedule (original versus final) has been provided for the General Fund, Major Projects Fund and Grants Funds to demonstrate compliance with budget.

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 component 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 and employee benefits trust. Because these services predominantly benefit governmental 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 and pension benefits for component unit, general fund and major special revenue budgetary schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As a part of the tier one group, the County initially applied GASB 34 to reports for the current fiscal period. The County has not restated prior period governmental activity expenses for purposes of providing comparative data, due to the pervasive changes required to implement GASB 34. In future years, however, a comparative analysis of government-wide data will be presented.

Of the County’s total assets of \$803,670, the largest components are: 1) cash and investment of \$209,410 or 26%, 2) receivables which largely represent the deferred taxes for FY2003 of \$276,124 or 34%, and 3) capital assets net of accumulated depreciation of \$309,627 or 39%. The receivables are offset by deferred revenue since the FY2003 tax revenue is not recognized until FY2003 even though the levy takes place in FY2002. Capital assets are non-liquid assets and cannot be utilized to satisfy County obligations. Out of the total liabilities of \$561,930, about \$73 million are current liabilities; however, the current liabilities for workers compensation (\$5,000), compensated absences (\$16,624) and legal claims (\$6,000) are not anticipated to result in the draw-down of emergency reserves.

The County’s assets exceeded liabilities by \$241,740 at the close of the most recent fiscal year.

The County's net assets for fiscal year ended September 30, 2002 are summarized as follows:

	Governmental Activities
Current and other assets	\$ 494,043
Capital assets (net of depreciation)	<u>309,627</u>
Total assets	<u>803,670</u>
Current and other liabilities	332,547
Long-term liabilities	<u>229,383</u>
Total liabilities	<u>561,930</u>
Net assets:	
Invested in capital assets, net of related debt	285,000
Restricted	31,395
Unrestricted deficit	<u>(74,655)</u>
Total net assets	<u>\$ 241,740</u>

About 13% or \$31,395 of the County's net assets represents *restricted net assets* which are resources that are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and granting conditions. The most significant portion (\$285,000) of the County's net assets reflects its *investment in capital assets* (e.g., land, buildings, machinery, and equipment) net of related debt. Although unrestricted net assets is negative for government-wide net assets, it should be noted that the County's fund financial statements continue to reflect positive unreserved fund balances. In many instances, the liabilities, which have the affect of decreasing total net assets, financed non-County road maintenance and therefore, did not result in an increase in County assets. While the County has moved to a cash basis plan for new capital investments, debt remains for earlier issues of certificates of obligation, permanent improvement bonds as well as funds from the 1991 bond program for shared government road improvements.

Governmental activities increased the County's net assets by \$34,435. The key components of this increase are the following:

- A decrease in governmental fund balances (\$3,336) resulting mainly from capital expenditures of bond funds without any new bond sales proceeds.
- This was partially offset by an increase in the fund balance for the general fund due to the receipt of FY2001 billings in FY2002.
- A reporting requirement for debt in government-wide statements. The principal debt payments of \$34,140 are expenditures on the traditional fund statements but a reduction of debt (which increases net assets) on the government-wide statement statements.

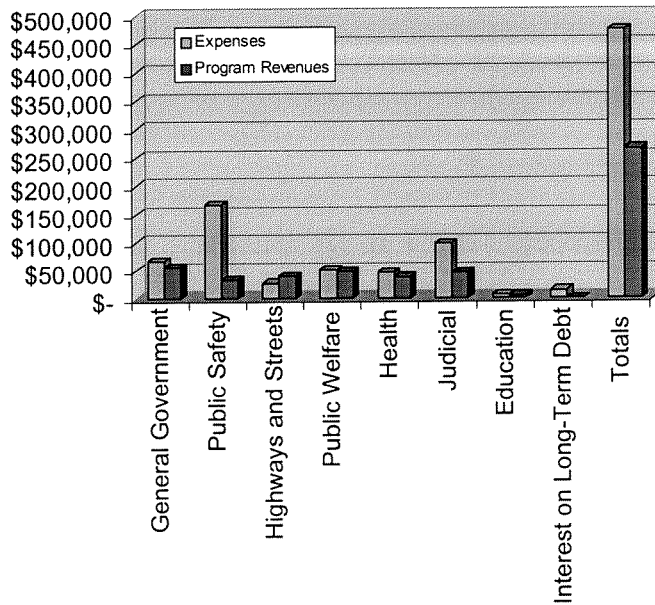
The Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds on page 31 further details the increase in net assets.

Program revenues and expenses are presented net of interfund eliminations.

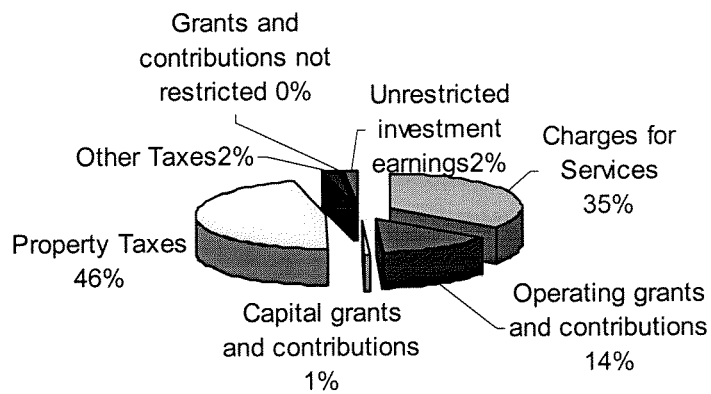
Dallas County's Changes in Net Assets

	Governmental Activities <u>2002</u>
Revenues:	
Net Program revenues:	
Charges for services	\$ 179,539
Operating grants and contributions	72,571
Capital grants and contributions	3,331
General revenues:	
Property taxes	236,929
Other taxes	9,732
Grants and contributions not restricted	2,281
Unrestricted investments earnings	<u>8,271</u>
Total revenues	<u>512,654</u>
Expenses:	
General government	65,372
Public safety	167,880
Highways and streets	27,634
Public welfare	51,732
Health	47,470
Judicial	98,247
Education	5,636
Interest on long-term debt	<u>14,248</u>
Total expenses	<u>478,219</u>
Change in net assets	34,435
Net assets - beginning	<u>207,305</u>
Net assets - ending	<u>\$ 241,740</u>

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Program revenues of \$255,441 equaled 53% of government expenses of \$478,219. As expected, general revenues (\$257,213) provided the required support and coverage for expenses.
- Over one-third of the expenses are Public Safety (\$167,880) while this category provided about 6% of total revenues of \$512,654. Revenues reflect about a \$2,000 decrease in jail revenue as compared to the previous year as the holdings of INS prisoners changed. Overall, sheriff expenses increased due to high overtime charges.
- The next largest category of expenses is Judicial (\$98,247) at 20%. Judicial provided about 9% of total revenues. The Justice System was funded largely at FY2001 levels with the exception of removing truancy cases from Justice of the Peace courts and increasing court appointments for indigents. Judicial expenses increased due to indigent defense legislation that resulted in changes regarding assignment of attorneys and movement of prisoners.
- Highways and streets was the only function where expenses (\$27,634) did not exceed program revenues of \$40,050.
- Grant revenues and contributions comprised about 15% of revenues. Operating grants activity increased by approximately 20% from the previous year. While the County's total federal and state funding was approximately \$100 million in FY2002, budget policies are enforced to limit participation and prevent a funding shortfall in the event of federal or state grant non-renewals. Direct federal funding increased with new bio-terrorism grants and major awards received for low-income housing.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls have been the framework of the County's strong fiscal management and accountability. The County has maintained a AAA/Aaa bond rating since 1978.

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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$206,304, a decrease of \$3,336 in comparison with the prior year. Approximately \$90,811 or 44% of the fund balance represents *unreserved fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$34,546); 2) to pay debt service (\$14,671); 3) to reflect inventories (\$2,327); 4) to fund capital projects (\$62,622); and 5) a variety of other restricted purposes (\$1,327).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$35,245 while total fund balance reached \$47,310. As a measure of the general fund's liquidity, we compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 10.5% of total fund expenditures, while total

fund balance represents 14% of total fund expenditures. General budgetary targets for reserves are 10.5% of expenditures which compares favorably to GFOA recommended reserves for large counties.

The fund balance of the County's general fund increased by \$4,205 during the current fiscal year. Key factors for FY2002 change are as follows:

- General workforce investment expenditures increased due to structured pay increases of 3% and 7.7% increases in the self funded insurance benefit costs.
- Approximately \$9 million of planned FY2001 revenue was received for deposit in FY2002.

The debt service fund (county-wide) has a total fund balance of \$14,461, a decrease of \$ 2,836 as compared with prior year. The County's decision to set aside tax dollars for cash basis capital expansion and the FY2001 final sale of 1991 road bonds underlies the declining debt balance. The reserves for the payment of debt service combined with first quarter collections on current year assessments approximates 50% of next year's debt.

Major Projects has a fund balance of \$44,081 and encumbrances of \$10,814. Many projects are in the engineering and development stage and are expected in the next two years to accelerate. Grants revenues increased from \$64,924 in FY2001 to \$75,747 in FY2002. The trend will be impacted in FY2003 by the economy.

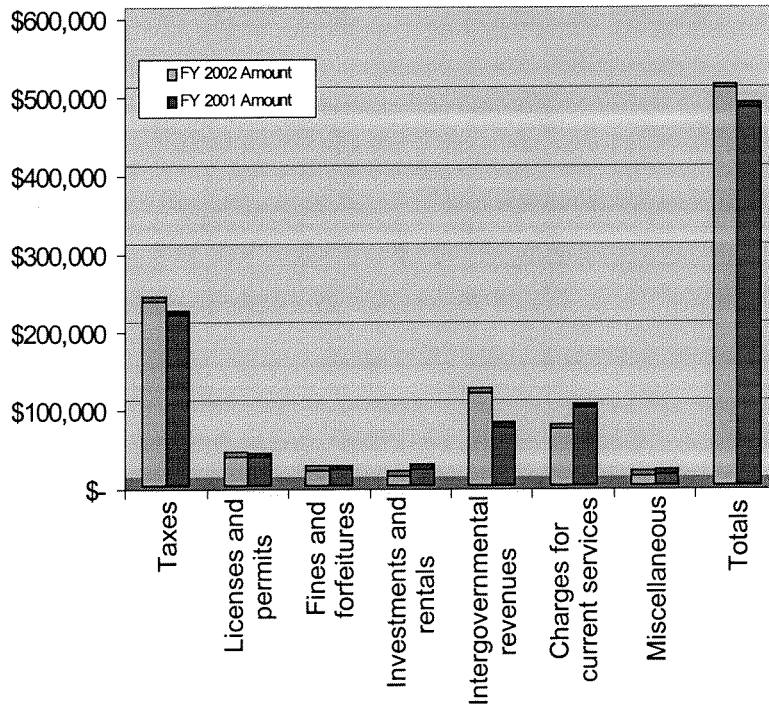
The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Governmental Funds - Revenues Classified by Source

<u>Revenues by Source</u>	<u>FY 2002</u>	<u>FY 2001</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
Taxes	\$ 236,929	\$ 219,273	\$ 17,656	8 %
Licenses and permits	36,497	36,245	252	1%
Fines and forfeitures	18,683	19,638	(955)	(5%)
Investments and rentals	12,122	19,750	(7,628)	(39%)
Intergovernmental revenues	84,702	75,294	9,408	13%
Charges for current services	106,583	99,065	7,518	8%
Miscellaneous	11,229	13,884	(2,655)	(19%)
Total	<u>\$ 506,745</u>	<u>\$ 483,149</u>	<u>\$ 23,596</u>	<u>5%</u>

- Taxes – the increase of \$17,656 was primarily due to a 3.8% increase from the prior year in the certified tax roll compiled by the Dallas Central Appraisal District. Increased tax collections resulted from an unchanged tax rate of \$19.6 per \$100 value applied to increased property values plus new construction of \$3,492,000.
- Investments and rentals – the almost 40% decrease in investment revenue resulted from the overall economic climate and interest rates in particular. The County faced the lowest interest rates experienced in 41 years; however, the earnings for the year equated to a 3.2% average prime rate even though the general market remained at or about 1.75% during most of FY2002.
- The increase in intergovernmental revenues is due to increased awards from HUD for housing as well as qualification and reimbursement from the state for IV-E expenditures totaling \$3.5 million and an unanticipated payment from the federal government for SCAAP totaling \$1.5 million.

Revenues Classified By Source - Governmental Funds



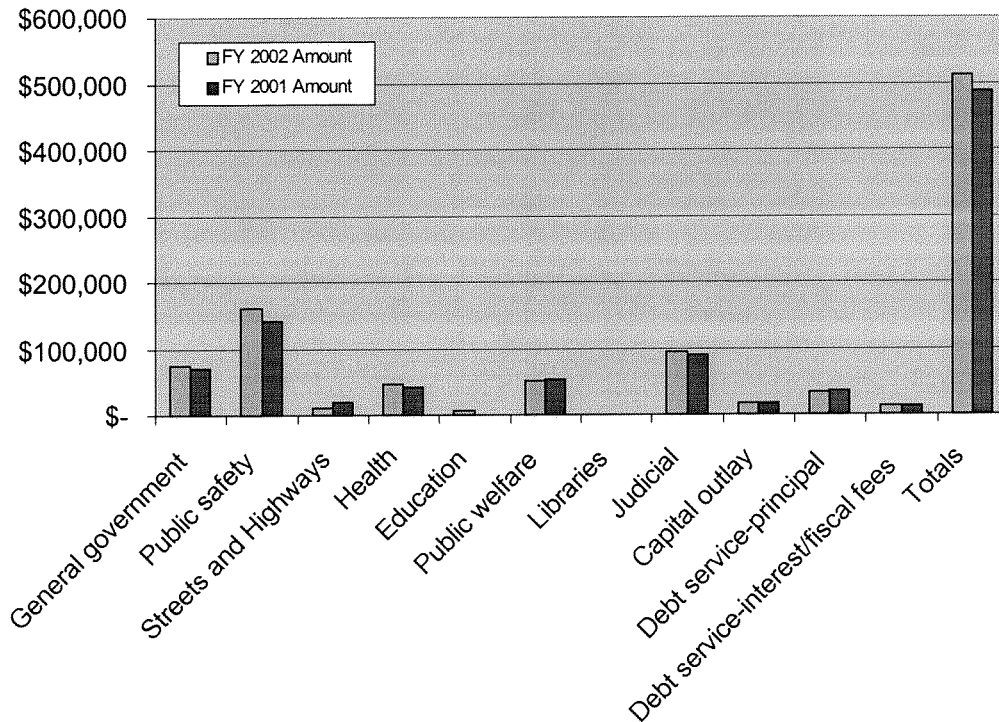
The following table presents expenditures by function compared to prior year amounts.

Expenditures by Function - Governmental Funds

<u>Expenditures by Function</u>	<u>FY 2002</u>	<u>FY 2001</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
General government	\$ 73,760	\$ 71,308	\$ 2,452	3%
Judicial	95,155	90,063	5,092	6%
Public safety	160,781	142,566	18,215	13%
Streets and Highways	11,673	20,355	(8,682)	(43%)
Health	47,202	43,010	4,192	10%
Public welfare	51,434	54,093	(2,659)	(5%)
Libraries	40	41	(1)	(2%)
Education	5,569	-	5,569	100%
Capital outlays	17,102	18,202	(1,100)	(6%)
Debt service-principal	34,140	36,105	(1,965)	(5%)
Debt service-interest/fiscal fees	13,225	13,002	223	2%
Total	<u>\$ 510,081</u>	<u>\$ 488,745</u>	<u>\$ 21,336</u>	<u>4%</u>

Overall, total expenditures increased only 4% but there were some categories that experienced significant change. For example, Streets and highways expenditures reflect a 43% decrease. In previous years, revenues and expenses included \$7.5 million of intrafund transfers; this year the \$7.5 million of intrafund transfers were removed from both revenues and expenses. A new education function was added in FY2002 because of the charter school activity. Payroll expenditures increased across all functions due to a 3% salary increase.

Expenditures By Function - Governmental Funds



GENERAL FUND BUDGETARY HIGHLIGHTS

The budget is prepared in accordance with financial policies approved by the County Budget Officer and the Commissioners Court following a public hearing. The Budget Officer 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 no less than 10.5% of budgeted expenditures and may utilize a draw-down of beginning balance only to the extent that such draw-down does not exceed 4% of total General Fund resources.

The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County Budget Officer and approved by the Commissioners Court following a public hearing. Appropriated budgets are approved and employed as a management control device during the year. The County maintains strict budgetary controls and sets its appropriations at the category level (i.e., salaries, allowances, operations and property) for each department. Appropriation transfers may be made between categories or departments only with the approval of the Commissioners Court. Reserves are established as a budget line item and may be transferred to other budget categories with approval of Commissioners Court.

The final FY2002 budget was adopted on September 18, 2001 with the total General Fund expenditures and reserves amounting to \$372,859, an increase of \$14.7 million over the FY2001 budgeted expenditures and reserves. The \$372,859 excludes approximately \$9.2 million in re-appropriated amounts from prior periods which are added to the original and final budgets. The original and final budgets amounted to \$383,050. The FY2002 budget increase was primarily due to salary increases, expansion of Juvenile programs and service and improvements for health care afforded to individuals incarcerated in the County jails.

In total, the original budget and the final amended budget were equal but the original budgeted reserves decreased by \$13,049 from the original to the final budget. Most of this difference resulted from:

- payroll costs including overtime charges in public safety
- justice administration costs resulting from indigent defense costs

The following are significant variations between the final budget and actual amounts.

- Actual revenues were higher than budgeted by \$602. Revenue recognition as compared to budget was impacted by the declining economy and delayed collection of FY2001 budgeted funds. Property tax revenues (\$3,400), justice of the peace fines (\$2,500), and interest (\$1,000) were the main types of revenues that were lower. County clerk fees (\$1,000) were higher but the more significant revenue increases (\$9,000) were due to timing differences related to some FY2001 billings.
- Actual expenditures were lower than budgeted in all categories. General government expenses were lower by over \$6,000 mainly due to building projects not undertaken, legal claims not incurred and amounts anticipated but not required for contracts. Public safety expenditures were lower by \$3,500 primarily because the number of inmates were less than projected. Judicial expenditures were lower by over \$4 million due to payroll savings from positions unfilled after the justice of the peace and constables redistricting. Additionally, the county clerk completed a major project under budget. Health savings of \$3,000 were realized due to reduced requirements for County match for grants and because of reduced utilization of emergency rental assistance.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-term debt. At September 30, 2002, the County had unlimited tax and limited tax general obligation bonds outstanding in the amount of \$247,753. According to Texas statutes, the County has two debt limits. Bonds issued under Article 3, Section 52e of the Texas Constitution total \$170,388 and bonds issued under Article 722 of Vernon's Civil Statutes total \$77,365. The debt limits for the two authorizations are \$32,720 (25% of real property assessed valuation) and \$7,989 (5% of assessed valuation of all taxable property); therefore, the County has legal debt margins on general obligation debt of \$32,560 and \$7,916 respectively.

The County's bond rating is "AAA" from Standard & Poor's and "Aaa" rating from Moody's for general obligation debt.

The following represents the activity of the long-term debt of the County for FY2002:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities:				
General obligation bonds	\$ 280,623	\$ 1,270	\$ 34,140	\$ 247,753
Compensated absences	14,567	9,376	7,319	16,624
Claims and judgements	1,400	5,581	981	6,000
Arbitrage	-	323	-	323
Workers compensation	<u>4,134</u>	<u>3,951</u>	<u>3,085</u>	<u>5,000</u>
Total	<u>\$ 300,724</u>	<u>\$ 20,501</u>	<u>\$ 45,525</u>	<u>\$ 275,700</u>

The County's estimated liability for claims and judgements of \$6,000 at FY2002 year end represents an increase from \$1,400 for FY2001. While settlements for new court cases filed against the County are

difficult to project, procedural reviews were implemented to mitigate subsequent claims. Other legal obligations include accrued vacation pay and sick leave. (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, roads, bridges and machinery & equipment (M&E)), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2002, net capital assets of the governmental activities totaled \$309,627. Depreciation on capital assets (except for infrastructure assets which are reported under the modified approach basis) is recognized in the Government-wide financial statements. Annual depreciation for buildings, improvements and M&E totaled \$8,972.

An annual allocation of the tax rate is reserved for major capital expenditures and major technology assets which are capitalized and depreciated. Construction or contract development needs are analyzed during the budget cycle and encumbrances/obligations revised.

The County has elected to use the "Modified Approach" as defined by GASB 34 for reporting infrastructure assets which include 147 miles of roads and 49 bridges and culverts.

The Public Works Department took a physical inventory of all County roads to determine the condition of the roads in FY2002. The data is being entered into the asset management system for analysis and certification that roads are being preserved approximately at or above the established and disclosed condition assessment level of 2.5 (average).

The County expended \$2,989 on road maintenance for the fiscal year ended September 30, 2002. These expenditures delayed deterioration; however, the overall condition of the roads was not improved through these maintenance expenditures. The County had determined that the amount of annual expenditures required to maintain the County's roads at the minimum of 2.5 (average) out of 4.0 (excellent) level based on the federal highway administration road pavement condition rating (PCR) for FY2002 was a minimum of \$2,020.

County's Capital Assets			
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Governmental Activities:			
Land	\$ 23,996	\$ -	\$ 23,996
Buildings and improvements	386,910	153,338	233,572
Equipment, Vehicles, Machinery	48,975	33,748	15,227
Infrastructure	30,302	-	30,302
Construction in Progress	<u>6,530</u>	<u>-</u>	<u>6,530</u>
Total	<u>\$ 496,713</u>	<u>\$ 187,086</u>	<u>\$ 309,627</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual budget is developed to provide efficient, effective and economic uses of the County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

In considering the County budget for FY2003, the County Commissioners and management considered the following factors:

- Property tax revenues, despite the overall economy, are budgeted to increase but less than FY2002, due to rise in certified values.
- Interest earnings are planned to decrease, but less than the decrease in FY2002, as high rate investments mature and current interest rates stay depressed.
- A centralized Justice of the Peace collection program and an automated ticketing program are scheduled for FY2003 implementation improving collection opportunities.
- County contribution for employee retirement will increase effective January from 7% of gross salary to 8.5% of gross salary, resulting in a projected retirement contribution of 14.6 million per year.
- Structured 3% salary increases for the workforce were approved effective January 2003.
- Mental Health and Jail Management, while partially funded through Parkland Hospital, has been outsourced in efforts to promote efficiencies and better inmate care; outsourcing resulted in the deletion of over 200 full time positions.

The FY2003 Capital Budget includes the construction cost related to a 192-bed expansion of the Henry Wade Juvenile Justice Center. The expansion is expected to be completed by the end of FY2004.

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 reports of the County's component units or need any additional financial information, contact the appropriate financial office (County Auditor, County Treasurer or Budget Officer) at 509 Main Street, Dallas, Texas 75202 or visit the County's web site at www.dallascounty.org.

