

**DALLAS COUNTY, TEXAS**

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2003

**Prepared by:**

**Virginia Porter, CPA  
County Auditor  
509 Main, Suite 407  
Dallas, Texas 75202**

**DALLAS COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2003**

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# **INTRODUCTORY SECTION**



## DALLAS COUNTY COUNTY AUDITOR

February 7, 2004

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, 2003.

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, 2003, 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 empresario grant before 1836, but actual settlement was delayed until 1841. The first Texas legislature created the County from parts of Robertson and Nacogdoches counties on March 30, 1846, and designated the town of Dallas (a post office since 1844) as a temporary "Seat of Justice." The act does not state whom the County's name honors; it probably was George M. Dallas, then vice president of the United States. Two elections were held in 1850 to fix the City of Dallas as the permanent county seat. The County encompasses an area of 900 square miles. The 2003 estimated population for the County was 2,283,953.

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 Texas Association of County Auditors and County Information Resources Agency (CIRA), an interlocal government agency.

The County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local governmental units. A primary service is the administration of justice, which includes the civil and criminal county and district courts, justices of the peace, constables, district attorney, investigators, clerks of the courts, sheriff, jail, security and emergency management, medical examiner, crime laboratory and grand jury bailiffs. Other functions performed by the County include the construction and maintenance of roads and bridges, either independently or in cooperation with other entities; administration of public health services; assistance to indigents; and the provision of juvenile, health, education and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's planning and control. Budget 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 impacted revenues from vehicle license and registration fees and collectibility of certain fees and fines. Property values were maintained but new construction declined 35%.

Population trends in Texas and in Dallas indicate a poorer, less educated, older citizen base with increasing medical needs. Dallas County budget initiatives reflect increased pressures to provide for indigent support of the health, welfare and judicial needs of citizenry.

**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. In accordance with the County's Cash Plan Policy adopted in 1998, a percentage of assessed taxes is devoted to capital improvement programs and large scale technology projects. Prior to the adoption of the plan, capital projects were historically 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 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 in October 2002 and reviewed without changes in September 2003. 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 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. Legal and administrative assistance are contracted through various experienced firms and utilized on an ongoing basis for workers compensation and unemployment claims. An actuarial or account analysis is completed periodically to support assumptions for outstanding liabilities.

Dallas County along with Tarrant County, Denton County and the North Texas Tollway Authority is a member of the Public Employee Benefits cooperative of North Texas which provides administrative services such as enrollment, eligibility determination and ongoing review of health insurance programs as well as HIPAA implementation.

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 is funding 8.5% matching contribution for each employee resulting in a 200% 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, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

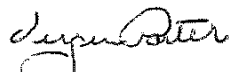
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal 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 22 consecutive years (fiscal years ended 1981 through 2002). 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 2003. 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, 2002

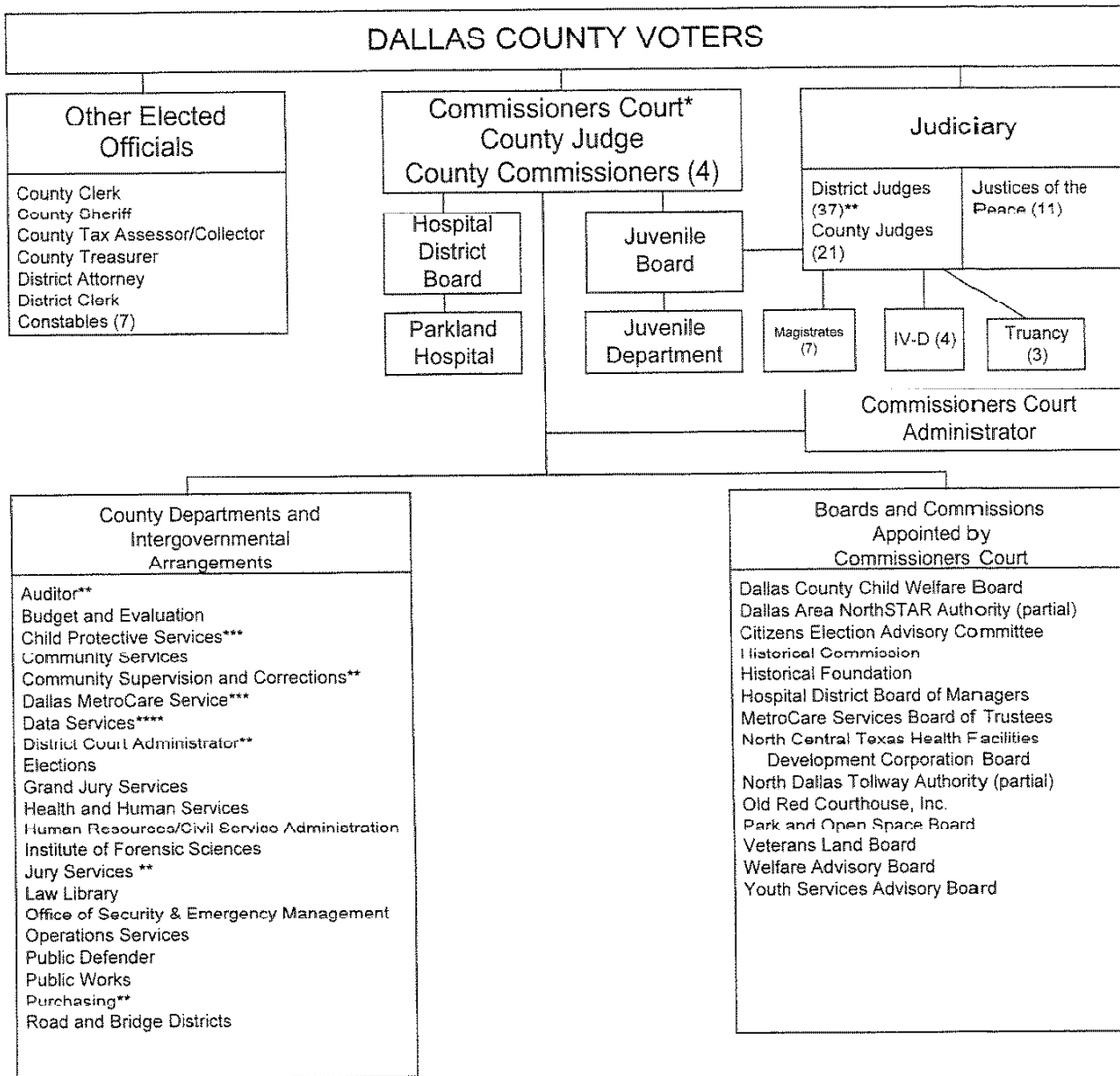
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# COUNTY ORGANIZATION



\* Members of the Commissioners Court serve on the following boards and committees: Texas Jail Standards Commission, Texas Juvenile Crime Commission, Texas Juvenile Probation Commission, Dallas County Juvenile Board, Juvenile Crime Enforcement Coalition (JAIBG), National Association of Counties (NACo) Transportation, Deferred Compensation Committee, Annual Conference Advisory, NACo Large Urban Counties Caucus Steering Committees, Conference of Urban Counties, Texas Association of Regional Councils, North Texas Commission, 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, Regional Transportation Council, DFW Partners in Mobility, 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 21 Statewide Transportation Coalition, North American Superhighway Coalition Board.

\*\* The 37 District Judges appoint the County Auditor, District Court Administrator, 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, 2003

<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	Lisa Hembry
Assessor-Collector of Taxes	David Childs
County Clerk	Cynthia Figueroa Calhoun
District Attorney	William Hill
District Clerk	Jim Hamlin
Sheriff	James C. Bowles

# **FINANCIAL SECTION**



KPMG LLP  
Suite 3100  
717 North Harwood Street  
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, 2003, 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, 2003, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 13, 2004 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 - 24; the budgetary comparison schedules for the General Fund, Major Projects Fund and Grants fund on pages 73-78; the Modified Approach – Infrastructure on pages 79 and 80; and the Schedule of Funding Progress of the Defined Benefit Pension Plan on page 81 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 combining and individual fund financial statements and schedules listed in the accompanying table of contents under supplemental financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary Information, except for that portion marked unaudited on which we express no opinion, 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 Information listed in the table of contents are presented for purposes of additional analysis and are not required part of the basic financial statements of the County. Such additional information has 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 13, 2004

## DALLAS COUNTY, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the County of Dallas (County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2003. 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 includes comparative data for the prior year.