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BASIC FINANCIAL STATEMENTS

DALLAS COUNTY, TEXAS

Statement of Net Assets

September 30, 2002

(in thousands of dollars)

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Hospital</u>
	<u>Activities</u>	<u>District</u>
ASSETS		
Cash and investments	\$ 209,410	\$ 77,536
Receivables (net of allowance for uncollectibles)	260,890	104,763
Due from other government units	15,234	-
Inventories	2,327	6,579
Prepays	1,226	-
Restricted assets:		
Cash and cash equivalents	4,956	8,746
Investments	-	5,486
Assets limited as to use - cash and investments	-	104,266
Capital assets (net of accumulated depreciation):		
Land	23,996	29,612
Construction in Progress	6,530	18,936
Infrastructure	30,302	-
Buildings	233,572	109,813
Machinery and equipment	15,227	70,341
Total capital assets	<u>309,627</u>	<u>228,702</u>
Total assets	<u>803,670</u>	<u>536,078</u>
LIABILITIES		
Accounts payable and other current liabilities	18,370	100,046
Accrued interest payable	2,136	252
Accrued liabilities	3,030	34,417
Deferred Revenue	259,149	-
Due to other government units	3,545	4,247
Noncurrent liabilities:		
Due within one year	46,317	3,296
Due in more than one year	229,383	16,042
Total liabilities	<u>561,930</u>	<u>158,300</u>
NET ASSETS		
Invested in capital assets, net of related debt	285,000	214,767
Restricted for:		
Highways and streets	11,956	-
Debt service	15,785	-
Other purposes	3,654	6,318
Unrestricted	(74,655)	156,693
Total net assets	<u>\$ 241,740</u>	<u>\$ 377,778</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, 2002
(in thousands of dollars)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Hospital District
Primary government:						
Governmental Activities:						
General Government	\$ 65,372	\$ 54,577	\$ -	\$ -	\$ (10,795)	\$ -
Judicial	98,247	42,471	1,660	1,276	(52,840)	-
Public safety	167,880	27,385	4,170	61	(136,264)	-
Highways and streets	27,634	40,050	-	-	12,416	-
Health	47,470	13,954	22,175	-	(11,341)	-
Education	5,636	-	4,243	-	(1,393)	-
Public welfare	51,732	1,102	40,323	1,994	(8,313)	-
Interest on long-term debt	14,248	-	-	-	(14,248)	-
Total primary government	<u>\$ 478,219</u>	<u>\$ 179,539</u>	<u>\$ 72,571</u>	<u>\$ 3,331</u>	<u>\$ (222,778)</u>	<u>\$ -</u>
Component unit - Hospital District	<u>\$ 837,482</u>	<u>\$ 533,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(304,048)</u>
General revenues:						
Property taxes					236,929	310,763
Alcoholic beverage taxes/other taxes					9,732	-
Grants and contributions not restricted to specific programs					2,281	10,888
Investment earnings					8,271	6,302
Total general revenues					<u>257,213</u>	<u>327,953</u>
Change in net assets					34,435	23,905
Net assets - beginning					207,305	353,873
Net assets - ending					<u>\$ 241,740</u>	<u>\$ 377,778</u>

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

DALLAS COUNTY, TEXAS
 Balance Sheet
 Governmental Funds
 September 30, 2002
 (in thousands of dollars)

	General	County-Wide Debt Service	Major Projects	Grants	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 48,652	\$ 14,240	\$ 45,368	\$ 4,797	\$ 101,163	\$ 214,220
Property Tax Receivables (net of allowances for uncollectibles of \$23,014)	184,590	39,327	18,353	-	8,653	250,923
Accounts receivable (net of allowances for uncollectibles of \$65,169)	7,801	-	15	27	1,445	9,288
Accrued interest	47	-	-	-	-	47
Due from other funds	11	-	-	-	-	11
Due from other governmental units	4,311	-	25	7,942	2,956	15,234
Inventories	1,569	-	-	-	758	2,327
Prepayments and advances	1,226	-	-	-	-	1,226
Total assets	<u>\$ 248,207</u>	<u>\$ 53,567</u>	<u>\$ 63,761</u>	<u>\$ 12,766</u>	<u>\$ 114,975</u>	<u>\$ 493,276</u>
LIABILITIES AND FUND BALANCES						
Liabilities :						
Accounts payable	\$ 10,896	\$ -	\$ 1,327	\$ 3,686	\$ 2,461	\$ 18,370
Due to other funds	-	-	-	-	11	11
Due to other governmental units	795	-	-	-	2,750	3,545
Deferred revenue	189,206	39,106	18,353	9,080	9,301	265,046
Total liabilities	<u>200,897</u>	<u>39,106</u>	<u>19,680</u>	<u>12,766</u>	<u>14,523</u>	<u>286,972</u>
Fund balances:						
Reserved for:						
Encumbrances	9,169	-	10,814	-	14,563	34,546
Inventories	1,569	-	-	-	758	2,327
Change funds	101	-	-	-	-	101
Debt service	-	14,461	-	-	210	14,671
Prepayments and advances	1,226	-	-	-	-	1,226
Capital Projects	-	-	-	-	62,622	62,622
Unreserved reported in:						
General Fund	35,245	-	-	-	-	35,245
Major Projects	-	-	33,267	-	-	33,267
Special Revenue	-	-	-	-	22,299	22,299
Total fund balances	<u>47,310</u>	<u>14,461</u>	<u>44,081</u>	<u>-</u>	<u>100,452</u>	<u>206,304</u>
Total liabilities and fund balances	<u>\$ 248,207</u>	<u>\$ 53,567</u>	<u>\$ 63,761</u>	<u>\$ 12,766</u>	<u>\$ 114,975</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	309,627
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	5,897
Internal service funds are used by management to charge costs related to the trust. The assets and liabilities of the internal service funds are included in governmental activities in the statement net activities.	(2,252)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(277,836)
Net assets of governmental activities	<u>\$ 241,740</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, 2002
(in thousands of dollars)

	<u>General</u>	<u>County-Wide Debt Service</u>	<u>Major Projects</u>	<u>Grants</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 174,408	\$ 37,071	\$ 17,284	\$ -	\$ 8,166	\$ 236,929
Licenses and permits	562	-	-	-	35,935	36,497
Fines and forfeitures	8,866	-	-	-	9,817	18,683
Investments	3,709	2,530	882	-	1,150	8,271
Rental revenues	3,851	-	-	-	-	3,851
Intergovernmental revenues	8,800	2	-	75,747	153	84,702
Charges for current services	97,596	-	-	-	8,987	106,583
Miscellaneous	10,029	-	347	-	853	11,229
Total revenues	<u>307,821</u>	<u>39,603</u>	<u>18,513</u>	<u>75,747</u>	<u>65,061</u>	<u>506,745</u>
EXPENDITURES						
Current:						
General government	56,470	-	11,372	-	5,918	73,760
Judicial	89,524	-	-	2,082	3,549	95,155
Public safety	155,582	-	-	4,450	749	160,781
Highways and streets	-	-	-	-	11,673	11,673
Health	24,742	-	-	22,460	-	47,202
Education	-	-	-	5,569	-	5,569
Libraries	40	-	-	-	-	40
Public welfare	7,918	-	-	43,516	-	51,434
Debt service:						
Principal	-	33,955	-	-	185	34,140
Interest	-	13,204	-	-	21	13,225
Capital outlay	-	-	-	-	17,102	17,102
Total expenditures	<u>334,276</u>	<u>47,159</u>	<u>11,372</u>	<u>78,077</u>	<u>39,197</u>	<u>510,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,455)</u>	<u>(7,556)</u>	<u>7,141</u>	<u>(2,330)</u>	<u>25,864</u>	<u>(3,336)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	34,692	4,720	7,103	2,330	1,156	50,001
Transfers out	<u>(4,032)</u>	<u>-</u>	<u>(601)</u>	<u>-</u>	<u>(45,368)</u>	<u>(50,001)</u>
Total other financing sources (uses)	<u>30,660</u>	<u>4,720</u>	<u>6,502</u>	<u>2,330</u>	<u>(44,212)</u>	<u>-</u>
Net change in fund balances	4,205	(2,836)	13,643	-	(18,348)	(3,336)
Fund balances - beginning	43,105	17,297	30,438	-	118,800	209,640
Fund balances - ending	<u>\$ 47,310</u>	<u>\$ 14,461</u>	<u>\$ 44,081</u>	<u>\$ -</u>	<u>\$ 100,452</u>	<u>\$ 206,304</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 of Governmental Funds
 For the Year Ended September 30, 2002
 (in thousands of dollars)

Amounts reported for governmental activities in the statement of activities
 (page 28) are different because:

Net change in fund balances -- total governmental funds (page 30)	\$	(3,336)
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 exceeded depreciation in the current period.		6,246
The net effect of various miscellaneous transactions (donations) involving capital assets.		12
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		5,897
Some expenses reported in statement of activities are not fund expenditures (e.g. compensated absences which are liabilities not normally liquidated with current financial resources).		(8,869)
Some expenditures (e.g. principal debt payment) on fund statements are not expenditures on statement of activities.		34,140
Internal service funds are used by management to charge the costs to account for group medical self-insurance and flexible spending accounts of employees. The net revenue/(loss) is reported with governmental activities.		<u>345</u>
Change in net assets of governmental activities (page 28)	\$	<u><u>34,435</u></u>

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

DALLAS COUNTY, TEXAS

Statement of Net Assets

Proprietary Funds

September 30, 2002

(in thousands of dollars)

	Governmental Activities - Internal Service Fund
ASSETS	
Current assets:	
Cash and Cash equivalents	\$ 146
Accounts receivable	632
Total current assets	<u>778</u>
LIABILITIES	
Current liabilities:	
Accrued liabilities	30
Liability for future benefits	3,000
Total current liabilities	<u>3,030</u>
NET ASSETS	
Unrestricted	<u>(2,252)</u>
Total net assets	<u>\$ (2,252)</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 Assets

Proprietary Funds

For the Year Ended September 30, 2002

(in thousands of dollars)

	Governmental Activities - Internal Service Funds
Operating revenues:	
Premiums and reimbursements	\$ 25,849
Operating expenses:	
Benefit payments	22,603
Administration	2,924
Total operating expenses	<u>25,527</u>
Operating income	322
Nonoperating revenues :	
Interest income and other	<u>23</u>
Change in net assets	<u>345</u>
Total net assets - beginning	(2,597)
Total net assets - ending	<u>\$ (2,252)</u>

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

DALLAS COUNTY, TEXAS

Statement of Cash Flows
Proprietary Funds

For the Year Ended September 30, 2002
(in thousands of dollars)

	Governmental Activities - Internal Service
	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from participants	\$ 24,777
Cash payments for benefit claims	(23,629)
Cash payments for administrative fees	(3,086)
Other operating revenues	440
	<u> </u>
Net cash used in operating activities	<u>(1,498)</u>
 CASH FLOW FROM INVESTING ACTIVITIES	
Interest and dividends on investments	<u>23</u>
Net cash provided in investing activities	<u>23</u>
Net decrease in cash and cash equivalents	(1,475)
Cash and cash equivalents at beginning of year	<u>1,621</u>
Cash and cash equivalents at end of year	<u><u>\$ 146</u></u>
 Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 322
Adjustment to reconcile operating income to net cash used in operating activities:	
Increase in accounts receivable	(631)
Decrease in accounts payable and accrued expenses	(1,189)
	<u> </u>
Net cash used in operating activities	<u><u>\$ (1,498)</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 -
Agency Fund

September 30, 2002
(in thousands of dollars)

	Totals
Assets:	
Cash and investments	\$ 118,872
Accounts receivable	1,321
Due from other government units	2
Restricted assets	<u>8,346</u>
Total assets	\$ <u><u>128,541</u></u>
Liabilities:	
Accounts payable	127,873
Due to other government units	<u>668</u>
Total liabilities	\$ <u><u>128,541</u></u>

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

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DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally acceptable 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) in *Governmental Accounting and Financial Reporting Standards*. This year's financial report has been prepared in accordance with GASB Statement No. 34 issued in June 1999. Under GASB Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" infrastructure is reported and other capital assets are depreciated. The adoption of GASB 34 required the following changes:

- Reporting for the first time \$30,302 in infrastructure and \$187,086 in accumulated depreciation on capital assets other than infrastructure.
- Conversion from modified accrual to a full accrual of revenues and expenses.
- Reporting \$275,700 in bonds payable and other liabilities associated with accrued vacation, sick pay, workers compensation and contingent litigation.
- Reporting revenues by functions and classifying revenues as program revenues (e.g. charges for services) or general revenues (e.g. taxes and investments).
- Presenting "Management Discussion & Analysis which summarizes the financial data for the County.
- Cash flows for the Internal Service Fund under the direct method.
- Classification of net assets into 3 categories, invested in fixed assets net of related debt, restricted net assets and unrestricted net assets.

Other new statements include Statements 37, 38 and GASB Interpretation No. 6. GASB Statement 37, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34*" clarifies certain GASB 34 provisions related to MD&A requirements and the modified approach to infrastructure. GASB Statement No. 38, "*Certain Financial Statement Note Disclosures*" modifies note disclosure requirements. GASB Interpretation No. 6 clarifies the application of modified accrual recognition of certain liabilities and expenditures in the governmental fund financial statements. Specifically, GASB Interpretation No. 6 indicates that liabilities for compensated absences, claims and judgments, and special termination benefits are normally expected to be liquidated with expendable available financial resources and should be recognized as governmental fund liabilities, to the extent that they mature each period. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Reporting Entity

Primary Government

Dallas County (the County) is a public corporation and political subdivision of the State of 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 the State of Texas: general government (e.g., tax collection), judicial (courts, juries,

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

**September 30, 2002
(in thousands of dollars)**

district attorney, etc.), public safety (sheriff, jail, 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 defined according to criteria in GASB Statement No. 14, *The Financial Reporting Entity*.

Discretely Presented Component Unit

The Dallas County Hospital District (the District) is a special taxing district created in 1954 by a vote of the taxpayers of the County in accordance with the provisions of Article 9, Section 4 of the Constitution of the State of Texas. The District comprises Parkland Memorial Hospital (the Hospital), Community Oriented Primary Care (COPC) and the Parkland Foundation (the Foundation). The operating hospital has approximately 674 beds and 158 bassinets, operates an outpatient clinic and emergency room, provides service to indigents and serves as the major teaching hospital for the University of Texas Southwestern Medical School. In addition, COPC operates clinics in the community and on the Hospital campus. The District is accounted for as a single column Business-type entity on an accrual basis of accounting.

The District is governed by a seven member board appointed by, but not composed of Commissioners Court of the County. Commissioners Court of the County approves the budget and sets the tax rate for the District; however, 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 component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Complete financial statements for the District may be obtained from:

Office of the Controller
Parkland Memorial Hospital
5201 Harry Hines Boulevard
Dallas, Texas 75235

Blended Component Units

For reporting purposes, the Dallas County Housing Finance Corporation (HFC) and North Central Texas Health Facilities Development Corporation (HFDC) qualify as component units. The Commissioners Court sits as the governing board of the HFC and appoints the governing board of the HFDC. The only activity of the HFC has been the issuance of single family revenue bonds that are disclosed as conduit debt in Footnote VI. The HFDC has no financial activity since all debt issuances are by and in the name of the individual approved health facilities. Additional financial information on the HFC may be obtained from:

Dallas County Commissioners Court
Administration Building
411 Elm Street, Second Floor
Dallas, Texas 75202

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and fund financial statements

The **government-wide financial statements** include the statement of net assets and the statement of activities. Government-wide statements report, except for County fiduciary activity, information on all of the activities of the County and its component unit. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. 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 or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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 Fund, Debt Service (county-wide fund), Major Projects and Grants Funds meet criteria as **major governmental funds**. Each major fund is reported in separate columns in the fund financial statements. Non-major funds include other Special Revenue, Capital Projects and Debt Service (Parking Garage) funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for nonmajor funds are presented within Combining and Individual Fund Statements and Schedules.

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

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary and fund financial statements. Revenues 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, are district clerk and county clerk fees, justice of the peace fees, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. Property taxes which were levied prior to September 30, 2002, and became due October 1, 2002 have been assessed to finance the budget of the fiscal year beginning October 1, 2002 and, accordingly, have been reflected as deferred revenue and taxes receivable in the fund financial statements at September 30, 2002.

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

The government 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 administration, public safety, judicial, public welfare, health services and capital acquisition.

Debt Service Fund (county-wide) is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The primary revenue source is property taxes levied specifically for debt service. Interest earnings from temporary investments of idle funds of the Capital Projects Funds are deposited and recorded in the Debt Service Fund to aid in bonded debt retirement. The County also maintains a debt service fund for parking garage debt. This fund is contractually required to be maintained for emergency use until the parking garage bonds are retired. This fund is included as a nonmajor fund.

Major Projects Fund is used to account for monies received from ad valorem taxes to fund parks, trails, transportation and major County building projects.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Fund is used to account for programs supported by grants-in-aid from various agencies and/or governmental units.

Other Fund types include proprietary and fiduciary funds which are considered as nonmajor funds. Nonmajor funds include Special revenue funds (other than major projects and grants), capital projects funds and debt service for parking garages.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is 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 self-insurance program and the flexible spending accounts of employees who participate in the medical and dependent care flexible spending option of the County's cafeteria plan. Revenues are derived from County contributions, employee and retiree/cobra premiums, investment of idle funds and stop loss collections. Expenses are for claims and administrative expenses.

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 the 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 services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations (e.g. insurance payments).

Fiduciary fund level financial statements include fiduciary funds which are classified into private purpose trust and agency funds. The County has only agency funds which are 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.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business type activities subject to this same limitation. The County has elected not to follow subsequent private sector guidance.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, liabilities, and net assets or equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments. State statutes and the County's official Investment Policy authorize the County to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, Bankers' acceptances, money market mutual funds and direct obligations of the State of Texas.

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 is recognized as revenue in the appropriate fund's statement of activity and or statement of revenues, expenditures and changes in fund balance.

2. Receivables and payables

Accounts Receivable

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2002 and past due after January 31, 2003. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

Accounts receivables from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. 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 they are earned in the government-wide 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 deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

Lending or borrowing between funds is reflected as "due to or due from" (current portion) or "advances to/from other funds" (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund activity reflected in "due to or due from" is eliminated on the government-wide statements.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Inventories and prepaid items

Inventory is valued at average cost. Inventory in the General and Special Revenue Funds consists of expendable supplies held for consumption. In the General Fund, the cost is recorded as expenditure at the time the inventory items are 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 offset by a reservation of fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. 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 and in the fund financial statements are offset by a reservation of fund balance which indicates they do not represent "available spendable resources."

4. Restricted Funds – Component Unit

Upon receipt, contributions, grants and other revenues restricted by donors for specific purposes are added to restricted funds of the District. Each restricted fund has an administrator who is responsible for monitoring the revenues and expenses and for ensuring that the fund's assets are being used for the purpose stated. The Foundation, a nonprofit corporation established in 1986, is included in the District's financial statements since the majority of the Foundation's Board of Directors is appointed by the District's Board of Managers.

5. Assets (Investments) Limited as to Use or Restricted - Component Unit

Resources are set aside for board-designated purposes, the terms of bond agreements or self-insurance arrangements. At September 30, 2002, resources were also set aside for the disproportionate share programs.

6. Capital Assets – Primary Government

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include County-owned roads and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets except for infrastructure are depreciated using the straight line method over the following estimated useful lives:

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Assets</u>	<u>Years</u>
Buildings	50
Furniture & Fixtures	7
General Equipment	5
Trucks	7
Cars	3
Computer hardware	5

The County uses the modified approach to report its infrastructure assets in the government-wide statement of net assets. Infrastructure assets are listed at historical costs but they are not depreciated. Rather, under the modified approach allowed by GASB Statement No. 34, the County reports annual expenses for maintaining roads and highways and the estimated costs for preserving them at a 2.5 level out of a 4.0 scale.

7. **Compensated Absences** - A liability for unused vacation and sick time for all full time employees is calculated and reported in the government-wide statements. For financial reporting, 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).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

Primary Government - The County's permanent, full-time employees accrue 3.09 hours of vacation per pay period (biweekly) from date of employment to six years of service, 4.62 hours per pay period from 6 years to 15 years of service, and 6.16 hours per pay period in excess of 15 years of continuous employment. The maximum accrual is four, five or six weeks of vacation for the respective accrual categories specified. Upon termination from County employment, an employee shall be entitled to payment for total accrued but unused hours of vacation.

The County's permanent, full-time employees accrue sick leave at the rate of 3.69 hours per pay period. Sick leave is paid to current employees if the employees are absent from work due to illness, injury or other situations requiring medical attention. An employee who leaves the employment of the County for any reason prior to five years of service shall receive no compensation for accrued sick leave. Employees who terminate their employment after five years of continuous service shall be paid a percentage of the balance of their accrued but

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

unused sick leave that ranges from 5% for five to ten years service to 50% for over 50 years of service.

Amounts of accrued vacation leave and sick leave are accrued in the government-wide financial statements.

8. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net assets. On new bond issues, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Unemployment and Workers' Compensation Benefits

The County is a reimbursing employer for unemployment compensation benefits. Reimbursements are made on the basis of regular billings received from the Texas Employment Commission. The County also processes workers' compensation payments through a third-party administrator as the claims become due. These obligations are budgeted and paid from current resources (see note X).

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties of use for a specific purpose. Fund reservations include encumbrances, capital projects, debt service, inventories and prepaids.

11. Reclassifications

As part of the adoption of GASB 34, four District Attorney funds (mainly forfeiture funds) previously classified as Special Revenue Funds have been reclassified as Fiduciary funds.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(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 assets as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.” The details of this \$ 277,836 difference are as follows:

Bonds payable	\$247,753
Accrued interest payable	2,136
Arbitrage	323
Claims and judgments	6,000
Workers compensations	5,000
Compensated absences	<u>16,624</u>

Net adjustment to reduce fund balance – total government funds to arrive at net assets – governmental activities \$277,836

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 assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation indicates that “governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of capital assets is allocated over their estimate useful lives and reported as depreciation expense” on capital outlays for County owned assets only. Some capital outlays are for roads not owned by County. The details of this \$6,246 difference are as follows:

Capital outlay (excluding outlays for non-County roads)	\$15,218
Depreciation expense	<u>8,972</u>

Net adjustment to increase *net changes in fund balances* - \$ 6,246
total governmental funds to arrive at *changes in net assets*
of governmental activities

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(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 miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of this \$12 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>\$12</u>
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Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$12</u>
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Another element of that reconciliation states that “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 \$(8,869) difference are as follows:

Compensated absences	\$ 2,057
Claims and judgments	4,600
Arbitrage	323
Workers compensation	866
Accrued interest	(247)
Bond accretion	<u>1,270</u>

Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 8,869</u>
--	-----------------

III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES

Primary Government

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

The County is authorized by statute and by depository contract to invest in “security repurchase agreements.” A security repurchase agreement is a simultaneous agreement to buy, hold for a specified time and then sell back at a future date U.S. government securities, direct obligations of the United States, obligations of principal and interest which are guaranteed by the United States or direct obligations of, or participation certificates guaranteed by, the Federal Intermediate Credit

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES (Continued)

Banks, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks or Banks for Cooperatives.

The County's demand deposits and bank certificates of deposit are fully covered by collateral held in the County's name by the County's agents, the Federal Reserve Bank of Dallas and the Deutsche Bank Trust Company Americas. The County's collateral agreements require the market value of securities held by its agents to exceed the total amount of cash and investments held by Bank of America (depository bank) and Texas Capital Bank at all times.

The County's investments are comprised of U.S. Treasury bills; notes and bonds; Federal National Mortgage Association issues; Federal Farm Credit Bank issues; Federal Home Loan Bank issues; Federal Home Loan Mortgage Corporation certificates, Federal National Mortgage Association and Government National Mortgage Association pools; obligations of states, counties, cities and other political subdivisions of any state with a rating of A or better; and surety bonds rated in the two highest categories for claims paying ability.