#### FINANCIAL HIGHLIGHTS

- The County maintained its strong financial position in FY2003 despite the weak economy and budgetary challenges. At fiscal year end, net assets totaled \$269,267, an increase of \$27,527 from the previous year. The increase reflects the County's commitment to building reserves for capital improvement projects and technology financed by tax revenues and new debt. The total net assets include \$27,618 restricted for specific purposes and \$298,000 invested in capital assets net of related debt. As was the case in FY2002, the negative \$56,351 in unrestricted net assets resulted from the major portion of the debt being generated for maintenance on roads not owned by the County. Additionally, 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 combined fund balances at year-end of \$216,097; of which \$79,717 or 37% represents unreserved fund balances. The more significant components of unreserved fund balance are maintained in the General Fund as emergency reserves (31%) and in major project and technology funds for planned technology and capital building projects (49%).
- The general fund balance of \$36,214 (including \$24,577 unreserved) equals 10.8% of general fund expenditures.
- The County's bonded indebtedness decreased by a net \$10,750 despite the issuance of \$22 million in tax notes to ensure available funding for the new civil courts building contracts.

#### 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 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.

**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, pension benefits for component unit, general fund and major special revenue fund budgetary schedules.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As a part of the tier one group, the County initially applied GASB 34 to reports for the FY2002 fiscal period. Comparative analysis of government-wide data is presented for FY2003 and FY2002.

The County's net assets at September 30, 2003 and 2002 are summarized as follows:

<u>Governmental Activities</u>			
	FY2003	FY2002	Increase (Decrease)
Current and other assets	\$ 515,175	\$ 494,043	\$ 21,132
Capital assets ( net of depreciation)	315,981	309,627	6,354
Total assets	<u>831,156</u>	<u>803,670</u>	<u>27,486</u>
Current and other liabilities	293,061	332,547	(39,486)
Long-term liabilities	268,828	229,383	39,445
Total liabilities	<u>561,889</u>	<u>561,930</u>	<u>(41)</u>
Net assets			
Invested in capital assets, net of related debt	298,000	285,000	13,000
Restricted	27,618	31,395	( 3,777)
Unrestricted deficit	(56,351)	(74,655)	18,304
Total net assets	<u>\$ 269,267</u>	<u>\$ 241,740</u>	<u>\$ 27,527</u>

Total assets of \$831,156 at September 30, 2003 reflect an increase of \$27,486 (or 3%) over assets in FY2002. All major asset categories such as cash, receivables and capital increased; liabilities decreased slightly. Of the County's total assets, the largest components are: 1) cash and investments of \$221,427 or 27%, 2) receivables which largely represent the deferred tax revenues for FY2004 of \$272,932 or 33%, and 3) capital assets net of accumulated depreciation of \$315,981 or 38%. The receivables are offset by deferred revenue since the tax revenue assessed on January 2003 values is not realized until FY2004. Capital assets are non-liquid assets and cannot be utilized to satisfy County obligations. The total liabilities of \$561,889 include current liabilities of \$293 million. Included in current liabilities, but not anticipated to

result in draw-down of emergency reserves is workers compensation (\$3,000), compensated absences (\$7,522) and legal claims (\$3,000).

The County's assets exceeded liabilities by \$269,267 at the close of the fiscal year. Of this amount, about 10% or \$27,618 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 (\$298,000) of the County's net assets reflects its *investment in capital assets* (e.g., land, buildings, machinery, and equipment) net of related debt. Although total 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. The liabilities include debt to finance non-County road maintenance which does not result in an increase in County assets.

Governmental activities increased the County's net assets by \$27,527. The key components of this increase are the following:

- An increase in governmental fund balances of \$9,793 primarily due to increases in major capital and technology fund balances.
- A reporting requirement for debt in government-wide statements. The principal debt payments of \$32,795 are expenditures on the traditional fund statements but a reduction of debt (which increases net assets) on the government-wide statements. This was offset by the issuance of \$22 million in long-term debt.
- Capital asset purchases are reported as expenditures in governmental funds but these capital outlays net of depreciation increase net assets in government-wide statements.

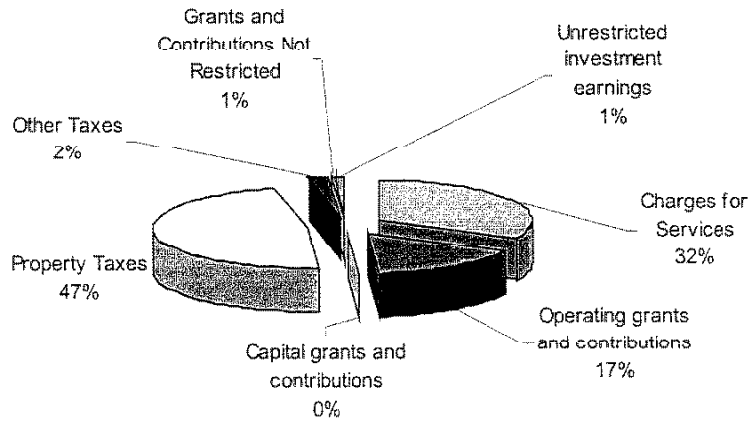
The Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds on page 31 provides further details on the increase in net assets (\$27,527).

Program revenues and expenses are presented net of interfund eliminations.

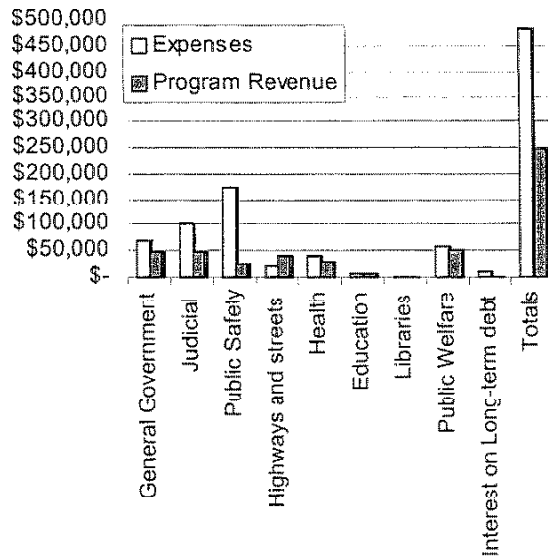
**Dallas County's Changes in Net Assets – Governmental Activities**

	<u>FY2003</u>	<u>FY2002</u>	<u>Increase (Decrease)</u>
Revenues:			
Net Program revenues:			
Charges for services	\$ 162,950	\$ 179,539	\$ (16,589)
Operating grants and contributions	85,650	72,571	13,079
Capital grants and contributions	34	3,331	(3,297)
General revenues:			
Property taxes	242,408	236,929	5,479
Other taxes	9,778	9,732	46
Grants and contributions not restricted	2,986	2,281	705
Unrestricted investment earnings	4,756	8,271	(3,515)
Total revenues	<u>508,562</u>	<u>512,654</u>	<u>(4,092)</u>
Expenses:			
General government	68,466	65,372	3,094
Public safety	172,274	167,880	4,394
Highways and streets	21,748	27,634	(5,886)
Public welfare	58,871	51,732	7,139
Health	39,576	47,470	(7,894)
Judicial	102,611	98,247	4,364
Education	5,671	5,636	35
Libraries	23	-	23
Interest on long-term debt	11,795	14,248	(2,453)
Total expenses	<u>481,035</u>	<u>478,219</u>	<u>2,816</u>
Change in net assets	27,527	34,435	(6,908)
Net assets - beginning	241,740	207,305	34,435
Net assets - ending	<u>\$ 269,267</u>	<u>\$ 241,740</u>	<u>\$ 27,527</u>

**Revenues by Source - Governmental Activities - FY2003**



**Expenses and Program Revenues - Governmental Activities - FY2003**



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

- Compared to the prior year, FY2003 program revenues (\$248,634) declined by \$6,807 mainly due to the County's discontinuance of direct jail health services. Both the cost and associated cost reimbursement (\$7.5 million) from Parkland were eliminated. Federal awards for partial reimbursement of costs related to the incarceration of undocumented aliens decreased by \$3.1 million while county clerk recording fees increased by \$1.1 million. Additionally, justice of peace fees increased by \$2.6 million due to centralized collection and an automatic ticketing program which automatically uploads ticket data to the court system.
- General revenues of \$259,928 reflected an increase of \$2,715 from FY2002 general revenues. This 1% increase resulted from higher property valuations generating additional property taxes and from declining investment earnings.
- Over one-third of the expenses were for Public Safety (\$172,274) while this category provided about 5% of total revenues of \$507,508. Public Safety expenses increased by \$4,394 over FY2002 expenses reflecting additional payroll expenses for pay raises, health insurance and jail overtime charges.
- Judicial constituted the next largest category of expenses (\$102,611 or 21%). Judicial activities provided about 9% of total revenues.
- Highways and streets expenses decreased by \$5,886 from FY2002 reflecting a delay in road projects because of difficulties in obtaining rights-of-way and because of citizen opposition.
- Grant program revenues and contributions comprised about 16.8% of revenues. Grants activity increased about 10% from the previous year despite changes in state funding. Some state grants were cut while others such as bio-terrorism were increased.