Deposits

At September 30, 2002, the carrying amount of the County's demand and time deposits was \$146,252. The \$84,943 bank balance was covered by federal depository insurance or collateralized with securities held by the Federal Reserve Bank of Dallas in the name of the County. The deposits consist of cash and cash equivalents of all funds. Cash and cash equivalents include amounts in demand deposits as well as short-term investments. Book amounts differ from bank balances due to outstanding reconciling items.

Investments

The County's investments are categorized as either (1) insured and registered for which the securities are held by the County's agent in the name of the County, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the name of the County, or (3) uninsured and unregistered for which the securities are held by the counterparty or by its trust department or agent but not in the name of the County. The following summarizes investments categorization under GASB Statement No. 3.

	Category			Reported Amount/ Fair Value
	1	2	3	
U.S. government Securities	\$ 55,730	—	—	\$ 55,730
Commercial paper	11,983	—	—	11,983
Security repurchase agreements	119,273	—	—	119,273
	<u>\$ 186,986</u>	<u>—</u>	<u>—</u>	<u>\$ 186,986</u>

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES (Continued)

Discretely Presented Component Unit

Deposits

At September 30, 2002, the carrying amount of the District's demand and time deposits was \$5,206. The \$4,409 bank balance was fully covered by the federal depository insurance. The District invests substantially all of its available cash and assets limited as to use in TexPool and U. S. Treasury securities. TexPool's portfolio consists of U.S. Treasury Bills and Notes, U.S. Government agency notes, collateralized certificates of deposit, repurchase agreements and mutual funds. At September 30, 2002, the fair value of the District's investment in TexPool was \$77,943. TexPool amounts are not subject to categorization.

Investments

The Hospital and the Foundation have investments in U.S. government securities. Additionally, the Foundation has other investments including a Schwab investment account and a bank trust department account. The fair value of such investments totaled \$112,885 at September 30, 2002. The District's investments are categorized in the same manner as that described above for the Primary Government. The District's investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The District considers quoted market prices at September 30, 2002, to be the fair value of investments.

	Category			Reported Amount/ Fair Value
	1	2	3	Fair Value
U.S. government securities & other investments	\$ 112,885	—	-	\$ 112,885

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. The County bills and collects its own property taxes and those for the District, the Community College District, the School Equalization Fund, the City of Dallas, the City of Cockrell Hill, the City of Duncanville, the Duncanville Independent School District (ISD), Dallas Independent School District (DISD) and the County Education District (CED) of the Duncanville ISD, the City of Farmers Branch, the Fairway Bend Public Improvement District, the City of Grand Prairie, the Grand Prairie ISD and CED, the Town of Highland Park, the Highland Park ISD and CED, the City of Hutchins, Irving Flood Control Districts I and III, the City of Lancaster, the Lancaster ISD and CED, City of Rowlett, City of Seagoville, Levee Districts 4, 8 and 14, the City of University Park, the Westchester Public Improvement District and the City of Wilmer. The County and the District are the only entities controlled by the Commissioners Court; the County acts only as an intermediary in the collection and distribution of property taxes to the other entities.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

IV. PROPERTY TAXES, AND OTHER RECEIVABLES (Continued)

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 the County in this agency fund according to the levy year for which the taxes are collected. Tax collections deposited for the County are distributed on a monthly basis to the General, Permanent Improvement, Major Projects, Major Technology and Debt Service Funds of the County. 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.

The County participates in several Tax Increment Finance (TIF) Districts. When a TIF District is created, with the approval of all participating governmental entities, the property included in the District has its assessed valuation frozen at that time for the duration of the District. As projects are developed, increasing the assessed valuation of the property, the incremental increases are returned to the entity which initially financed the improvements i.e., city contribution, city bond funds or developer advances.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. For the government-wide statements, property taxes expected to be collected in FY2003 are reported as deferred. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Property taxes receivable:	<u>Unavailable</u>	<u>Unearned</u>
General fund	\$189,206	\$ -
Debt service fund	39,106	-
Major projects	18,353	-
Other nonmajor governmental funds	9,301	-
Grants receivable	-	<u>9,080</u>
Total deferred	<u>\$255,966</u>	<u>\$9,080</u>

The County is authorized by the tax laws of the State of Texas to levy taxes up to \$.80 per \$100 of assessed valuation for general governmental services and the payment of principal and interest on certain permanent improvement long-term debt. Taxes may be levied in unlimited amounts for the payment of principal and interest on road bond long-term debt issued under Article 3, Section 52 of the Texas Constitution.

Primary Government - Receivables as of year end for the governmental activities, individual major governmental funds, and nonmajor governmental funds, and internal service fund, including the applicable allowances for uncollectible accounts, as required by GASB 34 are as follows:

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

**September 30, 2002
(in thousands of dollars)**

	<u>General</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Grants</u>	<u>Other Nonmajor Funds</u>	<u>Total Govern- mental Activities</u>	<u>Internal Service Fund</u>	<u>Total</u>
Receivables:								
Taxes	\$201,648	\$ 43,836	\$ 19,209	\$	\$ 9,243	\$ 273,936	\$ -	\$273,936
Interest	47	-	-	-	-	47	-	47
Accounts	48,169	-	15	27	26,247	74,458	632	75,090
Intergovernmental	4,311	-	25	-	2,956	7,292	-	7,292
Intergovernmental	-	-	-	7,942	-	7,942	-	7,942
Gross Receivables	254,175	43,836	19,249	7,969	38,446	363,675	632	364,307
Less: allowance for uncollectibles	(57,426)	(4,509)	(856)	-	(25,392)	(88,183)	-	(88,183)
Net total receivables	<u>\$ 196,749</u>	<u>\$ 39,327</u>	<u>\$ 18,393</u>	<u>\$ 7,969</u>	<u>\$ 13,054</u>	<u>\$ 275,492</u>	<u>\$ 632</u>	<u>\$ 276,124</u>

Discretely Presented Component Unit – Receivables as of September 30, 2002:

	<u>Parkland Hospital</u>	<u>Parkland Foundation</u>	<u>Total</u>
Receivables:			
Taxes	\$ 16,811	\$ -	\$ 16,811
Patient accounts	135,811	-	135,811
Intergovernmental	5,723	-	5,723
Other	38,384	2,197	40,581
Gross Receivables	196,729	2,197	198,926
Less: allowance for uncollectibles			
Taxes	(12,248)	-	(12,248)
Accounts	(81,915)	-	(81,915)
Total uncollectibles	(94,163)	-	(94,163)
Net total receivables	<u>\$ 102,566</u>	<u>\$ 2,197</u>	<u>\$ 104,763</u>

Discretely Presented Component Unit

The District received approximately 36% of its total revenues in 2002 from ad valorem taxes. All of these funds were used to support operations. The District paid the County a nominal collection percentage as a fee for collecting its ad valorem taxes. Current taxes are received 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, TEXAS

Notes to the Basic Financial Statements

**September 30, 2002
(in thousands of dollars)**

Other – District

Other assets limited as to use include funds designated by the Board of Managers to fund the District's self-insurance programs. Assets (investments) limited as to use or restricted consists of the following funds which are all investments in TexPool, U.S. Treasury and U.S. agencies obligations at September 30, 2002:

Designated for capital uses	\$99,601
Debt service under bond indenture	5,065
Other	4,665
	\$109,331
Total	\$109,331

V. CAPITAL ASSETS

Primary Government

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB 34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are listed at historical costs, but they are not depreciated as the County elected to use the modified approach.

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 22,873	\$ 1,123	\$ -	\$ 23,996
Construction in progress	-	6,530	-	6,530
Infrastructure	30,302	-	-	30,302
Total capital assets, not being depreciated	53,175	7,653	-	60,828
Capital assets, being depreciated:				
Buildings	383,970	2,940	-	386,910
Machinery and equipment	45,061	4,637	(723)	48,975
Total capital assets being depreciated	429,031	7,577	(723)	435,885
Less accumulated depreciation for:				
Buildings	(146,008)	(7,330)	-	(153,338)
Machinery and equipment	(32,829)	(1,642)	723	(33,748)
Total accumulated depreciation	(178,837)	(8,972)	723	(187,086)
Total capital assets, being depreciated, net	250,194	(1,395)	-	248,799
Governmental activities capital assets, net	\$ 303,369	\$ 6,258	\$ -	\$ 309,627

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

V. CAPITAL ASSETS (Continued)

In implementing GASB Statement No. 34, the capital limit for property was raised from \$500 to \$5,000. As a result, the beginning capital assets balance is different from the ending balance at September 30, 2001. Additionally, infrastructure has been added to the capital assets balance.

Amounts reclassified from capital to expense based on new capital limit	(\$34,098)
Infrastructure added	<u>30,302</u>
Adjustments to beginning balance	<u>(\$ 3,796)</u>

Depreciation expense for FY2002 was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,220
Public safety	4,922
Health	168
Highways and streets	298
Public welfare	373
Education	67
Judicial	<u>1,924</u>

Total depreciation expense – governmental activities \$ 8,972

Discretely Presented Component Unit

Costs of major renewals and betterments, which extend useful lives, are capitalized while maintenance and repairs are charged to current operations. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets. The estimated useful lives for buildings are 10 to 40 years and 3 to 20 years for equipment. Equipment under capital lease is amortized on the straight-line method over the lesser of the useful life of the equipment or the lease term. Such amortization is included in depreciation in the financial statements.

Capital assets at September 30, 2002 for the District are summarized as follows:

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

V. CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 17,019	\$ 12,593	\$ -	\$ 29,612
Construction in progress	8,183	22,848	(12,095)	18,936
Total capital assets, not being depreciated	<u>25,202</u>	<u>35,441</u>	<u>(12,095)</u>	<u>48,548</u>
Capital assets, being depreciated:				
Buildings	296,931	8,494	-	305,425
Machinery and equipment	193,137	17,403	(9,007)	201,533
Total capital assets being depreciated	490,068	25,897	(9,007)	506,958
Less accumulated depreciation for:				
Buildings	(182,943)	(12,669)	-	(195,612)
Machinery and equipment	(117,700)	(22,136)	8,644	(131,192)
Total accumulated depreciation	<u>(300,643)</u>	<u>(34,805)</u>	<u>8,644</u>	<u>(326,804)</u>
Total capital assets, being depreciated, net	189,425	(8,908)	(363)	180,154
Capital assets, net	<u>\$ 214,627</u>	<u>\$ 26,533</u>	<u>\$ (12,458)</u>	<u>\$ 228,702</u>

The District capitalizes interest cost net of any interest earned on temporary investments of the proceeds for construction projects funded by tax-exempt borrowings. Interest expense is also capitalized for projects financed with operating funds. Capitalized debt issuance costs relating to long-term debt are amortized over the period the debt is outstanding using the straight-line method. Total interest cost capitalized on construction projects in FY 2002 totaled \$354.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

VI. LONG-TERM DEBT

Primary Government

The County's last issuance of general obligation bonds was in 2001. The outstanding bonds were issued to provide funds for acquisition and construction of major capital facilities. The following are general obligation bond issues outstanding at September 30, 2002:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Parking Garage, Series 1968	5.5	1968	2003	\$ 195
Road and Bridge Refunding Bonds, Series 1985A:				
Capital Appreciation Bonds	8.9-9.25	1986	2005	1,176
Road Refunding Bonds, Series 1993A:				
Current Interest Bonds	2.4-5.25	1993	2009	15,225
Capital Appreciation Bonds	5.55-5.75	1993	2007	14,222
Permanent Improvement Bonds 1993B	2.4-5.3	1993	2009	27,775
Road Bond, Series 1995	5.25-7.0	1995	2005	5,400
Certificates of Obligation, Series 1996	4.5-6.5	1996	2003	595
Road Bonds, Series 1996	5.0-5.5	1996	2017	15,750
Certificates of Obligation, Series 1996A	4.12-6.15	1996	2004	1,030
Road Refunding Bonds, Series 1997:				
Current Interest Bonds	3.85-4.75	1997	2009	14,120
Permanent Improvement Refunding Bonds, Series 1997A	3.85-5.75	1997	2009	17,980
Certificates of Obligation, Series 1997B	4.10-6.0	1997	2006	4,000
Certificates of Obligation, Series 1998	3.75-4.0	1998	2007	5,445
Road Bonds, Series 2000	4.75-5.25	2000	2020	31,500
Road Refunding Bonds, Series 2000A:				
Current Interest Bonds	4.3-5.0	2000	2003	2,490
Capital Appreciation Bonds	4.7	2000	2004	1,352
Permanent Improvement, Refunding Bonds, Series 2000B	4.35-5.5	2000	2008	14,080
Road Refunding Bonds, Series 2001A:				
Current Interest Bonds	4.0-5.5	2001	2021	66,200
Capital Appreciation Bonds	4.2-4.35	2001	2007	2,953
Permanent Improvement Refunding Bonds Series 2001 B	4.0-5.0	2001	2012	<u>6,265</u>
Total general obligation debt				<u>\$247,753</u>

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

**September 30, 2002
(in thousands of dollars)**

VI. LONG-TERM DEBT (Continued)

Arbitrage Rebate Liabilities

The Tax Recovery Act of 1986 established regulations for the 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's cumulative rebate amount, which is recorded as a liability in governmental activities on the government-wide financial statements for bonds issued in 1994, 1995, 1996, 1997, 1998, 2000, and 2001 is \$323 at September 30, 2002.

Changes in Long-Term Debt

Long-term liability for the year ended September 30, 2002 was as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation	\$280,623	\$1,270	\$34,140	\$247,753	\$32,795
Claims and judgements	1,400	5,581	981	6,000	3,000
Compensated absences	14,567	9,376	7,319	16,624	7,522
Workers compensation	4,134	3,951	3,085	5,000	3,000
Arbitrage	-	323	-	323	-
Total	<u>\$300,724</u>	<u>\$20,501</u>	<u>\$45,525</u>	<u>\$275,700</u>	<u>\$46,317</u>

General Obligation Bonds Advance Refundings

On November 19, 1985, the County issued \$188,858 of refunding bonds for the defeasance of \$238,695 of outstanding general obligation debt. The proceeds of the sale, combined with a \$35,399 advance payment by the County, have been placed in an irrevocable escrow account and invested in a manner that will provide amounts sufficient for the future payment of principal and interest on the issues being refunded. Accordingly, the County is contingently liable for debt service requirements of the refunded issues in the principal amount of \$7,150 at September 30, 2002.

On March 14, 1991, the County issued \$26,175 in General Obligation Bonds with interest rates ranging from 5.0% to 6.6% to advance refund \$24,985 of outstanding 1985 series bonds with interest rates ranging from 5.7% to 9.30%. The net proceeds of \$26,623 (after payment of underwriting fees and other issuance costs plus additional receipts of \$127 for accrued interest and \$826 for premium on capital appreciation bonds) plus \$990 from the fiscal year 1991 debt service accounts were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion of the 1985 Series bonds which was refunded. As a result, this portion of the 1985 Series bonds is considered to be defeased,

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

VI. LONG-TERM DEBT (Continued)

and the liability for these bonds has been removed from the Government-wide Statement of Net Assets. The County is contingently liable for debt service requirements of the refunded issues in the principal amount of \$5,940 at September 30, 2002.

On March 24, 1992, the County sold \$33,520 in General Obligation Bonds with interest rates ranging from 5.85% to 7.625% to advance refund \$33,190 of outstanding Road Bonds, Series 1986A; Road Bonds, Series 1988A; Permanent Improvement Bonds, Series 1986B; and Permanent Improvement Bonds, Series 1988B. The net proceeds of \$34,560 (after payment of underwriting fees and other issuance costs plus additional receipts of \$162 for accrued interest and \$1,118 for premium on capital appreciation bonds) plus \$1,258 from the Debt Service Fund were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds which were refunded. As a result, this bonded debt is considered to be defeased, and the liability for the bonds has been removed from the Government-wide Statement of Net Assets. The County is contingently liable for debt service requirements of the refunded issues in the principal amount of \$5,925 at September 30, 2002.

On May 20, 1993, the County sold \$110,340 in General Obligation Bonds with interest rates ranging from 2.6% to 5.3% to advance refund \$104,490 of outstanding Road Bonds, Series 1986A; Road Bonds, Series 1987A; Road Bonds, Series 1988A; Road Refunding Bonds, Series 1985A; Permanent Improvement Bonds, Series 1986B; Permanent Improvement Bonds, Series 1987B; Permanent Improvement Bonds, Series 1988B; Permanent Improvement Refunding Bonds, Series 1991B; and Certificates of Obligation, Series 1990. The net proceeds of \$116,327 (after payment of underwriting fees and other issuance costs plus additional receipts of \$475 for accrued interest and \$7,090 for premium on capital appreciation bonds) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds which were refunded. As a result, this bonded debt is considered to be defeased, and the liability for the bonds has been removed from Government-wide Statement of Net Assets. The County is contingently liable for debt service requirements of the refunded issues in the principal amount of \$57,190 at September 30, 2002.

On September 17, 1997, the County issued \$36,325 in General Obligation Bonds with interest rates ranging from 3.85% to 4.75% to advance refund \$2,100 of outstanding Permanent Improvement Bonds, Series 1987B; \$15,625 of Road Improvement and Refunding Bonds, Series 1992; and \$17,555 of Permanent Improvement and Refunding Bonds, Series 1992A with interest rates ranging from 5.625% to 8.0%. The net proceeds of \$37,443 (after payment of underwriting fees and other issuance costs plus additional receipts of \$150 for accrued interest, \$1,031 for premium on capital appreciation bonds and \$245 for premium on Permanent Improvement Bonds) were deposited in an

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

VI. LONG-TERM DEBT (Continued)

irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds, which were refunded. As a result, those bonds are considered to be defeased, and the liability for these bonds has been removed from the Government-wide Statement of Net Assets. The County is contingently liable for debt service requirements of the refunded issues in the principal amount of \$33,375 at September 30, 2002.

On November 29, 2000, the County issued \$25,105 in General Obligation Bonds with interest rates ranging from 4.30% to 5.50% to advance refund \$3,835 of outstanding Road Refunding Bonds, Series 1991A; \$14,000 of Permanent Improvement Bonds, Series 1988C; and \$6,830 Permanent Improvement Refunding Bonds, Series 1991B with interest rates ranging from 4.65% to 9.00%. From refunding proceeds of \$25,384, payments amounting to \$25,109 (after payment of underwriting fees and other issuance costs plus additional receipts of \$88 for accrued interest, \$86 premium on capital appreciation bonds, \$34 for premium of Road Bonds, and \$159 net premium on Permanent Improvement Bonds) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds which were refunded. As a result, those bonds are considered to be defeased, and the liability for these bonds has been removed from the Government-wide Statement of Net Assets. The County is contingently liable for debt service requirements of the refunded issues in the principal amount of \$17,910 at September 30, 2002.

On August 16, 2001, the County issued \$46,921 in General Obligation Bonds with interest rates ranging from 4.00% to 5.50% to advance refund \$9,830 of outstanding Road Improvement and Refunding Bonds, Series 1992; \$18,000 of Road Bond Series 1995; \$10,500 of Road Bond Series 1996; and \$9,465 of Permanent Improvement and Refunding Bonds, Series 1992A with interest rates ranging from 5.00% to 7.625%. From refunding proceeds of \$49,500, payments amounting to \$48,837 (after payment of underwriting fees and other issuance costs plus additional receipts of \$148 for accrued interest, \$1,577 premium on Road Bonds and \$99 for premium on Permanent Improvement Bonds) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds which were refunded. As a result, those bonds are considered to be defeased and the liability for these bonds have been removed from the Government-wide Statement of Net Assets. The County is contingently liable for debt service requirements of the refunded issues in the principal amount of \$39,365 at September 30, 2002.

CAPITAL APPRECIATION BONDS

Capital appreciation bonds, which accrue and compound interest from their date of delivery to yield the rates per annum set forth above, were issued in the original principal amount of \$13,597 and will be payable serially with the total maturity amount of \$28,415.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

VI. LONG-TERM DEBT (Continued)

Contractual Maturities

The annual debt service for general obligation bonds are as follows:

Governmental Activities

<u>Years Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2003	\$32,795	\$11,403
2004	30,782	9,954
2005	28,859	9,725
2006	25,847	8,931
2007	20,700	7,693
2008 – 2012	63,305	20,827
2013 – 2017	32,510	8,147
2018- 2021	<u>12,955</u>	<u>1,515</u>
Total	<u>\$247,753</u>	<u>\$78,195</u>

The Debt Service Funds have \$14,671 available to service the general long-term bond retirement. There are a number of limitations and restrictions contained in the various bond indentures. The County is in compliance with all significant limitations and restrictions.

Conduit Debt

The Housing Finance Corporation issues single family revenue bonds to provide financial assistance to qualified homeowners. As of September 30, 2002, there were five series of single family revenue bonds outstanding, with an aggregate principal amount payable of \$9,080.

Discretely Presented Component Unit

Long-term debt expected to be paid by the District consists of the following at September 30, 2002:

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

VI. LONG-TERM DEBT (Continued)

Revenue bonds:

Series 1994, with interest from 5% to 5.40% payable semiannually, principal payable annually from 1995 to 2006	\$ 12,620
Less unamortized original discount	(99)
Capital leases	<u>1,414</u>
Total component units long-term debt	13,935
Less current maturities	<u>(3,296)</u>
	<u><u>\$ 10,639</u></u>

Gross revenues (excluding ad valorem taxes) are pledged as collateral on all revenue bond series debt.

Changes in Long-term Debt

A summary of long-term debt transactions for the year ended September 30, 2002, follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$15,355	\$ -	\$ (2,735)	\$12,620	\$2,890
Capital Lease	1,480	341	(407)	1,414	406
Less: unamortized discount	(126)	-	27	(99)	-
Professional and General Liability	4,829	1,582	(1,008)	5,403	-
Total	<u>\$21,538</u>	<u>\$ 1,923</u>	<u>\$ (4,123)</u>	<u>\$19,338</u>	<u>\$3,296</u>

Advance Refundings

In March 1994, proceeds of the Revenue Bonds Series 1994 were deposited with a trustee sufficient to defease \$20,195 and \$4,860 of the Revenue Bonds Series 1986 and 1992, respectively, with maturities in 1997 through 2006 and 2002 through 2012, respectively. At September 30, 2002, the Series 1986 and Series 1992 bonds have been fully paid.

Certain proceeds of the General Obligation Bonds Series 1985 were deposited with a trustee in sufficient amounts to defease all the outstanding General Obligation Bonds (Series 1981, 1982, 1982A and 1984) when due or callable. At September 30, 2002, there was \$1,100 of these defeased bonds remaining outstanding.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

VI. LONG-TERM DEBT (Continued)

Contractual Maturities

Long-term debt maturities and capital lease obligations at September 30, 2002 are as follows:

<u>Years Ending September 30,</u>	<u>Component Unit</u>	
	<u>General Obligation and Revenue Bond Debt</u>	<u>Obligations Under Capital Leases</u>
2003	\$ 2,890	\$ 521
2004	3,060	521
2005	3,235	513
2006	3,435	78
	12,620	1,633
Less: unamortized discount interest	(99)	-
Principal due	\$ 12,521	\$ 1,414

The District is in compliance with all significant restrictions contained in the various bond indentures.