## 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 an 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 \$216,097, an increase of \$9,793 compared with the prior year. Most of that increase is attributed to a \$22 million sale of tax notes at year end. Despite the overall increase in fund balances, the percentage of unreserved fund balance decreased from 44% to 37% of the fund balance. The *unreserved fund balance*, used as a management and budgetary tool, 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 (\$41,624); 2) to pay debt service (\$12,181); 3) to reflect inventories (\$2,065); 4) to fund capital projects (\$78,104); and 5) a variety of other restricted purposes (\$2,406)

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 \$24,577 in contrast to \$35,245 in the prior year. The decrease in the County's reserves resulted largely from increases in insurance costs, jail overtime charges, new truancy courts and indigent defense costs. 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 7.2% of total fund expenditures, while total fund balance represents 10.8% of total fund expenditures. General fund budgetary targets for reserves are 10.5% of expenditures.

The Debt Service Fund (county-wide) has a total fund balance of \$12,181, a decrease of \$ 2,280 as compared with the prior year reflecting a decline in debt offset by the issuance of new long-term debt ( tax notes) in September 2003. The reserves for the payment of debt service combined with first quarter collections on current year assessments approximates 40% of next year's debt.

The Major Projects Fund reflects a fund balance of \$51,533 and encumbrances of \$20,477. Many projects are still in the engineering and development stage with planned expenditures in the next two years.

The Grants Fund, despite discontinued funding of certain federal awards, reflected an almost \$10 million increase in grants revenues from \$75,747 in FY2002 to \$85,684 in FY2003 and grant expenditures from \$78,077 in FY2002 to \$87,611 in FY2003.

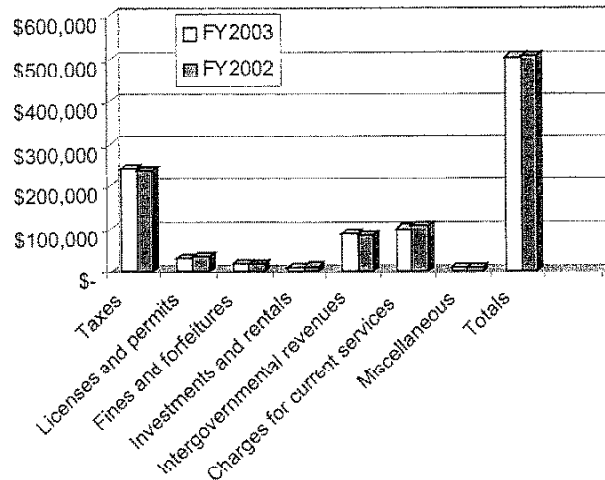
The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

**Governmental Funds - Revenues Classified by Source**

	<u>FY 2003</u>	<u>FY 2002</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
Taxes	\$ 242,408	\$ 236,929	\$ 5,479	2 %
Licenses and permits	33,564	36,497	(2,933)	(8%)
Fines and forfeitures	19,931	18,683	1,248	7%
Investments and rentals	9,924	12,122	(2,198)	(18%)
Intergovernmental revenues	88,704	84,702	4,002	5%
Charges for current services	100,308	106,583	(6,275)	(6%)
Miscellaneous	<u>10,865</u>	<u>11,229</u>	<u>(364)</u>	<u>(3%)</u>
Total	<u>\$ 505,704</u>	<u>\$ 506,745</u>	<u>\$ (1,041)</u>	-

- Taxes – the increase of \$5,479 was primarily due to a 2% 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 \$2,256,055. Increased tax refunds and tax litigation impacted total tax collections.
- Revenues from licenses and permits declined due to the continued weak economy as fewer consumers purchased vehicles. Similarly, investments and rental revenue declined 18% due to the lowest interest rates in 45 years.
- Revenue from charges for current services declined by \$6,275 because the County discontinued the direct service of jail health thereby removing both the cost and associated reimbursement for cost.

### Revenues Classified by Source - Governmental Funds



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

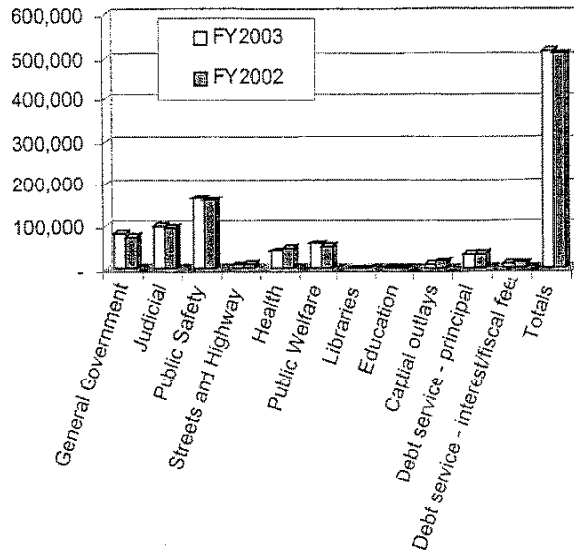
### Expenditures by Function - Governmental Funds