VII. INTERFUND RECEIVABLES, PAYABLE BALANCES AND TRANSFERS

The composition of interfund balances as of September 30, 2002, is as follows:

<u>Due to/from other funds:</u>		<u>Amount</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Historical Exhibit	\$ 3
General Fund	Child Support	7
General Fund	Appellate Justice System	1
		11
Totals		\$ 11

The "due to" the General Fund covers postage and office supply charges to the Historical Exhibit, Child Support and Appellate Justice System funds.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

Transfer In:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Transfer out:						
General fund	\$ -	\$ 842	\$ -	\$ 2,330	\$ 860	\$ 4,032
Major Projects	601	-	-	-	-	601
Nonmajor Governmental Funds	<u>34,091</u>	<u>3,878</u>	<u>7,103</u>	<u>-</u>	<u>296</u>	<u>45,368</u>
Totals	<u>\$ 34,692</u>	<u>4,720</u>	<u>\$ 7,103</u>	<u>\$ 2,330</u>	<u>\$ 1,156</u>	<u>\$ 50,001</u>

The Road and Bridge districts provide most of the transfers (\$42,600/\$50,001) from vehicle registration fees, criminal fines and forfeitures and the transfers are made to the General Fund, Debt Service Fund and Major Projects Fund.

PAYABLES

Primary Government - About one-third of the \$18,370 balance in accounts payable and other current liabilities at FY2002 year end represent accrued payroll liabilities and about two-thirds are payables to vendors and contractors.

Discretely Present Component Unit – Accounts payable in the statement of net assets includes accounts payable to vendors of \$50,033 and Health plan reserves for incurred but unreported claims of \$21,216 as of September 30, 2002. Accrued payroll and benefits is made up of accrued payroll of \$11,715, employee health care liability of \$4,302 and other employee benefits of \$12,742 as of September 30, 2002.

VIII. RETIREMENT COMMITMENTS

Primary Government

(a) *Plan Description*

The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The Board of Trustees is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 502 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 upon written request from the Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

VIII. RETIREMENT COMMITMENTS (Continued)

The plan provisions are adopted by the governing body of the employer, within the options available in the state statutes governing the TCDRS (TCDRS Act). Members employed by Dallas County can retire at age 60 and above with ten 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 ten years of employment with any organization with an accredited plan not just Dallas 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 the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

(b) *Funding Policy*

The County has chosen a fixed rate plan under the provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCRS Act, the regular 7% contribution rate of the employer is a fixed percent equal to the 7% contribution rate payable by the employee members as adopted by the governing body of the County. Starting with FY2003 payroll, the County will increase its contribution from 7% to 8½%. This regular contribution rate of the County is not actuarially determined and is one of the rates that can be adopted in accordance with the TCDRS Act. The plan of benefits, however, adopted by the County at the time of plan inception or when benefit increases were adopted was limited by the TCDRS Act to what the actuary determined could be adequately financed by the commitment of the County to contribute the same amount as the employees. The employee contribution rate and the County's contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act. If a plan has had adverse experience, the TCDRS Act has provisions, which allow the employer to contribute a fixed supplemental contribution rate determined by the System's actuary above the regular rate for 25 years or to reduce benefits earned in the future.

(c) *Annual Pension Cost*

For the employer's accounting year ended September 30, 2002 the annual pension cost for the TCDRS plan for its employees was \$15,662 and the actual contributions were \$15,662. While the actual contributions were not actuarially determined but were a fixed percent of the covered payroll of the participating employees, the annual required contributions were in compliance with the GASB Statement No. 27 parameters based on the actual actuarial

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

**September 30, 2002
(in thousands of dollars)**

VIII. RETIREMENT COMMITMENTS (Continued)

valuations as of December 31, 1999 and December 31, 2000, the basis for assessing the adequacy of the financing arrangement beginning with the contribution rates for calendar years 2001 and 2002. The December 31, 2001 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	December 31, 1999	December 31, 2000	December 31, 2001
Actuarial cost method	Unit Credit	Unit Credit	Entry Age
Amortization cost method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization period	30 years	30 years	Infinity
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustments	Long-term appreciation with adjustments
Actuarial Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.0%	7.0%	5.5%
Inflation	4.0%	4.0%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

Annual Pension Cost

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2000	\$ 13,177	100%	—
September 30, 2001	\$ 14,548	100%	—
September 30, 2002	\$ 15,662	100%	—

**Schedule of Funding Progress
for the Retirement Plan**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>(Unfunded) Assets in Excess of AAL (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
December 31, 1999	463,415	460,601	2,815	100.6	200,505	1.40
December 31, 2000	501,898	498,967	2,931	100.6	203,499	1.44
December 31, 2001	539,413	609,282	(69,870)	88.5	216,653	(32.25)

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(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 (the Plan), which covers substantially all of its full-time employees. The Plan is administered by an Administrative Committee appointed by the Board of Managers of the District. The annual payroll for employees covered by the Plan as of January 1, 2002, was approximately \$252,360. For the year ended September 30, 2002, the District's total payroll was approximately \$339,670. Membership in the Plan as of January 1, 2002 and 2001, was composed of the following:

	Members	
	2002	2001
Group		
Retirees and beneficiaries	668	630
Vested terminated employees	1,973	1,853
Active employees:		
Fully vested	2,904	2,788
Nonvested	3,801	3,499

Employees are required to contribute 4.5% of their annual salary to the Plan. The District is required by the Plan document to contribute the remaining amount necessary to fund the Plan using actuarial methods.

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 2.5% of their final average earnings for each year of service after 1981 up to a maximum of 60% of final average earnings. 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.

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 plus 5% interest compounded annually. 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.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

VIII. RETIREMENT COMMITMENTS (Continued)

The actuarial accrued liability, based on projected unit cost, was determined as part of an actuarial valuation of the Plan as of January 1, 2002. The January 1, 2001, actuarial valuation is included below for comparative purposes. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8.25% per year compounded annually, (b) projected salary increases ranging from 4.25% to 6.85% per year compounded annually depending on years of service, averaging 5.25% in the aggregate (4.25% for inflation and 1.0% for seniority/merit increases), (c) the assumption that benefits will not increase after retirement and (d) cost of living adjustments of 0% per year (in thousands).

	January 1	
	2002	2001
Retirees and beneficiaries currently receiving benefits	\$ 53,915	\$ 46,647
Terminated employees not yet receiving benefits	44,595	33,371
Current employees:		
Accumulated employee contributions, including allocated investment income	72,858	64,889
Employer financed	65,375	54,987
Total actuarial accrued liability	236,743	199,894
Net assets available for benefits, at market value	210,074	190,643
Assets in excess of actuarial accrued liability	\$ (26,669)	\$ (9,251)

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 contributions are determined using the projected unit credit actuarial cost method and are equal to the normal cost plus an amount required to amortize the unfunded actuarial accrued liability as of the valuation date over a period of 30 years under a level percent-of-pay approach. The amortization period is open.

During the years ended September 30, 2002 and 2001, \$12,689 and \$10,841, respectively, of employee contributions (4.7% of covered payroll) were made in accordance with the established contribution requirements described above. The District contributed \$12,957 to the Plan during the year ended September 30, 2002, in accordance with contribution requirements determined by the January 1, 2002, actuarial valuation. These contributions consisted of \$12,876 for normal cost and \$81 for amortization of the unfunded actuarial accrued liability and represented 5.1% of covered payroll for the year. The District contributed \$3,876 to the Plan during the year ended September 30, 2001, in accordance with contribution requirements determined by the January 1, 2001, actuarial valuation. These contributions consisted of \$3,761 for normal cost and \$115 for amortization of the unfunded actuarial accrued liability and represented 1.7% of covered payroll for the year.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

VIII. RETIREMENT COMMITMENTS (Continued)

Three-year historical trend pension plan presenting funding progress of defined benefit pension plan is presented on pages 82. 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 Benefits office. At January 1, 2002, 2001 and 2000, respectively, available assets were sufficient to fund 88.8%, 95.4%, and 101.0% of the actuarial accrued liability (AAL). The assets in excess (less than) of AAL in January 1, 2002, 2001 and 2000, represented (10.6)%, (4.1)%, and 0.8% of the annual payroll for employees covered for the District's 2002, 2001 and 2000 Plan fiscal years, respectively. In addition, for the Plan's fiscal years 2002 and 2001, the District's contributions made in accordance with actuarially determined requirements were 5.1% and 1.7%, respectively, of the annual covered payroll.

Defined Contribution Plan

The District also maintains a voluntary defined contribution plan covering all employees with at least one year of service. The payroll for employees covered by the Plan for the year ended September 30, 2002, was approximately \$280,388; the District's total payroll was approximately \$339,670. 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 salary. 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 matching contributions in the aggregate in the following year. Contributions for the year ended September 30, 2002 were approximately \$10,112 from the District and \$14,145 for employees, or 5.0% of covered payroll. The required contribution by the District for 2002 has been reduced by approximately \$631, representing forfeitures of prior District contributions and related investment income for nonvested employees withdrawing from the Plan upon termination.

IX. LEASES

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

	2003	962
	2004	863
	2005	734
	2006	433
	2007	170
Total		\$ <u>3,162</u>

Rental expense for all operating leases was approximately \$1,059 in 2002.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

IX. LEASES (Continued)

The District leases facilities and equipment under operating leases that expire over periods of up to eight years. Renewal and purchase options are available on certain of these leases. At September 30, 2002, future minimum rental payments applicable to the operating leases are as follows:

2003	\$	1,391
2004		1,418
2005		1,332
2006		860
2007		893
Thereafter		<u>1,476</u>
Total	\$	<u><u>7,370</u></u>

Rental expense for all operating leases was approximately \$3,243 in 2002.

The District is also a lessor primarily of land and parking space under operating leases. Renewal options are available on certain of these leases. The land and the parking garage are carried at a cost of \$1,559 and \$8,887 respectively. The accumulated depreciation on the parking garage is \$5,634 at September 30, 2002.

Minimum future rentals to be received under operating leases are as follows:

2003	\$	954
2004		901
2005		695
2006		670
2007		577
Thereafter		<u>5,822</u>
Total	\$	<u><u>9,619</u></u>

X. RISK MANAGEMENT

Primary Government

The County has elected to self-insure against the risks arising from tort claims, workers' compensation benefits due 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 Tax Office and County Treasurer's Office), 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 also

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

X. RISK MANAGEMENT (Continued)

chosen to be a reimbursing employer under the unemployment compensation program administered by the Texas Employment Commission.

The County's workers' compensation self-insurance program provides medical and indemnity payments as required by law for on-the-job related injuries. The liability is recognized in the government-wide statements. The third-party administrator for the program, Cunningham Lindsey, monitors the filing of claims, verifies the legitimacy and processes payments to the injured employees. Since the County's policy requires claims to be filed within 24 hours of accident, the liability includes no incurred but not reported claims.

The Group Health Insurance Internal Service Fund was established to account for the County's group health, life, accidental death and dismemberment insurance. The County provides insurance benefits from this fund through its third-party administrator, North Texas Health Choice. The County pays certain amounts of premiums for employees into the fund and allows employees to select additional benefits for them and their dependents with premiums paid by the employees.

Premiums are paid into the Internal Service Fund by all other funds. Contracted insurance providers receive disbursements from the Fund based on monthly enrollment and premium calculations. All funds are available to pay claims, claim reserves and administrative costs of the programs. During fiscal year 2002, a total of \$26,714 was paid in benefits and administrative costs. The medical claims liability includes an estimate of \$1,800 of incurred but not reported claims. The County has stop-loss coverage with its third-party administrator for individual claims in excess of \$275 and aggregate stop-loss of \$26,750.

Changes in the medical and workers' compensation claims liability amounts in fiscal years 2002 and 2001 follow:

	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Liability</u>
2002 Medical	\$ 4,026	22,603	23,629	3,000
2001 Medical	\$ 4,200	\$ 19,416	\$ 19,590	\$ 4,026
2002 Workers' Compensation	\$ 4,646	3,439	3,085	5,000
2001 Workers' Compensation	\$ 2,094	\$ 6,373	\$ 3,821	\$ 4,646

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2002
(in thousands of dollars)

X. RISK MANAGEMENT (Continued)

Discretely Presented Component Unit

The liabilities described below as of September 30, 2002 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.

Hospital Professional Liability 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 long-term liabilities. The amounts provided for funding and the estimated liability are based on studies prepared by an independent actuary for 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 is discounted at a 5% annual rate.

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 program does not provide for specific excess of loss reinsurance for any one accident or occurrence. The amount provided for the estimated liability is based on studies prepared by an independent actuary for settlement of claims.

Workers' Compensation Liability - The District manages a self-insurance plan for workers' compensation benefits. The District records estimated self-insurance costs for workers' compensation as current liabilities. The amounts provided for funding and the estimated liability are based on studies prepared by an independent actuary for settlement of claims. The funding is discounted at a 5% annual rate.

Changes in the Hospital Professional Liability and General Liability, Employee Health Care Benefit Liability and Workers' Compensation Liability amounts in fiscal 2002 and 2001 were as follows:

	<u>Beginning Liability</u>		<u>Current Year Claims and Changes in Estimates</u>		<u>Claims Payments</u>		<u>Ending Liability</u>
Hospital professional and general liability							
2002	\$ 4,829		1,582		(1,008)		5,403
2001	5,500	\$	642	\$	(1,313)	\$	4,829
Employee health care liability:							
2002	\$ 2,400		18,727		(16,825)		4,302
2001	\$ 2,230	\$	9,066	\$	(8,896)	\$	2,400
Workers' compensation liability:							
2002	\$ 3,059		1,500		(1,538)		3,021
2001	3,029	\$	1,584	\$	(1,554)	\$	3,059

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

**September 30, 2002
(in thousands of dollars)**

XI. COMMITMENTS AND CONTINGENCIES

Primary Government

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. A contingent liability was not established because potential reimbursements are considered immaterial.

Several lawsuits that could affect the County's financial position are in various stages of litigation. An estimated liability of \$6,000 has been established in the government-wide Statement of Net Assets to provide coverage for the estimated maximum cost to the County. There are other lawsuits and claims in which the County is involved. Based upon the representations of the District Attorney and legal counsels 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 of the County.

Discretely Presented Component Unit

Parkland is involved in certain legal actions and claims arising in the ordinary course of operations. Parkland records estimated self-insurance costs for medical malpractice and general liabilities as long-term liabilities. The amounts provided for funding and the estimated liability are based on studies prepared by an independent actuary for settlement of claims. The professional and general liability at FY2002 year end totaled \$5,403.

XII. DEFICIT NET ASSETS

The County's Internal Service Fund has a net asset deficit at September 30, 2002 of \$2,252. The fund was established as a self-supporting internal service fund to provide group hospitalization, medical and dental benefits to County employees and dependents. The fund also contains flexible spending accounts for employees for eligible medical and dependent care expenses. Mounting insurance costs will be covered by increased future premiums and reduced benefit levels.

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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

DALLAS COUNTY, TEXAS
Required Supplementary Information
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2002
(in thousands of dollars)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 177,214	\$ 177,214	\$ 174,408	\$ (2,806)
Licenses and permits	310	310	562	252
Fines and forfeitures	11,321	11,321	8,866	(2,455)
Investments	5,376	5,376	3,709	(1,667)
Rentals	3,660	3,660	3,851	191
Intergovernmental revenues	5,449	5,449	8,800	3,351
Charges for current services	93,317	93,317	97,596	4,279
Miscellaneous	10,572	10,572	10,029	(543)
Total revenues	<u>307,219</u>	<u>307,219</u>	<u>307,821</u>	<u>602</u>
EXPENDITURES:				
General government:				
Salaries	33,514	30,353	29,991	362
Allowances	32	35	30	5
Operating	30,125	31,621	25,800	5,821
Property	719	1,317	649	668
Total general government	<u>64,390</u>	<u>63,326</u>	<u>56,470</u>	<u>6,856</u>
Public safety:				
Salaries	119,453	129,146	128,300	846
Allowances	156	152	151	1
Operating	28,103	28,004	25,700	2,304
Property	1,975	1,817	1,431	386
Total public safety	<u>149,687</u>	<u>159,119</u>	<u>155,582</u>	<u>3,537</u>
Health:				
Salaries	13,215	13,020	12,967	53
Allowances	59	53	52	1
Operating	13,505	14,815	11,693	3,122
Property	37	68	30	38
Total health	<u>26,816</u>	<u>27,956</u>	<u>24,742</u>	<u>3,214</u>
Public Welfare:				
Salaries	5,816	5,905	5,392	513
Allowances	51	58	58	-
Operating	3,455	3,470	2,448	1,022
Property	2	23	20	3
Total welfare	<u>9,324</u>	<u>9,456</u>	<u>7,918</u>	<u>1,538</u>
Libraries:				
Salaries	-	-	-	-
Operating	61	61	40	21
Property	-	-	-	-
Total libraries	<u>61</u>	<u>61</u>	<u>40</u>	<u>21</u>

DALLAS COUNTY, TEXAS
 Required Supplementary Information
 General Fund - Continued

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2002
 (in thousands of dollars)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Judicial				
Salaries	\$ 63,561	\$ 65,047	\$ 63,484	\$ 1,563
Allowances	33	34	34	-
Operating	27,035	28,907	25,973	2,934
Property	154	204	33	171
Total judicial	90,783	94,192	89,524	4,668
Reserves	40,989	27,940	-	27,940
Total expenditures	382,050	382,050	334,276	47,774
Excess (Deficiency) of revenues				
over (under) expenditures	(74,831)	(74,831)	(26,455)	48,376
OTHER FINANCING SOURCES (USES)				
Operating transfers in	35,758	35,758	34,692	(1,066)
Operating transfers out	(4,032)	(4,032)	(4,032)	-
Total other financing sources	31,726	31,726	30,660	(1,066)
and uses				
Net change in fund				
balances	(43,105)	(43,105)	4,205	47,310
Fund balances - beginning	43,105	43,105	43,105	-
Fund balances - ending	\$ -	\$ -	\$ 47,310	\$ 47,310

Note: See accompanying independent auditors' report.

DALLAS COUNTY, TEXAS
Required Supplementary Information
Major Projects Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended September 30, 2002
in thousands of dollars)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes	\$ 17,787	\$ 17,787	17,284	\$ (503)
Investments and rentals	630	630	882	252
Miscellaneous	—	—	347	347
Total revenues	<u>18,417</u>	<u>18,417</u>	<u>18,513</u>	<u>96</u>
EXPENDITURES				
General government:				
Property	<u>35,823</u>	<u>35,823</u>	<u>11,372</u>	<u>24,451</u>
Total expenditures	<u>35,823</u>	<u>35,823</u>	<u>11,372</u>	<u>24,451</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(17,406)</u>	<u>(17,406)</u>	<u>7,141</u>	<u>24,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers to general fund	(558)	(558)	—	558
Transfers to debt service	—	—	(601)	(601)
Transfers from major technology	—	—	1,021	1,021
Transfer from other funds	—	—	680	680
Transfer from road & bridge districts	<u>5,402</u>	<u>5,402</u>	<u>5,402</u>	<u>—</u>
Total other financing sources and uses	<u>4,844</u>	<u>4,844</u>	<u>6,502</u>	<u>1,658</u>
Net change in fund balances	(12,562)	(12,562)	13,643	26,205
Fund balances - beginning	<u>30,438</u>	<u>30,438</u>	<u>30,438</u>	<u>—</u>
Fund balances - ending	<u>\$ 17,876</u>	<u>\$ 17,876</u>	<u>\$ 44,081</u>	<u>\$ 26,205</u>

Note: See accompanying independent auditors' report.

DALLAS COUNTY, TEXAS

Required Supplementary Information
Grants Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

For the Year Ended September 30, 2002

(in thousands of dollars)

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 75,218	\$ 75,747	\$ 529
EXPENDITURES			
Judicial:	2,117	2,082	35
Public safety:	4,525	4,450	75
Health:	22,838	22,460	378
Public welfare:	44,248	43,516	732
Education	<u>5,662</u>	<u>5,569</u>	<u>93</u>
Total expenditures	<u>79,390</u>	<u>78,077</u>	<u>1,313</u>
Excess (deficiency) of revenues over (under) expenditure	<u>(4,172)</u>	<u>(2,330)</u>	<u>1,842</u>
OTHER FINANCING SOURCES (USES)			
Transfer from general fund	4,150	2,330	(1,820)
Transfer to general fund	<u> </u>	<u> </u>	<u> </u>
Other financing sources and uses	<u>4,150</u>	<u>2,330</u>	<u>(1,820)</u>
Net change in fund balances	(22)	—	22
Fund balances - beginning	—	—	—
Fund balances - ending	<u>\$ (22)</u>	<u>\$</u>	<u>22</u>

Note: See accompanying independent auditors' report.

DALLAS COUNTY, TEXAS
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual

September 30, 2002

Budgetary information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County’s Office of Budget and Evaluation and approved by the Commissioners Court following a public hearing. The County maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County’s governing body and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund, Debt Service Funds and Special Revenue Funds (except for the District Attorney funds and the HIV grant fund). Project-length financial plans are adopted for the Capital Projects Funds.

The budget law 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 Officer 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/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 Funds’ expenditures for principal and interest on long-term debt are considered to be in the operations category. Appropriation transfers may be made between categories or departments only with the approval of the Commissioners Court. Such transfers were made during fiscal year 2002 but did not increase the County’s overall budget. Unencumbered funds lapse at fiscal year end. The original budgets 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, Dallas, Texas 75202-3504.

DALLAS COUNTY, TEXAS
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Continued

September 30, 2002

Encumbrances - Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts and other commitments for the expenditure of monies) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because commitments will be re-appropriated and honored during the subsequent year.

Note: See accompanying independent auditors' report.

DALLAS COUNTY, TEXAS

Required Supplementary Information (Unaudited)

Infrastructure Assets Under Modified Approach
September 30, 2002

(in thousands)

A federal highway administration pavement condition rating (PCR) was utilized to assess the condition of the 147 miles of County roads. The County policy is to maintain roads at a minimum of 2.5 on the 4.0 scale. The County's Public Works Department performed a physical inventory and assessment of every County road. The data is being entered into our asset management system. The following conditions were defined and associated to a rating

Condition	Rating
Excellent	4
Good	3
Fair	2
Poor	1

**Percentage of roads with
2.5 or better
condition**

Road and Bridge

<u>District</u>	<u>2002</u>
District 1	-
District 2	99.4
District 3	95.9
District 4	<u>100.0</u>
Overall System	<u>98.4</u>

Consistent with County policy, the chart above shows that most of the County roads are in average or better condition.

For the year ended September 30, 2002, annual maintenance and preservation costs of \$2,989 were higher than the estimated amount needed of \$2,020. The variance was due to scheduling changes on road projects because of re-districting.

Note: See accompanying independent auditors' report.

DALLAS COUNTY, TEXAS

Required Supplementary Information (Unaudited)

Infrastructure Assets Under Modified Approach
September 30, 2002

(in thousands)

Number of Bridges

	<u>Rating</u>	<u>Number</u>	<u>%</u>
Very good	6.0-9.0	37	86
Good	4.0-5.9	6	14
Fair	3.0-3.9	-	-
Poor	0.0-2.9	<u>-</u>	<u>-</u>
Total		43	100

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. There are currently 49 records in the Public Works Bridge inventory. The BRINSAP summary shows 43 bridges in the Dallas County unincorporated area were rated. Four structures in inventory have a width less than the minimum required for classification as a bridge and were not rated. Two other bridges are closed and were not rated. The above charts show that the County's bridges are well maintained and in good or very good condition and this is consistent with County policy. The bridges are inspected every two years.

Note: See accompanying independent auditors' report.

DALLAS COUNTY, TEXAS

Required Supplementary Information (Unaudited)

Discretely Presented Component Unit

Schedule of Funding Progress of Defined Benefit Pension Plan
Three –Year Historical Trend Beginning January 1, 2000
(in thousands)

<u>Actuarial Valuation Date as of January 1</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Assets Over (Under) Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Actuarial Covered Payroll</u>	<u>Assets Over (Under) Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
2000	\$ 174,222	\$ 172,486	\$ 1,736	101.0%	\$ 216,880	0.8%
2001	\$ 190,643	\$ 199,894	\$ (9,251)	95.4%	\$ 224,784	(4.1)%
2002	\$ 210,074	\$ 236,743	\$ (26,669)	88.8%	\$ 252,360	(10.6)%

Note: See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

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**DALLAS COUNTY
NONMAJOR GOVERNMENT 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 - 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 - receives an allocation of ad valorem taxes for building maintenance and construction of permanent improvements.

Law Library Fund - 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.

Parking Garage Revenue Fund - used to account for monies received from the operation of the County-owned parking garage.

HIV Grant - used to account for funds received from federal and state governments to provide relief for individuals who are currently ill or are family members of individuals who are currently ill with the AIDS virus.

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

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

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

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

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

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

Child Support-Special Fund - used to account for the operations of the Child Support and Family Court Services under the jurisdiction of the Dallas County District Judges.

Alternative Dispute Resolution Fund - 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 - 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.

**DALLAS COUNTY, TEXAS
NONMAJOR GOVERNMENT FUNDS - Continued**

Debt Service Fund

The Parking Garage Debt Service Fund is used to account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on general long-term debt. Parking garage debt matures in FY2003 and the fund will subsequently be closed.

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:

Certificates of Obligation Fund, Series 1994 - used to account for certificates of obligation proceeds to pay contractual obligations incurred for renovations, improvements and additions to various County facilities.

Certifications of Obligation Fund, Series 1995, 1996, 1996A and 1997B - used to finance certain equipment purchases and capital improvements to County facilities.

Certificates of Obligation Fund, Series 1998 - used to finance various capital improvement projects.

Permanent Improvement Bond Funds, Series 1985, 1988 and 1995 - used to account for proceeds from bond issues for construction and/or renovation of criminal courts building, courthouse, jail facilities, office buildings and various County buildings, in addition to the acquisition and improvement of open-space land.

Permanent Improvement Bond Fund, Series 1992 - used to account for proceeds from bonds issued to purchase buildings to house the health and human services departments, to secure land for the construction of the consolidated juvenile justice facility and to acquire open space park land.

Road Bond Funds, Series 1977, 1985, 1988, 1992, 1995, 1996, and 2000 - used to account for proceeds from bonds issued for the purchase of right-of-way and for the subsequent construction of roads and bridges throughout the County.

Unlimited Tax Refunding and Improvement Bonds, Series 2001A - used to provide funds to partially refund Road Bonds, Series 1992, 1995, and 1996 and to provide funds for the construction, maintenance and operation of certain roads in the County, including participation in state highway projects.

DALLAS COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2002

(in thousands of dollars)

Special Revenue

	<u>Road and Bridge</u>	<u>Permanent Improvement</u>	<u>Law Library</u>	<u>Parking Garage Revenue</u>	<u>HIV Grant</u>
ASSETS					
Cash and investments	\$ 13,949	\$ 795	\$ 1,090	\$ 46	\$ 159
Receivables:					
Taxes - current	—	2,520	—	—	—
Less allowance for uncollectibles	—	(215)	—	—	—
Net taxes receivable	—	2,305	—	—	—
Accounts	1,262	3	56	—	—
Due from other governmental units	—	—	—	—	—
Inventories	758	—	—	—	—
Total assets	\$ <u>15,969</u>	\$ <u>3,103</u>	\$ <u>1,146</u>	\$ <u>46</u>	\$ <u>159</u>
LIABILITIES					
Accounts payable	\$ 212	\$ 22	\$ 20	\$ 16	\$ —
Due to other funds	—	—	—	—	—
Due to other governmental units	2,750	—	—	—	—
Deferred revenue	550	2,305	—	—	—
Total liabilities	3,512	2,327	20	16	—
FUND BALANCES					
Reserved for encumbrances	501	773	90	—	—
Reserved for inventory of supplies	758	—	—	—	—
Reserved for debt service	—	—	—	—	—
Reserved for Capital Projects	—	—	—	—	—
Unreserved	11,198	3	1,036	30	159
Total fund balances	12,457	776	1,126	30	159
Total liabilities and fund balances	\$ <u>15,969</u>	\$ <u>3,103</u>	\$ <u>1,146</u>	\$ <u>46</u>	\$ <u>159</u>

(Continued)

DALLAS COUNTY, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Continued
September 30, 2002
in thousands of dollars)

Special Revenue - Continued

	Major Technology	District Attorney		District Attorney Forfeiture		
		HIDTA Federal	Special	Federal	State	
ASSETS						
Cash and investments	\$ 5,880	\$ 55	\$ 1,025	\$ 422	\$ 1,291	
Receivables:						
Taxes - current	6,723	—	—	—	—	
Less allowance for uncollectibles	(375)	—	—	—	—	
Net taxes receivable	6,348	—	—	—	—	
Accounts	7	—	—	—	—	
Due from other governmental units	—	—	—	—	—	
Inventories	—	—	—	—	—	
Total assets	\$ 12,235	\$ 55	\$ 1,025	\$ 422	\$ 1,291	
LIABILITIES						
Accounts payable	\$ 31	\$ —	\$ —	\$ —	\$ —	
Due to other funds	—	—	—	—	—	
Due to other governmental units	—	—	—	—	—	
Deferred revenue	6,348	—	—	—	—	
Total liabilities	6,379	—	—	—	—	
FUND BALANCES						
Reserved for encumbrances	105	—	—	—	—	
Reserved for inventory of supplies	—	—	—	—	—	
Reserved for debt service	—	—	—	—	—	
Reserved for Capital Projects	—	—	—	—	—	
Unreserved	5,751	55	1,025	422	1,291	
Total fund balances	5,856	55	1,025	422	1,291	
Total liabilities and fund balances	\$ 12,235	\$ 55	\$ 1,025	\$ 422	\$ 1,291	

(Continued)

DALLAS COUNTY, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Continued
September 30, 2002
(in thousands of dollars)

Special Revenue - Continued

	<u>District Attorney- Other Forfeitures</u>	<u>Historical Commission</u>	<u>Historical Exhibit</u>	<u>Child Support - Special</u>	<u>Alternative Dispute Resolution</u>	<u>Appellate Justice System</u>	<u>Total</u>
ASSETS							
Cash and investments	\$ 4	\$ 20	\$ 348	\$ 143	\$ 298	\$ 744	\$ 26,269
Receivables:							
Taxes - current	—	—	—	—	—	—	9,243
Less allowance for uncollectibles	—	—	—	—	—	—	(590)
Net taxes receivable	—	—	—	—	—	—	8,653
Accounts	—	—	—	—	98	19	1,445
Due from other governmental units	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	758
Total assets	<u>\$ 4</u>	<u>\$ 20</u>	<u>\$ 348</u>	<u>\$ 143</u>	<u>\$ 396</u>	<u>\$ 763</u>	<u>\$ 37,125</u>
LIABILITIES							
Accounts payable	\$ —	\$ —	\$ 114	\$ 76	\$ —	\$ 1	\$ 492
Due to other funds	—	—	3	7	—	1	11
Due to other governmental units	—	—	—	—	—	—	2,750
Deferred revenue	—	—	—	—	98	—	9,301
Total liabilities	—	—	117	83	98	2	12,554
FUND BALANCES							
Reserved for encumbrances	—	—	25	16	—	4	1,514
Reserved for inventory of supplies	—	—	—	—	—	—	758
Reserved for debt service	—	—	—	—	—	—	—
Reserved for Capital Projects	—	—	—	—	—	—	—
Unreserved	<u>4</u>	<u>20</u>	<u>206</u>	<u>44</u>	<u>298</u>	<u>757</u>	<u>22,299</u>
Total fund balances	<u>4</u>	<u>20</u>	<u>231</u>	<u>60</u>	<u>298</u>	<u>761</u>	<u>24,571</u>
Total liabilities and fund balances	<u>\$ 4</u>	<u>\$ 20</u>	<u>\$ 348</u>	<u>\$ 143</u>	<u>\$ 396</u>	<u>\$ 763</u>	<u>\$ 37,125</u>

(Continued)

DALLAS COUNTY, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Continued
September 30, 2002
(in thousands of dollars)

Capital Projects

	Certificates of Obligation					Permanent	
	1995	1996	1996A	1997B	1998	1985	1988
ASSETS							
Cash and investments	\$ 246	\$ 82	\$ 15	\$ 139	\$ 1,642	\$ 28	\$ 159
Receivables:							
Taxes - current	—	—	—	—	—	—	—
Less allowance for uncollectibles	—	—	—	—	—	—	—
Net taxes receivable	—	—	—	—	—	—	—
Accounts	—	—	—	—	—	—	—
Due from other governmental units	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—
Total assets	<u>\$ 246</u>	<u>\$ 82</u>	<u>\$ 15</u>	<u>\$ 139</u>	<u>\$ 1,642</u>	<u>\$ 28</u>	<u>\$ 159</u>
LIABILITIES							
Accounts payable	\$ —	\$ —	\$ 15	\$ 139	\$ 26	\$ —	\$ 62
Due to other funds	—	—	—	—	—	—	—
Due to other governmental units	—	—	—	—	—	—	—
Deferred revenue	—	—	—	—	—	—	—
Total liabilities	—	—	15	139	26	—	62
FUND BALANCES							
Reserved for encumbrances	7	14	—	—	33	—	—
Reserved for inventory of supplies	—	—	—	—	—	—	—
Reserved for debt service	—	—	—	—	—	—	—
Reserved for Capital Projects	239	68	—	—	1,583	28	97
Unreserved	—	—	—	—	—	—	—
Total fund balances	<u>246</u>	<u>82</u>	<u>—</u>	<u>—</u>	<u>1,616</u>	<u>28</u>	<u>97</u>
Total liabilities and fund balances	<u>\$ 246</u>	<u>\$ 82</u>	<u>\$ 15</u>	<u>\$ 139</u>	<u>\$ 1,642</u>	<u>\$ 28</u>	<u>\$ 159</u>

Improvement Bonds		Road Bonds								Total
1992	1995	1977	1985	1988	1992	1995	1996	2000	2001A	
\$ 559	\$ 1,117	\$ 1,384	\$ 1,535	\$ 1,156	\$ 1,653	\$ 4,069	\$ 5,941	\$ 15,601	\$ 39,358	\$ 74,684
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	546	899	524	837	150	—	2,956
—	—	—	—	—	—	—	—	—	—	—
<u>\$ 559</u>	<u>\$ 1,117</u>	<u>\$ 1,384</u>	<u>\$ 1,535</u>	<u>\$ 1,702</u>	<u>\$ 2,552</u>	<u>\$ 4,593</u>	<u>\$ 6,778</u>	<u>\$ 15,751</u>	<u>\$ 39,358</u>	<u>\$ 77,640</u>
\$ 91	\$ 22	\$ —	\$ 8	\$ —	\$ 8	\$ 105	\$ 80	\$ 1,413	\$ —	\$ 1,969
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
91	22	—	8	—	8	105	80	1,413	—	1,969
115	50	—	629	103	517	3,284	658	7,639	—	13,049
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
353	1,045	1,384	898	1,599	2,027	1,204	6,040	6,699	39,358	62,622
—	—	—	—	—	—	—	—	—	—	—
<u>468</u>	<u>1,095</u>	<u>1,384</u>	<u>1,527</u>	<u>1,702</u>	<u>2,544</u>	<u>4,488</u>	<u>6,698</u>	<u>14,338</u>	<u>39,358</u>	<u>75,671</u>
<u>\$ 559</u>	<u>\$ 1,117</u>	<u>\$ 1,384</u>	<u>\$ 1,535</u>	<u>\$ 1,702</u>	<u>\$ 2,552</u>	<u>\$ 4,593</u>	<u>\$ 6,778</u>	<u>\$ 15,751</u>	<u>\$ 39,358</u>	<u>\$ 77,640</u>

(Continued)

DALLAS COUNTY, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds - Continued
September 30, 2002
(in thousands of dollars)

		<u>Debt Service</u>		<u>Total Nonmajor Governmental Funds</u>
		<u>Parking Garage</u>		
ASSETS				
Cash and investments	\$	210	\$	101,163
Receivables:				
Taxes - current		—		9,243
Less allowance for uncollectibles		—		(590)
Net taxes receivable		—		8,653
Accounts		—		1,445
Due from other governmental units		—		2,956
Inventories		—		758
Total assets	\$	<u>210</u>	\$	<u>114,975</u>
LIABILITIES				
Accounts payable	\$	—	\$	2,461
Due to other funds		—		11
Due to other governmental units		—		2,750
Deferred revenue		—		9,301
Total liabilities		—		14,523
FUND BALANCES				
Reserved for encumbrances		—		14,563
Reserved for inventory of supplies		—		758
Reserved for debt service		210		210
Reserved for Capital Projects		—		62,622
Unreserved		—		22,299
Total fund balances		<u>210</u>		<u>100,452</u>
Total liabilities and fund balances	\$	<u>210</u>		<u>114,975</u>

DALLAS COUNTY, TEXAS

Combining Statements of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2002

(in thousands of dollars)

Special Revenue

	<u>Road and Bridge</u>	<u>Permanent Improvements</u>	<u>Law Library</u>	<u>Parking Garage Revenue</u>	<u>HIV Grant</u>
REVENUES					
Taxes	\$ —	\$ 2,169	\$ —	\$ —	\$ —
Highway license fees	35,935	—	—	—	—
Fines and forfeitures	9,817	—	—	—	—
Investments and rentals	269	—	27	704	7
Intergovernmental revenues	4	—	—	—	149
Charges for current services	3,591	—	825	—	—
Miscellaneous	<u>50</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>49,666</u>	<u>2,169</u>	<u>852</u>	<u>704</u>	<u>156</u>
EXPENDITURES					
Current:					
General government	—	2,156	—	145	—
Judicial	—	—	1,222	—	—
Public safety	—	—	—	—	—
Highways and streets	11,673	—	—	—	—
Health	—	—	—	—	—
Public welfare	—	—	—	—	—
Education	—	—	—	—	—
Principal retirement	—	—	—	—	—
Interest	—	—	—	—	—
Capital Outlay	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>11,673</u>	<u>2,156</u>	<u>1,222</u>	<u>145</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,993</u>	<u>13</u>	<u>(370)</u>	<u>559</u>	<u>156</u>
OTHER FINANCING SOURCES (USES)					
Transfer to child support-special fund	—	—	—	—	—
Transfer to general fund	(33,320)	—	—	(420)	—
Transfer to debt service funds	(3,878)	—	—	(146)	—
Transfer from general fund	—	—	11	—	—
Transfer from alternative dispute	—	—	—	—	—
Transfer to bond fund	—	—	—	—	—
Transfer to major projects	(5,402)	(500)	—	—	—
Transfer from road & bridge dist.	—	—	—	—	—
Transfer from major projects	—	—	—	—	—
Transfer from major technology	—	—	—	—	—
Transfer from permanent improvements	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>(42,600)</u>	<u>(500)</u>	<u>11</u>	<u>(566)</u>	<u>—</u>
Net change in fund balances	(4,607)	(487)	(359)	(7)	156
Fund balances - beginning	17,064	1,263	1,485	37	3
Fund balances - ending	<u>\$ 12,457</u>	<u>\$ 776</u>	<u>\$ 1,126</u>	<u>\$ 30</u>	<u>\$ 159</u>

(Continued)

DALLAS COUNTY, TEXAS

Combining Statements of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds - Continued

For the Year Ended September 30, 2002

(in thousands of dollars)

Special Revenue - Continued

	Major Technology	District Attorney		District Attorney	
		HIDTA Federal	Special	Forfeitures Federal	State
REVENUES					
Taxes	\$ 5,997	\$ —	\$ —	\$ —	\$ —
Highway license fees	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Investments and rentals	78	1	—	—	29
Intergovernmental revenues	—	—	—	—	—
Charges for current services	—	—	—	—	—
Miscellaneous	—	38	446	17	272
Total revenues	<u>6,075</u>	<u>39</u>	<u>446</u>	<u>17</u>	<u>301</u>
EXPENDITURES					
Current:					
General government	555	—	—	—	—
Judicial	—	—	306	11	316
Public safety	—	—	—	—	—
Highways and streets	—	—	—	—	—
Health	—	—	—	—	—
Public welfare	—	—	—	—	—
Education	—	—	—	—	—
Principal retirement	—	—	—	—	—
Interest	—	—	—	—	—
Capital Outlay	—	—	—	—	—
Total expenditures	<u>555</u>	<u>—</u>	<u>306</u>	<u>11</u>	<u>316</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,520</u>	<u>39</u>	<u>140</u>	<u>6</u>	<u>(15)</u>
OTHER FINANCING SOURCES (USES)					
Transfer to child support-special fund	—	—	—	—	—
Transfer to general fund	(275)	—	—	—	—
Transfer to debt service funds	—	—	—	—	—
Transfer from general fund	—	—	—	—	—
Transfer from alternative dispute	—	—	—	—	—
Transfer to bond fund	—	—	—	—	—
Transfer to major projects	(1,021)	—	—	—	—
Transfer from road & bridge dist.	—	—	—	—	—
Transfer from major projects	—	—	—	—	—
Transfer from major technology	—	—	—	—	—
Transfer from permanent improvements	—	—	—	—	—
Total other financing sources (uses)	<u>(1,296)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	4,224	39	140	6	(15)
Fund balances - beginning	1,632	16	885	416	1,306
Fund balances - ending	<u>\$ 5,856</u>	<u>\$ 55</u>	<u>\$ 1,025</u>	<u>\$ 422</u>	<u>\$ 1,291</u>

(Continued)

DALLAS COUNTY, TEXAS
Combining Statements of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds - Continued
For the Year Ended September 30, 2002
(in thousands of dollars)

Special Revenue - Continued

	<u>District Attorney- Other Forfeitures</u>	<u>Historical Commission</u>	<u>Historical Exhibit</u>	<u>Child Support - Special</u>	<u>Alternative Dispute Resolution</u>	<u>Appellate Justice System</u>	<u>Totals</u>
REVENUES							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8,166
Highway license fees	—	—	—	—	—	—	35,935
Fines and forfeitures	—	—	—	—	—	—	9,817
Investments and rentals	—	—	11	5	4	15	1,150
Intergovernmental revenues	—	—	—	—	—	—	153
Charges for current services	—	—	2,962	832	499	278	8,987
Miscellaneous	2	—	—	28	—	—	853
Total revenues	<u>2</u>	<u>—</u>	<u>2,973</u>	<u>865</u>	<u>503</u>	<u>293</u>	<u>65,061</u>
EXPENDITURES							
Current:							
General government	—	1	3,061	—	—	—	5,918
Judicial	—	—	—	1,150	350	194	3,549
Public safety	—	—	—	749	—	—	749
Highways and streets	—	—	—	—	—	—	11,673
Health	—	—	—	—	—	—	—
Public welfare	—	—	—	—	—	—	—
Education	—	—	—	—	—	—	—
Principal retirement	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—
Capital Outlay	—	—	—	—	—	—	—
Total expenditures	<u>—</u>	<u>1</u>	<u>3,061</u>	<u>1,899</u>	<u>350</u>	<u>194</u>	<u>21,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2</u>	<u>(1)</u>	<u>(88)</u>	<u>(1,034)</u>	<u>153</u>	<u>99</u>	<u>43,172</u>
OTHER FINANCING SOURCES (USES)							
Transfer to child support	—	—	—	—	(150)	—	(150)
Transfer to general fund	—	—	—	—	—	(76)	(34,091)
Transfer to debt service funds	—	—	—	—	—	—	(4,024)
Transfer from general fund	—	—	—	849	—	—	860
Transfer from alternative dispute	—	—	—	150	—	—	150
Transfer to bond fund	—	—	—	—	—	—	—
Transfer from major projects	—	—	(180)	—	—	—	(7,103)
Transfer from road & bridge dist.	—	—	—	—	—	—	—
Transfer from major projects	—	—	—	—	—	—	—
Transfer from major technology	—	—	—	—	—	—	—
Transfer from permanent improvements	—	—	—	—	—	—	—
Total other financing sources and (uses)	<u>—</u>	<u>—</u>	<u>(180)</u>	<u>999</u>	<u>(150)</u>	<u>(76)</u>	<u>(44,358)</u>
Net change in fund balances	2	(1)	(268)	(35)	3	23	(1,186)
Fund balances - beginning	2	21	499	95	295	738	25,757
Fund balances - ending	<u>\$ 4</u>	<u>\$ 20</u>	<u>\$ 231</u>	<u>\$ 60</u>	<u>\$ 298</u>	<u>\$ 761</u>	<u>\$ 24,571</u>

(Continued)

DALLAS COUNTY, TEXAS
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - Continued
For the Year Ended September 30, 2002
(in thousands of dollars)

Capital Projects

	Certificates of Obligation						Permanent	
	1994	1995	1996	1996A	1997B	1998	1985	1988
REVENUES								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Highway license fees	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—
Investments and rentals	—	—	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	—	—	—	—	—
Charges for current services	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—	—	—
Total revenues	—	—	—	—	—	—	—	—
EXPENDITURES								
Current:								
General government	—	—	—	—	—	—	—	—
Judicial	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—
Highways and streets	—	—	—	—	—	—	—	—
Health	—	—	—	—	—	—	—	—
Public welfare	—	—	—	—	—	—	—	—
Education	—	—	—	—	—	—	—	—
Principal retirement	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Capital Outlay	48	310	—	269	3	—	9	—
Total expenditures	48	310	—	269	3	—	9	—
Excess (deficiency) of revenues over (under) expenditures	(48)	(310)	—	(269)	(3)	—	(9)	—
OTHER FINANCING SOURCES (USES)								
Transfer to child support	—	—	—	—	—	—	—	—
Transfer to general fund	—	—	—	—	—	—	—	—
Transfer to debt service funds	—	—	—	—	—	—	—	—
Transfer from general fund	—	—	—	—	—	—	—	—
Transfer from alternative dispute	—	—	—	—	—	—	—	—
Transfer to bond fund	—	8	(5)	(63)	(139)	208	—	—
Transfer to major projects	—	—	—	—	—	—	—	—
Transfer from road & bridge dist.	—	—	—	—	—	—	—	—
Transfer from major projects	—	—	—	—	—	—	—	—
Transfer from major technology	—	—	—	—	—	—	—	—
Total other financing sources (uses)	—	8	(5)	(63)	(139)	208	—	—
Net change in fund balances	(48)	(302)	(5)	(332)	(142)	208	(9)	—
Fund balances - beginning	48	548	87	332	142	1,408	37	97
Fund balances - ending	\$ —	\$ 246	\$ 82	\$ —	\$ —	\$ 1,616	\$ 28	\$ 97

Improvement Bonds		Road Bonds								Total		
1992	1995	1977	1985	1988	1992	1995	1996	2000	2001A			
\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
81	192	—	—	225	588	—	3,331	12,038	8	17,102		
81	192	—	—	225	588	—	3,331	12,038	8	17,102		
(81)	(192)	—	—	(225)	(588)	—	(3,331)	(12,038)	(8)	(17,102)		
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
(9)	—	594	—	—	643	1,262	(643)	(1,856)	—	—		
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—
(9)	—	594	—	—	643	1,262	(643)	(1,856)	—	—		
(90)	(192)	594	—	(225)	55	1,262	(3,974)	(13,894)	(8)	(17,102)		
558	1,287	790	1,527	1,927	2,489	3,226	10,672	28,232	39,366	92,773		
\$ 468	\$ 1,095	\$ 1,384	\$ 1,527	\$ 1,702	\$ 2,544	\$ 4,488	\$ 6,698	\$ 14,338	\$ 39,358	\$ 75,671		

(Continued)

DALLAS COUNTY, TEXAS
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds- Continued
For the Year Ended September 30, 2002
(in thousands of dollars)

	<u>Debt Service</u>	
	<u>Parking Garage</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES		
Taxes	\$ —	\$ 8,166
Highway license fees	—	35,935
Fines and forfeitures	—	9,817
Investments and rentals	—	1,150
Intergovernmental revenues	—	153
Charges for current services	—	8,987
Miscellaneous	—	853
	<hr/>	<hr/>
Total revenues	—	65,061
EXPENDITURES		
Current:		
General government	—	5,918
Judicial	—	3,549
Public safety	—	749
Highways and streets	—	11,673
Health	—	—
Public welfare	—	—
Education	—	—
Principal retirement	185	185
Interest	21	21
Capital Outlay	—	17,102
	<hr/>	<hr/>
Total expenditures	206	39,197
Excess (deficiency) of revenues over (under) expenditure	<hr/> (206)	<hr/> 25,864
OTHER FINANCING SOURCES (USES)		
Transfer to child support	—	(150)
Transfer to general fund	—	(34,091)
Transfer to debt service funds	—	(4,024)
Transfer from general fund	—	860
Transfer from parking revenue fund	146	146
Transfer from alternative dispute	—	150
Transfer to bond funds	—	—
Transfer to major projects	—	(7,103)
Transfer from road & bridge dist.	—	—
Transfer from major projects	—	—
Transfer from major technology	—	—
	<hr/>	<hr/>
Total other financing sources and (uses)	146	(44,212)
Net change in fund balances	(60)	(18,348)
Fund balances - beginning	<hr/> 270	<hr/> 118,800
Fund balances - ending	<hr/> <u>\$ 210</u>	<hr/> <u>\$ 100,452</u>

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, 2002
(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Ad valorem taxes	\$ 37,469	\$ 37,071	\$ (398)
Investments and rentals	4,500	2,530	(1,970)
Intergovernmental revenues	<u>8</u>	<u>2</u>	<u>(6)</u>
Total revenues	41,977	39,603	(2,374)
EXPENDITURES			
Principal retirement	33,955	33,955	-
Interest	<u>13,308</u>	<u>13,204</u>	<u>104</u>
Total expenditures	47,263	47,159	104
Excess (deficiency) of revenues over (under) expenditures	<u>(5,286)</u>	<u>(7,556)</u>	<u>(2,270)</u>
OTHER FINANCING SOURCES (USES)			
Transfer from road and bridge	3,878	3,878	-
Transfer from general fund	<u>842</u>	<u>842</u>	<u>-</u>
Total other financing sources (uses)	<u>4,720</u>	<u>4,720</u>	<u>-</u>
Net change in fund balance	(566)	(2,836)	(2,270)
Fund balances - beginning	<u>17,297</u>	<u>17,297</u>	<u>-</u>
Fund balances - ending	\$ <u><u>16,731</u></u>	\$ <u><u>14,461</u></u>	\$ <u><u>(2,270)</u></u>

DALLAS COUNTY, TEXAS
Debt Service Fund - Parking Garage
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2002
(in thousands of dollars)

	<u>Budget</u> <u>Amount</u>	<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
EXPENDITURES			
Principal retirement	\$ 185	\$ 185	—
Interest	<u>21</u>	<u>21</u>	<u>—</u>
Total expenditures	<u>206</u>	<u>206</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(206)</u>	<u>(206)</u>	<u>—</u>
OTHER FINANCING SOURCES (USES)			
Transfer from parking garage revenue	<u>206</u>	<u>146</u>	<u>60</u>
Net change in fund balance	—	(60)	60
Fund balance - beginning	<u>270</u>	<u>270</u>	<u>—</u>
Fund balance - ending	<u>\$ 270</u>	<u>\$ 210</u>	<u>\$ 60</u>

DALLAS COUNTY, TEXAS

Road and Bridges Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

For the Year Ended September 30, 2002

(in thousands of dollars)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	<u>Amount</u>	<u>Amount</u>	<u>Positive</u>
			<u>(Negative)</u>
REVENUES			
Highway license fees	\$ 35,694	\$ 35,935	\$ 241
Fines and forfeiture	10,380	9,817	(563)
Intergovernmental revenues	2,959	4	(2,955)
Charges for current services	8	3,591	3,583
Investments and rentals	250	269	19
Miscellaneous	67	50	(17)
Total revenues	<u>49,358</u>	<u>49,666</u>	<u>308</u>
EXPENDITURES			
Streets and highways:			
Salaries	6,328	5,834	494
Allowances	36	36	—
Operating	6,720	4,712	2,008
Property	2,528	1,091	1,437
Sub-total	<u>15,612</u>	<u>11,673</u>	<u>3,939</u>
Reserves	6,193	—	6,193
Total expenditures	<u>21,805</u>	<u>11,673</u>	<u>10,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,553</u>	<u>37,993</u>	<u>10,440</u>
OTHER FINANCING SOURCES (USES)			
Transfer to debt service funds	(6,116)	(3,878)	2,238
Transfer to general fund	(33,099)	(33,320)	(221)
Transfer to major projects	(5,402)	(5,402)	—
Total other financing sources and uses	<u>(44,617)</u>	<u>(42,600)</u>	<u>2,017</u>
Net change in fund balances	<u>(17,064)</u>	<u>(4,607)</u>	<u>12,457</u>
Fund balances - beginning	17,064	17,064	—
Fund balances - ending	<u>\$ —</u>	<u>\$ 12,457</u>	<u>\$ 12,457</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, 2002

(in thousands of dollars)

	<u>Budget</u> <u>Amount</u>	<u>Actual</u> <u>Amount</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
REVENUES			
Ad valorem taxes	\$ 2,211	\$ 2,169	\$ (42)
Miscellaneous	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>2,211</u>	<u>2,169</u>	<u>(42)</u>
EXPENDITURES			
General government:			
Property	<u>3,177</u>	<u>2,156</u>	<u>1,021</u>
Total expenditures	<u>3,177</u>	<u>2,156</u>	<u>1,021</u>
Excess (deficiency) of revenues over (under) expenditures	(966)	13	979
OTHER FINANCING SOURCES (USES)			
Transfers to major projects	<u>—</u>	<u>(500)</u>	<u>(500)</u>
Total other financing sources and uses	<u>—</u>	<u>(500)</u>	<u>(500)</u>
Net change in fund balances	(966)	(487)	479
Fund balances - beginning	<u>1,263</u>	<u>1,263</u>	<u>—</u>
Fund balances - ending	<u>\$ 297</u>	<u>\$ 776</u>	<u>\$ 479</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, 2002

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investments and rentals	\$ 66	\$ 27	\$ (39)
Charges for current services	<u>769</u>	<u>825</u>	<u>56</u>
Total revenues	<u>835</u>	<u>852</u>	<u>17</u>
EXPENDITURES			
Judicial:			
Salaries	384	383	1
Operating	840	816	24
Property	<u>150</u>	<u>23</u>	<u>127</u>
Sub-total	1,374	1,222	152
Reserves	<u>957</u>	<u>—</u>	<u>957</u>
Total expenditures	<u>2,331</u>	<u>1,222</u>	<u>1,109</u>
Excess (deficiency of revenues over (under) expenditures	<u>(1,496)</u>	<u>(370)</u>	<u>1,126</u>
OTHER FINANCING SOURCES (USES)			
Transfer from general fund	11	11	—
Total other financing sources and uses	<u>11</u>	<u>11</u>	<u>—</u>
Net change in fund balances	(1,485)	(359)	1,126
Fund balances - beginning	<u>1,485</u>	<u>1,485</u>	<u>—</u>
Fund balances - ending	<u>\$ —</u>	<u>\$ 1,126</u>	<u>\$ 1,126</u>

DALLAS COUNTY, TEXAS

Parking Garage Revenue Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual

For the Year Ended September 30, 2002

(in thousands of dollars)

	Budget Amount	Actual Amount	Variance Positive (Negative)
REVENUES			
Investments and rentals	706	\$ 704	\$ (2)
Total revenues	706	704	(2)
EXPENDITURES			
General government:			
Operating	150	145	5
Property	27	—	27
Total expenditures	177	145	32
Excess (deficiency) of revenues over (under) expenditures	529	559	30
OTHER FINANCING SOURCES (USES)			
Transfer to general fund	(420)	(420)	—
Transfer to debt service funds	(146)	(146)	—
Total other financing sources and uses	(566)	(566)	—
Net change in fund balances	(37)	(7)	30
Fund balances - beginning	37	37	—
Fund balances - ending	\$ —	\$ 30	\$ 30

DALLAS COUNTY, TEXAS

Major Technology Special Revenue Funds
 Statements of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual

For the Year Ended September 30, 2002

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Ad valorem taxes	\$ 6,142	\$ 5,997	\$ (145)
Investments and rentals	68	78	10
Miscellaneous	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>6,210</u>	<u>6,075</u>	<u>(135)</u>
EXPENDITURES			
General government:			
Property	<u>6,622</u>	<u>555</u>	<u>6,067</u>
Total expenditures	<u>6,622</u>	<u>555</u>	<u>6,067</u>
Excess (deficiency) of revenues over (under) expenditures	(412)	5,520	5,932
OTHER FINANCING SOURCES (USES)			
Transfers to major projects		(1,021)	(1,021)
Transfers to general fund	<u>(275)</u>	<u>(275)</u>	<u>—</u>
Total other financing sources and uses	(275)	(1,296)	(1,021)
Net change in fund balances	(687)	4,224	4,911
Fund balances - beginning	<u>1,632</u>	<u>1,632</u>	<u>—</u>
Fund balances - ending	<u>\$ 945</u>	<u>\$ 5,856</u>	<u>\$ 4,911</u>

DALLAS COUNTY, TEXAS

Historical Commission Revenue Funds
 Statements of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual

For the Year Ended September 30, 2002

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investments and rentals	\$ 1	\$ —	\$ (1)
Miscellaneous	—	—	—
Total revenues	<u>1</u>	<u>—</u>	<u>(1)</u>
EXPENDITURES			
General government:			
Operating	<u>15</u>	<u>1</u>	<u>14</u>
Total expenditures	<u>15</u>	<u>1</u>	<u>14</u>
Excess (deficiency) of revenues over (under) expenditures	(14)	(1)	13
Fund balances - beginning	<u>21</u>	<u>21</u>	<u>—</u>
Fund balances - ending	<u><u>\$ 7</u></u>	<u><u>\$ 20</u></u>	<u><u>\$ 13</u></u>

DALLAS COUNTY, TEXAS

Historical Exhibit Special Revenue Funds
 Statements of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual

For the Year Ended September 30, 2002

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investments and rentals	\$ 37	\$ 11	\$ (26)
Charges for current services	2,702	2,962	260
Miscellaneous	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>2,739</u>	<u>2,973</u>	<u>234</u>
EXPENDITURES			
General government:			
Operating	2,835	2,798	37
Property	<u>263</u>	<u>263</u>	<u>—</u>
Total expenditures	<u>3,098</u>	<u>3,061</u>	<u>37</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(359)</u>	<u>(88)</u>	<u>271</u>
OTHER FINANCING SOURCES (USES)			
Transfer to general fund	—	—	—
Transfer to major projects	<u>—</u>	<u>(180)</u>	<u>(180)</u>
Total other financing sources and uses	<u>—</u>	<u>(180)</u>	<u>(180)</u>
Net change in fund balances	(359)	(268)	91
Fund balances - beginning	<u>499</u>	<u>499</u>	<u>—</u>
Fund balances - ending	<u>\$ 140</u>	<u>\$ 231</u>	<u>\$ 91</u>

DALLAS COUNTY, TEXAS

Child Support Special Revenue Funds
 Statements of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual

For the Year Ended September 30, 2002

(in thousands of dollars)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	<u>Amount</u>	<u>Amount</u>	<u>Positive</u>
			<u>(Negative)</u>
REVENUES			
Investments and rentals	\$ 40	\$ 5	\$ (35)
Charges for current services	750	832	82
Miscellaneous	<u>44</u>	<u>28</u>	<u>(16)</u>
Total revenues	<u>834</u>	<u>865</u>	<u>31</u>
EXPENDITURES			
Judicial:			
Salaries	1,120	1,120	—
Allowances	6	6	—
Operating	33	24	9
Property	<u>—</u>	<u>—</u>	<u>—</u>
Total judicial	<u>1,159</u>	<u>1,150</u>	<u>9</u>
Public safety:			
Salaries	584	584	—
Operating	177	165	12
Property	<u>—</u>	<u>—</u>	<u>—</u>
Total public safety	<u>761</u>	<u>749</u>	<u>12</u>
Total expenditures	1,920	1,899	21
Excess (deficiency) of revenues over (under) expenditures	<u>(1,086)</u>	<u>(1,034)</u>	<u>52</u>
OTHER FINANCING SOURCES (USES)			
Transfer from general fund	849	849	—
Transfer from alternative dispute resolution fund	<u>150</u>	<u>150</u>	<u>—</u>
Other financing sources and uses	<u>999</u>	<u>999</u>	<u>—</u>
Net change in fund balances	(87)	(35)	52
Fund balances - beginning	<u>95</u>	<u>95</u>	<u>—</u>
Fund balances - ending	<u>\$ 8</u>	<u>\$ 60</u>	<u>\$ 52</u>

DALLAS COUNTY, TEXAS

Alternative Dispute Resolution Special Revenue Funds
 Statements of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual

For the Year Ended September 30, 2002

(in thousands of dollars)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	<u>Amount</u>	<u>Amounts</u>	<u>Positive</u>
			<u>(Negative)</u>
REVENUES			
Investments and rentals	\$ 6	\$ 4	\$ (2)
Charges for current services	<u>472</u>	<u>499</u>	<u>27</u>
Total revenues	<u>478</u>	<u>503</u>	<u>25</u>
EXPENDITURES			
Judicial:			
Salaries	48	29	19
Operating	<u>472</u>	<u>321</u>	<u>151</u>
Total expenditures	520	350	170
Excess of revenues over (under)			
expenditures	<u>(42)</u>	<u>153</u>	<u>195</u>
OTHER FINANCING SOURCES (USES)			
Transfer to child support - special fund	<u>(150)</u>	<u>(150)</u>	<u>—</u>
Total other financing sources and uses	<u>(150)</u>	<u>(150)</u>	<u>—</u>
Net change in fund balances	(192)	3	195
Fund balances - beginning	<u>295</u>	<u>295</u>	<u>—</u>
Fund balances - ending	<u><u>\$ 103</u></u>	<u><u>\$ 298</u></u>	<u><u>\$ 195</u></u>

DALLAS COUNTY, TEXAS

Appellate Justice System Special Revenue Funds
 Statements of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual

For the Year Ended September 30, 2002

(in thousands of dollars)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	<u>Amount</u>	<u>Amount</u>	<u>Positive</u>
			<u>(Negative)</u>
REVENUES			
Investments and rentals	\$ 28	\$ 15	\$ (13)
Charges for current services	<u>313</u>	<u>278</u>	<u>(35)</u>
Total revenues	<u>341</u>	<u>293</u>	<u>(48)</u>
EXPENDITURES			
Judicial - operating	513	194	319
Property	<u>137</u>	<u>—</u>	<u>137</u>
Total expenditures	650	194	456
Excess (deficiency) of revenues over (under) expenditures	<u>(309)</u>	<u>99</u>	<u>408</u>
OTHER FINANCING SOURCES (USES)			
Transfer to general fund	<u>(76)</u>	<u>(76)</u>	<u>—</u>
Total other financing sources and uses	<u>(76)</u>	<u>(76)</u>	<u>—</u>
Net change in fund balances	(385)	23	408
Fund balances - beginning	<u>738</u>	<u>738</u>	<u>—</u>
Fund balances - ending	<u>\$ 353</u>	<u>\$ 761</u>	<u>\$ 408</u>

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DALLAS COUNTY, TEXAS

Combining Statement of Fiduciary Assets and Liabilities -
Agency Fund

September 30, 2002
(in thousands of dollars)

	Administrative Funds		Grant Fund
	Payroll	Escrow	Juvenile Probation Commission
Assets:			
Cash and investments	\$ 750	\$ 12,092	\$ 73
Restricted assets	—	8,346	—
Total assets	\$ 750	\$ 20,438	\$ 73
Liabilities:			
Accounts payable:	\$ 745	\$ 20,438	\$ 73
Total accounts payable	745	20,438	73
Due to other government units	5	—	—
Total liabilities	\$ 750	\$ 20,438	\$ 73

Fee Office Funds

<u>State Report</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>
\$ 1,653	\$ 25,901	\$ 18,531	\$ 1,771
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ 1,653</u>	<u>\$ 25,901</u>	<u>\$ 18,531</u>	<u>\$ 1,771</u>
<u>\$ 1,653</u>	<u>\$ 25,901</u>	<u>\$ 18,531</u>	<u>\$ 1,771</u>
1,653	25,901	18,531	1,771
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ 1,653</u>	<u>\$ 25,901</u>	<u>\$ 18,531</u>	<u>\$ 1,771</u>

(Continued)

DALLAS COUNTY, TEXAS

Combining Statement of Fiduciary Assets and Liabilities -
Agency Fund - Continued

September 30, 2002
(in thousands of dollars)

	Fee Office Funds			Housing
	Community	Justices	Constables	Finance
	Supervision	of the		Corporation
	and	Peace		1993
	Corrections	Peace	Constables	Refunding
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Cash and investments	\$ 6,852	\$ 1,897	\$ 132	\$ 178
Accounts receivable	—	—	—	—
Accrued interest	—	—	—	—
Due from other government units	2	—	—	—
Restricted assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets	\$ <u>6,854</u>	\$ <u>1,897</u>	\$ <u>132</u>	\$ <u>178</u>
Liabilities:				
Accounts payable	\$ <u>6,833</u>	\$ <u>1,897</u>	\$ <u>132</u>	\$ <u>178</u>
Total accounts payable	6,833	1,897	132	178
Due to other government units	<u>21</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities	\$ <u>6,854</u>	\$ <u>1,897</u>	\$ <u>132</u>	\$ <u>178</u>

Departmental Special Funds

<u>Juvenile Department Child Support</u>	<u>Housing Finance Corporation - 1994 Refunding</u>	<u>Community Supervision and Corrections Special</u>	<u>Youth Village</u>	<u>District Attorney Check Collection</u>	<u>Tax Assessor - Collector</u>
\$ 454	\$ 661	\$ 1,712	\$ 2	\$ 155	\$ 45,490
—	—	—	—	—	1,321
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>\$ 454</u>	<u>\$ 661</u>	<u>\$ 1,712</u>	<u>\$ 2</u>	<u>\$ 155</u>	<u>\$ 46,811</u>
<u>\$ 454</u>	<u>\$ 661</u>	<u>\$ 1,712</u>	<u>\$ 2</u>	<u>\$ 155</u>	<u>\$ 46,169</u>
454	661	1,712	2	155	46,169
—	—	—	—	—	642
<u>\$ 454</u>	<u>\$ 661</u>	<u>\$ 1,712</u>	<u>\$ 2</u>	<u>\$ 155</u>	<u>\$ 46,811</u>

(Continued)

DALLAS COUNTY, TEXAS

Combining Statement of Fiduciary Assets and Liabilities -
Agency Fund - Continued

September 30, 2002
(in thousands of dollars)

District Attorney Forfeiture Funds

	<u>Police</u>	<u>Attorney</u>	<u>Gambling</u>	<u>Narcotic</u>	<u>Total</u>
	<u>Agencies</u>	<u>General</u>	<u>Gambling</u>	<u>Narcotic</u>	<u>2002</u>
Assets:					
Cash and investments	\$ 25	\$ 75	\$ 32	\$ 436	\$ 118,872
Accounts receivable	—	—	—	—	1,321
Accrued interest	—	—	—	—	—
Due from other government units	—	—	—	—	2
Restricted assets	—	—	—	—	8,346
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>25</u>	\$ <u>75</u>	\$ <u>32</u>	\$ <u>436</u>	\$ <u>128,541</u>
Liabilities:					
Accounts payable	\$ <u>25</u>	\$ <u>75</u>	\$ <u>32</u>	\$ <u>436</u>	\$ <u>127,873</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total accounts payable	25	75	32	436	127,873
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Due to other government units	—	—	—	—	668
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	\$ <u>25</u>	\$ <u>75</u>	\$ <u>32</u>	\$ <u>436</u>	\$ <u>128,541</u>

CAPITAL ASSETS

USED IN THE OPERATION

OF GOVERNMENTAL FUNDS

DALLAS COUNTY, TEXAS
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedules By Source
 September 30, 2002
 (in thousands of dollars)

	2002
Governmental funds capital assets:	
Land	\$ 23,996
Buildings and improvements	386,910
Machinery and equipment	48,975
Infrastructure	30,302
Construction in progress	6,530
Total governmental funds capital assets	\$ 496,713
 Investments in governmental funds capital assets by source:	
General fund	\$ 40,633
Special revenue fund	345,640
Capital projects funds	109,250
Donations	1,190
Total governmental funds capital assets	\$ 496,713

DALLAS COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
September 30, 2002
(in thousands of dollars)

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
General government	\$ 14,678	\$ 39,672	\$ 13,229	\$ -	\$ 6,530	\$ 74,109
Public welfare	1,412	18,552	1,676	-	-	21,640
Public safety	4,350	219,796	13,976	-	-	238,122
Judicial	3,189	98,276	1,655	-	-	103,120
Health	115	5,096	1,263	-	-	6,474
Streets and highways	96	1,844	17,100	30,302	-	49,342
Education	156	3,674	-	-	-	3,830
Libraries	-	-	76	-	-	76
Total governmental funds capital assets	<u>\$ 23,996</u>	<u>\$ 386,910</u>	<u>\$ 48,975</u>	<u>\$ 30,302</u>	<u>\$ 6,530</u>	<u>\$ 496,713</u>

DALLAS COUNTY, TEXAS

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes By Function and Activity
 For the fiscal year ended September 30, 2002
 (in thousands of dollars)

<u>Function and Activity</u>	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	<u>October 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30, 2002</u>
General Government	\$ 63,603	\$ 10,958	\$ 452	\$ 74,109
Public welfare	21,273	375	8	21,640
Public safety	236,572	1,801	251	238,122
Judicial	102,629	491	-	103,120
Health	6,155	331	12	6,474
Streets and highways	48,111	1,231	-	49,342
Education	3,830	-	-	3,830
Libraries	33	43	-	76
Total governmental funds capital assets	\$ <u>482,206</u>	\$ <u>15,230</u>	\$ <u>723</u>	\$ <u>496,713</u>

STATISTICAL SECTION

Table 1

DALLAS COUNTY, TEXAS

Government -Wide Expenses by Function
For the year ending September 30, 2002
(amount expressed in thousands)

<u>Fiscal</u> <u>Year</u>	<u>General</u> <u>Government</u>	<u>Public</u> <u>Safety</u>	<u>Highways</u> <u>and Streets</u>	<u>Public</u> <u>Welfare</u>	<u>Health</u>	<u>Judicial</u>	<u>Education</u>	<u>Interest on</u> <u>Long-term</u> <u>Debt</u>	<u>Total</u>
2002 \$	65,372	\$ 167,880	\$ 27,634	\$ 51,732	\$ 47,470	\$ 98,247	\$ 5,636	\$ 14,248	\$ 478,219

Note:
First year reporting data.

Table 2

DALLAS COUNTY, TEXAS

Government-Wide Revenues
For the year ending September 30,2002

(in thousands of dollars)

(Unaudited)

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES			
	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions Not Restricted to Specific Programs	Unrestricted Investment Earnings	Total
2002	\$ 179,539	\$ 72,571	\$ 3,331	\$ 246,661	\$ 2,281	\$ 8,271	\$ 512,654

Note:
First year compiling data for table.

DALLAS COUNTY, TEXAS
 Assessed Value and Estimated True Value of all Property
 Last Ten Fiscal Years
 (in thousands of dollars)
 (Unaudited)

Year	Real Property		Personal Property		Total		Statutory Ratio of Assessed Value to True Value
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	
1993	\$ 72,122,560	\$ 72,778,934	\$ 19,007,702	\$ 19,007,703	\$ 91,130,262	\$ 91,786,637	100.00%
1994	\$ 73,502,664	\$ 74,184,153	\$ 18,881,430	\$ 18,881,430	\$ 92,384,094	\$ 93,065,583	100.00%
1995	\$ 76,647,860	\$ 77,127,088	\$ 19,819,358	\$ 19,819,358	\$ 96,467,218	\$ 96,946,446	100.00%
1996	\$ 80,238,089	\$ 80,545,377	\$ 20,732,381	\$ 20,732,381	\$ 100,970,470	\$ 101,277,758	100.00%
1997	\$ 86,336,077	\$ 86,577,918	\$ 21,539,587	\$ 21,539,588	\$ 107,875,664	\$ 108,117,506	100.00%
1998 *	\$ 95,048,536	\$ 95,838,013	\$ 21,539,793	\$ 21,539,793	\$ 116,588,329	\$ 117,377,806	100.00%
1999 *	\$ 104,784,168	\$ 105,215,142	\$ 24,414,768	\$ 24,414,768	\$ 129,198,936	\$ 129,629,910	100.00%
2000 *	\$ 113,609,498	\$ 114,741,061	\$ 25,530,867	\$ 25,530,867	\$ 139,140,365	\$ 140,271,929	100.00%
2001 *	\$ 123,189,433	\$ 124,337,500	\$ 28,560,279	\$ 28,560,279	\$ 151,749,712	\$ 152,897,779	100.00%
2002 *	\$ 130,890,166	\$ 131,328,094	\$ 28,898,480	\$ 28,898,480	\$ 159,788,646	\$ 160,226,574	100.00%

* Estimated true value includes values under protest as claimed by property owners.

Note: Assessed values shown in this table includes rolling stock and amounts allowed for all exemptions. The Dallas County Commissioners Court approved an allowance for homestead exemption for taxpayers over 65 years of age. The Dallas County Commissioners Court approved the greater of 20% or \$5,000 allowance for homestead exemption for all taxpayers. The approved allowance for disabled veterans is \$1,500 for disabilities of 10% to 30%, \$2,000 for disabilities of 31% to 50%, \$2,500 for disabilities of 51% to 70%, and \$3,000 for disabilities greater than 70%.

Note: 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.

The assessment date is January 1.

Source: Dallas County Tax Assessor-Collector.

DALLAS COUNTY, TEXAS
Property Tax Rates and Tax Levies
Last Ten Fiscal Years
Tax Rates Per \$100 of Taxable Value
(Unaudited)

Year	General fund Tax Rates (1)	Jury Fund	Major Technology Fund	Permanent Improvement Fund	Major Capital Development Fund
1993	0.13597	0.00183	—	—	—
1994	0.13594	0.00197	—	—	—
1995	0.16154	0.00206	—	—	—
1996	0.15570	0.00180	—	0.00200	—
1997	0.14910	—	0.00500	0.00190	—
1998	0.14530	—	0.00500	0.00190	—
1999	0.14420	—	0.00500	0.00180	0.01050
2000	0.14520	—	0.00500	0.00180	0.01050
2001	0.14520	—	0.00500	0.00180	0.01050
2002	0.14420	—	0.00500	0.00180	0.01450

Tax levies (1)
(in thousands of dollars)

1993	\$	102,135	\$	1,368	\$	—	\$	—	—
1994	\$	106,843	\$	1,494	\$	—	\$	—	—
1995	\$	128,350	\$	1,631	\$	—	\$	—	—
1996	\$	130,208	\$	1,510	\$	—	\$	1,668	—
1997	\$	134,112	\$	—	\$	4,502	\$	1,699	—
1998	\$	140,920	\$	—	\$	4,858	\$	1,836	—
1999	\$	153,098	\$	—	\$	5,306	\$	1,915	11,154
2000	\$	165,529	\$	—	\$	5,700	\$	2,052	11,970
2001	\$	179,571	\$	—	\$	6,184	\$	2,226	12,985
2002	\$	185,186	\$	—	\$	6,421	\$	2,311	18,621

Legal Limitation Note (2)

Original - Texas Constitution, Article 8, Section 9	0.80000
Additional authorized by voters - Texas Constitution	0.15000
Additional authorized by Article 4494 n.2	0.75000
Additional authorized by constitutional amendment, Article 3, Section 52 - limited only by annual requirements	0.01786
	<u>\$ 1.71786</u>

Legal limitation includes provision for debt service.

Taxes due: October 1

Taxes delinquent: January 31 year following levy

Tax lien and assessment date: January 1 year of levy

Taxes added to delinquent roll: July 1 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

Table 4

Debt Service Funds	Total Primary Government	Component Unit	Total Reporting Entity
0.06460	0.20240	0.20696	0.40936
0.06000	0.20240	0.19959	0.40199
0.05250	0.21610	0.19959	0.41569
0.05050	0.21000	0.19409	0.40409
0.04500	0.20100	0.18577	0.38677
0.04500	0.19720	0.17990	0.37710
0.03450	0.19600	0.19600	0.39200
0.03350	0.19600	0.25400	0.45000
0.03350	0.19600	0.25400	0.45000
0.03050	0.19600	0.25400	0.45000
\$ 48,529	\$ 152,032	\$ 155,439	\$ 307,471
\$ 45,660	\$ 153,997	\$ 151,840	\$ 305,837
\$ 41,724	\$ 171,705	\$ 158,566	\$ 330,271
\$ 42,238	\$ 175,624	\$ 162,307	\$ 337,931
\$ 40,480	\$ 180,793	\$ 167,221	\$ 348,014
\$ 43,645	\$ 191,259	\$ 174,462	\$ 365,721
\$ 36,625	\$ 208,098 (a)	\$ 208,098	\$ 416,196
\$ 38,190	\$ 223,441 (a)	\$ 289,535	\$ 512,976
\$ 41,430	\$ 242,376 (a)	\$ 314,100	\$ 556,476
\$ 39,169	\$ 251,708 (a)	\$ 326,195	\$ 577,903

(a) includes tax increment financing in excess of \$1 million as projected for collection by Dallas County with remittance to the City without actual revenue recognition.

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 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 July 1, the date at which unpaid accounts are placed with the law firm for collection. The taxpayer is notified by the law firm that his delinquent tax account has been placed for collection with them. If payment is not received within a reasonable period of time, the law firm will file suit for collection.

Tax levy figures are shown net of homestead exemption. Tax rates shown are amounts per hundred dollars of net assessed value.

- (1) Source: Dallas County Financial Records
- (2) Source: Civil Statutes of Texas

DALLAS COUNTY, TEXAS

Tax Levies and Reporting Entity Tax Collections
Last Ten Fiscal Years
(in thousands of dollars)

(Unaudited)

<u>Year</u>	<u>Tax Levies</u>	<u>Collections of Current Tax Levy During Fiscal Period (a)</u>	<u>Percentage of Tax Levy Collected During Fiscal Period (a)</u>	<u>Collections of Prior Year's Tax Levy During Fiscal Period (a)</u>	<u>Total Collections</u>	<u>Percentage of Total Collections to Tax Levies</u>
1993	\$ 307,471	\$ 299,079	97.27%	\$ 5,779	\$ 304,858	99.15%
1994	\$ 305,837	\$ 297,790	97.37%	\$ 5,426	\$ 303,216	99.14%
1995	\$ 330,271	\$ 322,057	97.51%	\$ 5,658	\$ 327,715	99.23%
1996	\$ 337,931	\$ 331,162	98.00%	\$ 6,708	\$ 337,870	99.98%
1997	\$ 348,014	\$ 339,105	97.44%	\$ 8,025	\$ 347,130	99.75%
1998	\$ 365,721	\$ 360,151	98.48%	\$ 6,774	\$ 366,925	100.00%
1999	\$ 416,196	\$ 406,745	97.73%	\$ 4,897	\$ 411,643	98.91%
2000	\$ 512,976	\$ 501,144	97.69%	\$ 3,650	\$ 504,794	98.40%
2001	\$ 556,496	\$ 537,890	96.66%	\$ 10,877	\$ 548,767	98.61%
2002	\$ 577,903 (b)					

Notes: (a) Tax collections begin October 1 of the year levied, and the fiscal period ends June 30 of the following calendar year.
(b) Collections on the 2002 tax roll are incomplete until the end of the fiscal tax year, June 30, 2003.

Tax collections are reported net of 1.4% commission for the office of the Tax Assessor Collector.

Original levy excludes property under protest which is subsequently added to tax rolls as a result of arbitration.

Source: Dallas County financial records.

DALLAS COUNTY, TEXAS

Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net Bonded Debt Per Capita
Last Ten Fiscal Years

(Unaudited)

<u>Year</u>	<u>Estimated Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1993	1,882,400	\$ 91,130,262,447	\$ 388,898,000	\$ 20,849,000	\$ 368,049,000	0.00404	\$ 196
1994	1,913,395	\$ 92,384,094,273	\$ 359,200,000	\$ 21,787,000	\$ 337,413,000	0.00365	\$ 176
1995	1,942,303	\$ 96,467,218,236	\$ 368,012,000	\$ 20,495,000	\$ 347,517,000	0.00360	\$ 179
1996	1,959,281	\$ 100,970,470,200	\$ 333,920,000	\$ 18,479,000	\$ 315,441,000	0.00312	\$ 161
1997	2,013,700	\$ 107,875,664,180	\$ 336,793,000	\$ 20,828,000	\$ 315,965,000	0.00293	\$ 157
1998	2,023,140	\$ 117,377,806,012 *	\$ 305,536,000	\$ 21,397,000	\$ 284,139,000	0.00242	\$ 140
1999	2,050,865	\$ 129,629,910,137 *	\$ 278,142,000	\$ 19,693,000	\$ 258,449,000	0.00199	\$ 126
2000	2,062,100	\$ 140,271,928,741 *	\$ 277,356,000	\$ 17,047,000	\$ 260,309,000	0.00186	\$ 126
2001	2,218,899	\$ 152,897,777,858 *	\$ 280,623,000	\$ 17,567,000	\$ 263,056,000	0.00172	\$ 118
2002	2,245,398	\$ 160,226,575,618 *	\$ 247,753,000	\$ 14,671,000	\$ 233,082,000	0.00145	\$ 104

Note: The information provided in this table excludes the bonded debt of the Enterprise Fund.

* As of 1998, Assessed Value includes rolling stock, values under protest as claimed by property owners and adjusted market value.

Source: Dallas County financial records.

Note: Population is an estimated population. Estimate is as of July 1, 2002 per Census Bureau.

Table 7

DALLAS COUNTY, TEXAS

Fortune 500 Companies with Headquarters in the Dallas/Fort Worth
(Unaudited)

Company	Revenues (Millions) FY2002
Exxon/Mobil	\$ 191,580
J.C. Penney Co., Inc.	\$ 32,004
Texas Utilities	\$ 27,927
Electronic Data Systems	\$ 21,543
AMR	\$ 18,963
Fleming	\$ 15,628
Kimberly-Clark	\$ 14,524
Halliburton	\$ 13,405
Burlington Northern Santa Fe Corporation	\$ 9,208
Texas Instruments	\$ 8,201
Advancepcs	\$ 7,024
Centex	\$ 6,711
Dean Foods	\$ 6,230
Southwest Airlines	\$ 5,555
RadioShack	\$ 4,776
D.R. Horton	\$ 4,456
Lennox International	\$ 3,120

Source: www.fortune.com/fortune/fortune500, www.Forbes.com - Revenues as of 2001, and www.ntc-dfw.org

Table 8

DALLAS COUNTY, TEXAS
 Top Non-Publicly Held Employers
 Headquartered in Dallas / Fort Worth
 September 30, 2002
 (Unaudited)

<u>Company</u>	<u>Product</u>	<u>Employees</u>
AMR Corporation (American Airlines)	Airline, Technology and Management Services	30,000
Dallas County Independent School District	Independent School District	19,244
Southwestern Bell	Telecommunications	18,000
Texas Health Resource	Non-profit Health Care	16,114
U.S. Postal Services - Dallas Distridt	Mail Delivery	13,225
Baylor Health Care System	Health Care in Dallas and North Texas	13,000
Verizon	Telecommunication Service Firm	13,000
The Visiting Nurse Association of Texas	Non-profit Health Related Services	12,897
City of Dallas	Municipality	10,800
Texas Instruments, Incorporated	Electronics and Semi-conductors	10,000
Kroger L.P.I., Dallas Marketing Area	Grocery Store Chain	9,000
Raytheon Company	Manufacturer of Defense Systems & Electronics	9,000
Safeway / Tom Thumb Food & Pharmacy	Retail Grocery	9,000
Electronic Data Systems	Computer and Data Services	8,636
G & K Services Cleanroom Laundry	Uniform & Laundry Services	8,500
Baylor University Medical Center	Hospital	8,108
Nortel Networks (Northern Telecom)	Telecommunications Equipment Manufacturer	8,000
U.S. Environmental Protection Agency	Federal Government	7,900
Albertson's Inc.	Retail Grocery	7,000

Source: Greater Dallas Chamber of Commerce
 Business & Industry Journal 2002

DALLAS COUNTY, TEXAS

Top Ten Taxpayers
 September 30, 2002
 (in thousands of dollars)
 (Unaudited)

<u>Name of Taxpayer</u>	<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Percent of Assessed Valuation (a)</u>
Southwestern Bell Telephone Company	Telephone utility	\$ 1,631,836	1.25 %
Texas Instruments	Manufacturer of electronic equipment	1,465,722	1.12
Texas Utilities Electric Company	Electric utility	1,293,507	0.99
Crescent Real Estate	Real Estate	991,604	0.76
Verizon	Telephone utility	762,900	0.58
Southwest Airlines	Airline	500,357	0.38
Trammel Crow	Real estate	393,304	0.30
AT&T / TCI Cable	Telephone utility	351,490	0.27
Metropolitan Life Insurance	Insurance	289,976	0.22
MCI Worldcom	Telephone utility	266,498	0.20
Total		\$ <u>7,947,194</u>	<u>6.07</u> %

(a) Excludes property under protest.

Note: Estimated amounts based on 2002 appraisal roll.

Source: Dallas County Tax Assessor-Collector.

Table 10

DALLAS COUNTY, TEXAS

General Governmental Revenues by Source

Last Ten Fiscal Years

September 30, 2002

(in thousands of dollars)

(Unaudited)

Year	Property Taxes	Licenses, Fees and Permits	Fines and Forfeitures	Investments and Rentals	Inter-Governmental Revenues	Charges for Current Services	Miscellaneous Revenues	Total Sources
1993	\$ 152,983	\$ 24,159	\$ 7,304	\$ 16,001	\$ 61,928	\$ 40,523	\$ 11,325	\$ 314,223
1994	\$ 150,501	\$ 24,841	\$ 8,305	\$ 13,311	\$ 94,441	\$ 41,577	\$ 7,448	\$ 340,424
1995	\$ 152,031	\$ 26,189	\$ 9,514	\$ 17,157	\$ 67,810	\$ 40,265	\$ 12,364	\$ 325,330
1996	\$ 169,077	\$ 29,065	\$ 11,882	\$ 17,361	\$ 39,985	\$ 68,574	\$ 7,358	\$ 343,302
1997	\$ 174,519	\$ 28,451	\$ 12,857	\$ 19,991	\$ 40,733	\$ 76,444	\$ 6,825	\$ 359,820
1998	\$ 179,592	\$ 31,618	\$ 16,346	\$ 19,686	\$ 49,794	\$ 85,247	\$ 8,695	\$ 390,978
1999	\$ 189,660	\$ 31,918	\$ 18,773	\$ 18,068	\$ 55,572	\$ 89,162	\$ 11,109	\$ 414,262
2000	\$ 203,738	\$ 34,753	\$ 17,124	\$ 20,153	\$ 62,586	\$ 100,471	\$ 12,586	\$ 451,411
2001	\$ 219,273	\$ 36,245	\$ 19,638	\$ 19,750	\$ 75,294	\$ 99,065	\$ 13,884	\$ 483,149
2002	\$ 236,929	\$ 36,497	\$ 18,683	\$ 12,122	\$ 84,702	\$ 106,583	\$ 11,229	\$ 506,745

Source: Dallas County financial records.

DALLAS COUNTY, TEXAS

General Government Expenditures by Function

Last Ten Fiscal Years

September 30, 2002

(amounts expressed in thousands)

(Unaudited)

<u>Year</u>		<u>General Government and Judicial</u>		<u>Public Safety</u>		<u>Streets and Highways</u>		<u>Health</u>		<u>Welfare</u>
1993	\$	111,856	\$	88,234	\$	8,930	\$	19,449	\$	19,733
1994	\$	118,158	\$	106,929	\$	7,076	\$	25,378	\$	25,759
1995	\$	119,088	\$	105,970	\$	7,236	\$	26,065	\$	19,937
1996	\$	122,405	\$	102,164	\$	8,021	\$	25,854	\$	18,054
1997	\$	133,626	\$	113,265	\$	8,871	\$	27,412	\$	19,276
1998	\$	141,293	\$	121,382	\$	8,937	\$	28,484	\$	26,240
1999	\$	149,444	\$	133,848	\$	11,183	\$	35,990	\$	36,470
2000	\$	157,259	\$	144,292	\$	18,139	\$	41,043	\$	45,110
2001	\$	161,371	\$	142,566	\$	20,355	\$	43,010	\$	54,093
2002	\$	168,915	\$	160,781	\$	11,673	\$	47,202	\$	51,434

Note: The General Government function in this table includes Judicial expenditures.

Source: Dallas County financial records.

Table 11

	<u>Libraries</u>	<u>Education</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Totals</u>
\$	228	\$ —	\$ 36,203	\$ 66,540	\$ 351,173
\$	101	\$ —	\$ 26,358	\$ 59,211	\$ 368,970
\$	92	\$ —	\$ 24,077	\$ 56,924	\$ 359,389
\$	61	\$ —	\$ 18,169	\$ 60,042	\$ 354,770
\$	53	\$ —	\$ 17,315	\$ 58,443	\$ 378,261
\$	57	\$ —	\$ 20,268	\$ 57,409	\$ 404,070
\$	45	\$ —	\$ 26,233	\$ 52,570	\$ 445,783
\$	47	\$ —	\$ 24,049	\$ 50,162	\$ 480,101
\$	41	\$ —	\$ 18,202	\$ 49,107	\$ 488,745
\$	40	\$ 5,569	\$ 17,102	\$ 47,365	\$ 510,081

DALLAS COUNTY, TEXAS

Ratio of Annual Debt Service for General Obligation Bonded Debt
Total Expenditures - All Governmental Fund Types

Last Ten Fiscal Years

September 30, 2002

(in thousands of dollars)

(Unaudited)

<u>Year</u>		<u>Total Expenditures</u>	<u>Debt Service</u>	<u>Debt Service as Percent of Total</u>
1993	\$	351,173	\$ 66,540	18.90 %
1994	\$	368,970	\$ 59,211	16.05 %
1995	\$	359,389	\$ 56,924	15.84 %
1996	\$	354,770	\$ 60,042	16.92 %
1997	\$	378,261	\$ 58,443	15.45 %
1998	\$	404,070	\$ 57,409	14.21 %
1999	\$	445,783	\$ 52,570	11.79 %
2000	\$	480,101	\$ 50,162	10.45 %
2001	\$	488,745	\$ 49,107	10.05 %
2002	\$	510,081	\$ 47,365	9.29 %

Source: Dallas County financial records.

DALLAS COUNTY, TEXAS

Computation of Legal Debt Margin - Primary Government

September 30, 2002

(in thousands of dollars)

(Unaudited)

Assessed valuation of real property*		\$	<u>130,879,232</u>
Assessed valuation of all taxable property*			<u>159,777,712</u>
Bonds issued under Article 3, Section 52 of the Texas Constitution:			
Debt limit, one-fourth of real property assessed valuation			32,719,808
Amount of debt applied to debt limit:			
Bonded debt	\$	170,388	
Less debt service funds - appropriation for future debt payments		<u>10,090</u>	
Total amount of debt applicable to debt limit			<u>160,298</u>
Legal debt margin, bonds issued under Article 3, section 52, of the Texas Constitution		\$	<u><u>32,559,510</u></u>
Bonds issued under Texas General Laws:			
Debt limit, five percent of assessed valuation of all taxable property		\$	7,988,886
Amount of debt applied to debt limit:			
Bonded debt	\$	77,365	
Less debt service funds - appropriation for future debt payments		<u>4,581</u>	
Total amount of debt applicable to debt limit			<u>72,784</u>
Legal debt margin, bonds issued under Texas General Laws		\$	<u><u>7,916,102</u></u>
Assessed value of real property	\$	130,890,166	\$ 159,788,646
Rolling Stock		<u>(10,934)</u>	<u>(10,934)</u>
Adjusted Assessed value of real property *	\$	<u>130,879,232</u>	\$ <u>159,777,712</u>

As to bonds issued under Article 3, Section 52e 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."

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."

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DALLAS COUNTY, TEXAS

Salaries and Surety Bonds of Principal Officials

As of September 30, 2002

(Unaudited)

Official Title	Incumbent	Amounts of	
		Salary	Surety Bond
County Judge	Margaret Keliher	\$ 126,467	\$ 5,000
Commissioner, Precinct 1	Jimmy L. Jackson	\$ 104,231	\$ 5,000
Commissioner, Precinct 2	Michael E. Cantrell	\$ 104,231	\$ 5,000
Commissioner, Precinct 3	John Wiley Price	\$ 104,231	\$ 5,000
Commissioner, Precinct 4	Kenneth A. Mayfield	\$ 104,231	\$ 5,000
County Auditor	Virginia Porter	\$ 113,496	\$ 5,000
County Treasurer	Bill Melton	\$ 100,870	\$ 25,000
Assessor-Collector of Taxes	David Childs	\$ 100,870	\$ 200,000 (a)
County Clerk	Earl C. Bullock, Jr.	\$ 100,870	\$ 500,000
District Attorney	* William Hill	\$ 154,262	\$ 5,000 (b)
District Clerk	Jim Hamlin	\$ 100,870	\$ 100,000
Sheriff	James C. Bowles	\$ 115,170	\$ 10,000

Note:

(a) Bonded to the County of Dallas	\$ 100,000
Bonded to the State of Texas	100,000
	<hr/>
	\$ 200,000

(b) Bonded to the State of Texas	\$ 5,000
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* Note: Portion of salary paid by the State of Texas	\$ 101,700
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Note: Official salaries excludes car allowance.

DALLAS COUNTY, TEXAS

Schedule of Insurance in Force
Primary Government

September 30, 2002

(Unaudited)

<u>Type of Coverage</u>	<u>Property/Group Covered</u>
Broad form property including earthquake and flood	All County buildings and their contents (\$500,000 deductible) except the Substance Abuse Facility (\$100,000 deductible)
Equipment breakdown	* Boiler & Machinery (\$25,000 deductible)
Floater	Electronic Data Processing equipment & software (\$25,000 deductible) Radio/Communications Equipment (\$25,000 deductible) Radio Towers (\$25,000 deductible)
Crime - Tax Assessor/Collector	Money, checks, securities (\$5,000 deductible) (a)
Crime - Treasurer	Money, checks, securities (\$500 deductible)
Crime - Child Support Office	Money, checks, securities (\$5,000 deductible)
Workers' Compensation	Administration
Benefits Stop Loss Insurance	County Employee Benefits
Group Life Insurance	County Employees
Long Term Disability Insurance	County Employees

Note: Settlements did not exceed insurance coverage for the past three fiscal years.

(a) At peak periods, the maximum coverage at the Records Center is increased per special schedule up to a limit of \$800,000 during the period from October 31 through December 15.

Table 15

	<u>Premium</u>	<u>Amount of Coverage</u>	<u>Term</u>	<u>Carrier</u>
\$	201,959	\$ 519,460,022	5/02 to 5/03	Allianz Insurance Company
\$	26,148	\$ 50,000,000	5/02 to 5/03	Allianz Insurance Company
		\$ 17,242,726	5/02 to 5/03	Allianz Insurance Company
\$	20,320	\$ 400,000	3/01 to 3/04	Great America Insurance Company
\$	23,514	\$ 300,000	7/01 to 7/04	Great America Insurance Company
\$	1,765	\$ 500,000	3/98 to 3/02	U.S. Fire Insurance
\$	**208,000	\$ —	5/02 to 5/03	Self-insured; Cunningham Lindsey, Third Party Administrator
\$	423,870	Stop Loss	1/02 to 1/03	American Fidelity Assurance Company
\$	1,103,620	Life Insurance	1/02 to 1/03	Group Life & Health Insurance Co.
\$	715,880	Long Term Disability	1/02 to 1/03	Standard Insurance Co.

* Premium includes amount for Floater coverage

** Amount paid to third party administrator

DALLAS COUNTY, TEXAS

Computation of Direct and Overlapping Bonded Debt

Last Ten Fiscal Years

September 30, 2002

(in thousands of dollars)

(Unaudited)

Name	Indebtedness as of	Gross Debt Less Sinking Funds	Percentage of Debt Applicable to Dallas County	Dallas County's Share of Debt
Dallas County	09/30/2002	\$ 247,753	100.0%	\$ 247,753
Hospital District	09/30/2002	\$ —	100.0%	\$ —
Water Control and Improvement District No. 6	09/30/2002	\$ 9,055	100.0%	\$ 9,055
Total Direct		256,808		256,808
Overlapping Debt:				
Independent school districts:				
Carrollton-Farmers Branch	08/31/2002	\$ 304,551	81.8%	\$ 249,123
Cedar Hill	08/31/2002	\$ 73,497	100.0%	\$ 73,497
Coppell	08/31/2002	\$ 127,640	100.0%	\$ 127,640
Dallas	08/31/2002	\$ 928,188	100.0%	\$ 928,188
DeSoto	08/31/2002	\$ 76,177	100.0%	\$ 76,177
Duncanville	08/31/2002	\$ 174,792	100.0%	\$ 174,792
Ferris	08/31/2002	\$ 1,140	8.0%	\$ 91
Garland*	08/31/2002	\$ 28,944	100.0%	\$ 28,944
Grand Prairie**	08/31/2002	\$ 81,024	100.0%	\$ 81,024
Grapevine	08/31/2002	\$ 259,109	0.1%	\$ 259
Highland Park	08/31/2002	\$ 72,990	100.0%	\$ 72,990
Irving	08/31/2002	\$ 363,581	100.0%	\$ 363,581
Lancaster	08/31/2002	\$ 11,531	100.0%	\$ 11,531
Mesquite	08/31/2002	\$ 347,910	100.0%	\$ 347,910
Richardson	08/31/2002	\$ 467,510	100.0%	\$ 467,510
Wilmer-Hutchins	08/31/2002	\$ 5,333	100.0%	\$ 5,333
Total independent school districts		\$ 3,323,917		\$ 3,008,590

Source: Financial reports of governmental units which have overlapping debt.

* Reporting same as last year

**Reporting the same since 2000

DALLAS COUNTY, TEXAS

Computation of Direct and Overlapping Bonded Debt - Continued

Last Ten Fiscal Years

September 30, 2002

(in thousands of dollars)

(Unaudited)

Name	Indebtedness as of	Gross Debt Less Sinking Funds	Percentage of Debt Applicable to Dallas County	Dallas County's Share of Debt
Cities and towns:				
Addison	09/30/2002	\$ 45,953	100.0%	\$ 45,953
Balch Springs	09/30/2002	7,668	100.0%	7,668
Carrollton	09/30/2002	120,208	64.7%	77,775
Cedar Hill	09/30/2002	27,080	98.3%	26,620
Coppell	09/30/2002	56,356	98.9%	55,736
Dallas	09/30/2002	761,715	97.1%	739,625
DeSoto	09/30/2002	64,754	100.0%	64,754
Duncanville	09/30/2002	19,095	100.0%	19,095
Farmers Branch	09/30/2002	15,970	100.0%	15,970
Garland	09/30/2002	159,466	100.0%	159,466
Glenn Heights	09/30/2002	183	72.4%	132
Grand Prairie	09/30/2002	89,877	55.9%	50,241
Hutchins	09/30/2002	3,816	100.0%	3,816
Irving	09/30/2002	235,122	100.0%	235,122
Lancaster	09/30/2002	6,953	100.0%	6,953
Mesquite	09/30/2002	53,167	100.0%	53,167
Richardson	09/30/2002	16,790	86.7%	14,557
Rowlett	09/30/2002	77,317	85.8%	66,338
Sachse	09/30/2002	4,474	93.5%	4,183
Seagoville	09/30/2002	2,633	99.6%	2,622
Wilmer*	09/30/2002	595	100.0%	595
Total cities and towns		1,769,192		1,650,389
Total Overlapping		\$ 5,093,109		\$ 4,658,979
Total Direct and Overlapping		\$ 5,349,917		\$ 4,915,787

* Reporting same since 2001

Source: Financial reports of governmental units which have overlapping debt.

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DALLAS COUNTY

Revenue Bond Coverage - Parking Garage

Last Ten Fiscal Years

(in thousands of dollars)

(Unaudited)

Year	Total Resources (1)	Operating Transfers	Net Resources Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	\$ 1,068	\$ 405	\$ 663	\$ 115	\$ 91	\$ 206	3.22
1994	\$ 1,215	\$ 450	\$ 765	\$ 120	\$ 85	\$ 205	3.73
1995	\$ 1,282	\$ 450	\$ 832	\$ 125	\$ 78	\$ 203	4.10
1996	\$ 1,307	\$ 450	\$ 857	\$ 135	\$ 72	\$ 207	4.14
1997	\$ 1,280	\$ 450	\$ 830	\$ 140	\$ 64	\$ 204	4.07
1998	\$ 1,150	\$ 450	\$ 700	\$ 150	\$ 56	\$ 206	3.40
1999	\$ 1,079	\$ 450	\$ 629	\$ 155	\$ 48	\$ 203	3.10
2000	\$ 954	\$ 275	\$ 679	\$ 165	\$ 40	\$ 205	3.31
2001	\$ 820	\$ 450	\$ 370	\$ 175	\$ 31	\$ 206	1.80
2002	\$ 741	\$ 420	\$ 321	\$ 185	\$ 21	\$ 206	1.56

(1) Includes undesignated fund balance at October 1.

Source: Dallas County financial records.

DALLAS COUNTY, TEXASProperty Values and New Construction
Last Ten Fiscal Years
(in thousands of dollars)

(Unaudited)

<u>Year</u>	<u>Total Property Value</u>	<u>Total New Construction</u>
1993	\$ 91,786,637	\$ 974,903
1994	\$ 93,065,583	\$ 1,155,722
1995	\$ 96,946,446	\$ 1,427,470
1996	\$ 101,277,758	\$ 1,685,480
1997	\$ 108,117,506	\$ 2,289,520
1998	\$ 117,377,806	\$ 2,537,526
1999	\$ 129,629,910	\$ 3,130,385
2000	\$ 140,271,928	\$ 3,504,710
2001	\$ 152,897,779	\$ 3,390,743
2002	\$ 160,226,574	\$ 3,492,309

Note: Total property value includes values under protest as claimed by property owner.

Source: Dallas Central Appraisal District.

Table 19

DALLAS COUNTY, TEXAS

Tax Rates for Governmental Units
With Overlapping Debt
Last Ten Fiscal Years

(Unaudited)

(Rates are per \$100 property value)

Name	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Dallas County	0.19600	0.19600	0.19600	0.19600	0.19720	0.20100	0.21000	0.21610	0.20240	0.20240
Hospital District	0.25400	0.25400	0.25400	0.19600	0.17990	0.18577	0.19409	0.19959	0.19959	0.20271
Community College District	0.06000	0.05000	0.05000	0.05000	0.05000	0.05000	0.05206	0.05206	0.05206	0.05210
School Districts										
Carrollton-Farmers Branch	1.72240	1.72420	1.61370	1.61370	1.53770	1.49610	1.46190	1.43290	1.43210	1.44250
Cedar Hill	1.63000	1.43000	1.43000	1.63000	1.77900	1.76000	1.75000	1.75000	1.63000	1.65000
Coppell	1.60000	1.60000	1.60000	1.60000	1.60000	1.60000	1.60000	1.59500	1.54500	1.54500
Dallas	1.58753	1.00000	1.47803	1.46053	1.46053	1.46053	1.46053	1.41810	1.41813	1.41800
DeSoto	1.66000	1.66000	1.66000	1.66000	1.77000	1.69000	1.64860	1.61860	1.61860	1.61360
Duncanville	1.63000	1.68000	1.68000	1.64000	1.68000	1.64000	1.60680	1.60680	1.57240	1.55760
Ferris	1.53950	1.51000	1.49000	1.49000	1.53000	1.53000	1.50000	1.50000	1.50000	1.44000
Garland	1.47140	1.47170	1.67550	1.47840	1.54450	1.48720	1.44280	1.44280	1.44280	1.37840
Grand Prairie	1.66710	1.66760	1.60810	1.46680	1.50780	1.46780	1.46780	1.46780	1.46780	1.46780
Grapevine	1.65979	1.58200	1.55200	1.55229	1.53779	1.53779	1.46700	1.46910	1.47910	1.41920
Highland Park	1.16000	1.69500	1.60550	1.60550	1.49500	1.54010	1.61310	1.60450	1.66040	1.68040
Irving	1.77060	1.69500	1.66840	1.66840	1.67840	1.64840	1.66340	1.63860	1.56960	1.55460
Lancaster	1.67000	1.67000	1.65200	1.67579	1.73000	1.69930	1.69930	1.69990	1.69990	1.66880
Mesquite	1.58000	1.58000	1.58000	1.58000	1.58000	1.53000	1.50000	1.50000	1.50000	1.46000
Richardson	1.80810	1.79000	1.64860	1.63000	1.62570	1.60000	1.56980	1.56980	1.56980	1.56980
Sunnyvale	1.34947	1.30000	1.24670	1.21750	1.20000	1.20500	1.20500	1.22200	1.24200	1.26140
Wilmer / Hutchins	1.54820	1.55840	1.52760	1.49910	1.64240	1.46450	1.70700	1.72100	1.74470	1.75000
Cities and Towns										
Addison	0.39990	0.38480	0.38100	0.38460	0.40000	0.44750	0.45500	0.51770	0.52450	0.52710
Balch Springs	0.61700	0.62900	0.59999	0.59999	0.62000	0.59000	0.59241	0.59625	0.60211	0.58630
Carrollton	0.59900	0.59900	0.60430	0.60430	0.60430	0.60430	0.60430	0.60430	0.57830	0.57830
Cedar Hill	0.64140	0.64269	0.64269	0.64269	0.64269	0.64269	0.66130	0.65289	0.64220	0.64220
Cockrell Hill	0.74036	0.74508	0.77048	0.75202	0.77183	0.70432	0.73996	0.71538	0.70064	0.66830
Coppell	0.64860	0.64860	0.64860	0.64860	0.64860	0.66860	0.66860	0.66950	0.66950	0.68950
Dallas	0.66750	0.66750	0.66750	0.66750	0.64910	0.65160	0.67220	0.65260	0.67440	0.67440
DeSoto	0.65921	0.61139	0.61139	0.61139	0.61139	0.61139	0.62860	0.58860	0.64850	0.63000
Duncanville	0.71800	0.71800	0.71800	0.71800	0.71800	0.71800	0.72000	0.72190	0.85480	0.85800
Farmers Branch	0.44000	0.44000	0.44000	0.44000	0.44000	0.44000	0.44000	0.44000	0.44000	0.44000
Garland	0.64110	0.63360	0.61360	0.63360	0.63360	0.63360	0.63360	0.63360	0.63360	0.61910
Glenn Heights	0.70990	0.72840	0.79000	0.79240	0.80000	0.83000	0.84830	0.84830	0.85000	0.85000
Grand Prairie	0.67500	0.67500	0.67500	0.67500	0.67999	0.67999	0.69560	0.69560	0.69560	0.69560
Highland Park	0.22900	0.22900	0.25750	0.25750	0.26930	0.29700	0.29700	0.29700	0.29710	0.29250
Hutchins	0.58816	0.48165	0.50151	0.54412	0.54636	0.54793	0.57115	0.57115	0.57120	0.57110
Irving	0.49800	0.48800	0.48800	0.48800	0.49300	0.49300	0.50860	0.50570	0.52210	0.52210
Lancaster	0.67170	0.67170	0.67170	0.55170	0.55170	0.55170	0.55170	0.55170	0.67170	0.67170
Mesquite	0.54148	0.54148	0.54148	0.54148	0.58148	0.48148	0.54148	0.54148	0.52830	0.51000
Richardson	0.44385	0.44385	0.44385	0.44385	0.44385	0.44385	0.44385	0.44385	0.45390	0.45390
Rowlett	0.64000	0.64000	0.64000	0.64000	0.64000	0.62000	0.60500	0.60500	0.57320	0.57320
Sachse	0.50000	0.50000	0.64670	0.64670	0.67470	0.67470	0.66450	0.64950	0.64950	0.65000
Seagoville	0.65000	0.58000	0.58000	0.53779	0.53779	0.55176	0.55408	0.53634	0.52660	0.60020
Sunnyvale	0.37997	0.37997	0.37997	0.37997	0.37997	0.35739	0.35739	0.35233	0.34390	0.34980
University Park	0.32932	0.33999	0.37159	0.39537	0.43537	0.45995	0.46137	0.46581	0.47730	0.49620
Wilmer	0.66000	0.66000	0.66000	0.66000	0.66000	0.66000	0.66000	0.66000	0.66000	0.66000

Source: Financial reports of governmental units which have overlapping debt.

Table 20

DALLAS COUNTY, TEXAS

Labor Force Statistics
 Dallas / Fort Worth Consolidated
 Metropolitan Area
 Last Five Fiscal Years

(Unaudited)

	Annual				
	2002	2001	2000	1999	1998
Dallas Metropolitan Statistical Area (Actual):					
Total civilian labor force	2,060,318	2,080,567	1,988,200	1,930,600	1,892,300
Total unemployment	142,091	113,316	65,400	60,500	63,600
Percent unemployed	6.90%	5.40%	3.30%	3.10%	3.40%
Total employment	1,918,227	1,967,251	1,922,800	1,870,100	1,828,700
State of Texas (Actual):					
Total civilian labor force	10,697,069	10,649,900	10,432,000	10,349,400	10,196,400
Total unemployment	653,100	542,100	453,000	463,700	505,800
Percent unemployed	6.10%	5.10%	4.30%	4.50%	5.00%
Total employment	10,044,000	10,107,800	9,979,000	9,885,700	9,690,600
United States (Actual):					
Total civilian labor force	142,616,000	141,576,000	140,357,000	139,216,000	137,903,000
Total unemployment	8,142,000	6,708,000	5,324,000	5,661,000	6,039,000
Percent unemployed	5.70%	4.70%	3.80%	4.10%	4.40%
Total employment	134,474,000	134,868,000	135,033,000	133,555,000	131,864,000

Source: LMI Department, Texas Workforce Commission and
 Greater Dallas Chamber as of September 30, 2002

DALLAS COUNTY TEXAS

Miscellaneous Statistical Data

(Unaudited)

Date of Incorporation								1846
Form of Government: A public corporation and political subdivision of the State of Texas								
Number of County employees, September 30, 2002								6006*
Area - square miles								900
Population (a):	1860	8,665	1930	325,691	1991	1,858,341	1998	2,023,140
	1870	13,314	1940	398,564	1992	1,873,850	1999	2,050,865
	1880	33,488	1950	614,799	1993	1,882,400	2000	2,062,100
	1890	67,042	1960	951,527	1994	1,913,395	2001	2,218,899
	1900	82,726	1970	1,327,321	1995	1,942,303	2002	2,245,398
	1910	135,748	1980	1,556,549	1996	1,959,281		
	1920	210,551	1990	1,852,810	1997	2,013,700		
Elections (b):		1998	1999	2000	2001	2002		
		General	General	General	General	General		
Registered voters		1,146,673	1,138,235	1,248,351	1,967,200	1,208,333		
Number of votes cast		344,661	54,384	617,187	45,780	450,150		
Percentage of registered voters voting		30.06%	4.78%	49.44%	2.33%	37.25%		
Miles of maintained roads, 2002 (c) (includes federal and state highways and city streets):								
Roads, bridges and culverts								1,615.48
Climate, 2002 (d):								
Altitude								500 – 800 feet
Rainfall (inches):								
Normal								2.42
Actual								1.38
Temperature (f):				High	Low			
Normal average				87.7	67.2			
Actual average				90.5	68.6			

Data Sources:

- (a) Census Bureau
- (b) Elections Dept.
- (c) Public Works Dept.
- (d) Weather Bureau

* Full- time and part-time employees

DALLAS COUNTY TEXAS

Miscellaneous Statistical Data - Continued

(Unaudited)

County of Dallas:	
Total assets, all Dallas area banks - 2002 (e)*	\$ 41,902,447
Total consumption of natural gas mcf - 2002 (f)	\$ 37,518,901
Radio and television (g):	
Radio stations	52
Television stations	17
Colleges and Universities	25

FEE OFFICE FACTS (h)

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Justice of the Peace Courts (1):			
Employees	112	143	143
Cases	242,446	270,600	263,529
Budget	\$ 5,095,773	\$ 5,494,532	\$ 5,472,451
Fee income	\$ 1,546,290	\$ 1,746,221	\$ 1,703,129
Fine income	\$ 6,301,969	\$ 7,265,565	\$ 6,945,012
County Treasurer:			
Employees	20	20	20
Total receipts	\$ 29,696,956,521	\$ 39,248,527,875	\$ 33,736,025,012
Total disbursements	\$ 29,770,629,186	\$ 39,269,633,722	\$ 33,736,341,027
Investment earnings	\$ 16,704,149	\$ 16,320,912	\$ 8,379,028
Budget charges	\$ 1,052,280	\$ 1,028,362	\$ 1,041,521
Fee income	\$ 561,879	\$ 895,944	\$ 1,283,316

Note (1): Redistricting of JP in FY2002 reduced number of courts from 14 to 11.
Incumbents in 3 non-named courts will serve out balance of elected term

Data Sources:

- (e) Federal Reserve
 - *Bank One of Texas (Formally with assets of \$30 billion) has now become Bank One of Chicago.
- (f) TXU Gas
- (g) Chamber of Commerce
- (h) Dallas County financial records

DALLAS COUNTY TEXAS

Miscellaneous Statistical Data - Continued

(Unaudited)

	2000	2001	2002
Constables (2):			
Employees	199	221	222
Civil process	157,953	165,627	151,020
Budget charges	\$ 11,263,070	\$ 11,468,186	\$ 11,643,893
Fee income	\$ 6,777,838	\$ 7,355,235	\$ 7,762,414
District Clerk:			
Employees	243	246	250
Civil process cases	51,359	42,601	44,505
Criminal cases	26,170	26,246	26,114
Jurors	115,474	123,653	113,489
Budget charges	\$ 8,188,727	\$ 9,011,101	\$ 9,708,162
Fee income	\$ 5,113,324	\$ 5,291,709	\$ 5,830,757
Assessor-Collector of Taxes:			
Employees	206	227	233
Ad valorem assessment notices issued	729,154	731,051	743,709
Motor vehicle registrations	2,351,354	1,818,868	1,816,528
Budget charges	\$ 8,815,339	\$ 9,476,370	\$ 9,573,404
Collections	\$ 1,237,729,258	\$ 1,363,098,347	\$ 2,726,295,132
County Clerk:			
Employees	191	191	192
Marriage licenses	18,482	19,660	17,778
Civil suits	14,854	13,557	15,774
Probate cases	9,545	9,331	9,681
Criminal cases	62,829	61,194	54,694
Budget charges	\$ 9,699,964	\$ 9,460,584	\$ 9,785,822
Fee income	\$ 8,068,167	\$ 8,967,870	\$ 9,940,196
Sheriff:			
Employees	1,820	1,823	1,700
Daily average in county jail	6,776	6,218	6,663
Persons booked	108,909	99,751	93,786
Civil process	5,338	6,083	6,825
Budget charges	\$ 86,510,709	\$ 85,902,424	\$ 96,076,822
Fee income	\$ 2,591,516	\$ 2,802,441	\$ 2,899,802
Average food cost per person per day	\$1.71	\$1.68	\$1.86

Note (2): Redistricting of Constables in FY2002 reduced number of Precincts from 8 to 5. Incumbents in 2 non-named precincts will serve out balance of elected term. One incumbent was appointed to another political office.

DALLAS COUNTY TEXAS
Miscellaneous Statistical Data - Continued
(Unaudited)

Dallas County Schools (i)

	<u>Balance September 1, 2001</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance September 30, 2002</u>
Operating account	\$ 646,814	\$ 73,123,481	\$ 70,363,469	\$ 3,406,826
Consolidated payroll account	40,000	24,430,366	24,430,366	40,000
Investments	<u>19,389,862</u>	<u>28,115,003</u>	<u>26,552,811</u>	<u>20,952,054</u>
Total	<u>\$ 20,076,676</u>	<u>\$ 125,668,850</u>	<u>\$ 121,346,646</u>	<u>\$ 24,398,880</u>

Data Sources:

(i) Dallas County School District