Function	FY2003	FY2002	Increase (Decrease)	Percent of Change
General government	\$ 82,455	\$ 73,760	\$ 8,695	12 %
Judicial	101,207	95,155	6,052	6 %
Public safety	165,571	160,781	4,790	3 %
Streets and highways	10,161	11,673	(1,512)	(13 %)
Health	39,713	47,202	(7,489)	(16 %)
Public welfare	58,536	51,434	7,102	14 %
Libraries	40	40	-	-
Education	5,604	5,569	35	1 %
Capital outlays	10,495	17,102	(6,607)	(38 %)
Debt service - principal	32,795	34,140	(1,345)	( 4 %)
Debt service - interest/fiscal fees	11,404	13,225	(1,821)	(14%)
Total	\$ 517,981	\$ 510,081	\$ 7,900	2 %

The total expenditures increase of \$7,900 (2%) appears minimal although some areas such as general government experienced significant increases in expenditures (12%) resulting from a substantial increase in major projects activity and increased utilities costs. Additionally, FY2003 payroll costs included a full year of 3% salary increase and a 1.5% increase in retirement contribution. A mid-year hiring freeze was instituted as a budget balancing technique when anticipated savings from vacant positions did not materialize. Health expenditures decreased by \$7,489 (16%) mainly due to outsourcing Jail Health services. Revenues from reimbursement for jail health costs decreased by the same amount. Capital outlays decreased because of delays in obtaining right-of-way access to roads planned for maintenance.



### Expenditures By Function - Governmental Funds



### GENERAL FUND BUDGETARY HIGHLIGHTS

The final FY2003 budget was adopted on September 16, 2002 with the total General Fund expenditures and reserves amounting to \$369,033, a decrease of \$3,827 from the FY2002 budgeted expenditures and reserves. The \$369,033 excludes approximately \$10,076 in re-appropriated amounts of approved encumbrances from prior periods added to the original and final budgets for a total of \$379,109. The FY2003 budget decrease was primarily due to new outsourced jail health contract (\$7.5 million) and decrease in capital expenditures (\$2 million).

In total, the original budget and the final amended budget were equal although budgeted reserves decreased by \$9,907 from the original to the final budget. Reserves provided for the following:

- overtime charges in public safety
- additional health insurance costs and unemployment taxes
- increase in utilities
- additional judicial costs of truancy courts and indigent defense.

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

- Actual revenues were higher than budgeted by \$2,986. Revenues in areas such as taxes and investment earnings were negatively impacted by the economy while charges for services such as recording deeds from home refinancing were higher due to continued low interest rates. Specialized truancy courts and automated ticketing of traffic fines and centralized collections including credit card receipts generated higher revenues.

- Actual expenditures were lower than the final budget in all categories after budget transfers from County reserves to budgeted line items. County departments were encouraged to hold line on expenditures to support the overall County budget since the County was incurring higher costs of items such as medical insurance, data services and utilities. The County also instituted a mid-year hiring freeze to aid with budget management.
- Line item transfers totaling \$9 million were approved for projects as noted above while savings for department managed expenditures for other ongoing activities were realized. Consequently, savings from unfilled positions, alternative placement programs and several large contracts generated positive variances between actual expenditures and final budgeted expenditures.
- Unanticipated reimbursement awards for public safety related activity were also realized.

#### DEBT ADMINISTRATION AND CAPITAL ASSETS

**Long-term debt.** At September 30, 2003, the County had unlimited tax and limited tax general obligation bonds outstanding in the amount of \$237,673. According to Texas statutes, the County has two debt limits. Bonds issued under Article 3, Section 52e of the Texas Constitution total \$52,808 and bonds issued under Article 722 of Vernon's Civil Statutes total \$84,865. The debt limits for the two authorizations are \$33,164,120 (25% of real property assessed valuation) and \$7,985,220 (5% of assessed valuation of all taxable property); therefore, the County has legal debt margins on general obligation debt of \$33,019,179 and \$7,904,774 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 FY2003:

	<b><u>Beginning</u></b> <b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
<b>Governmental Activities:</b>				
General obligation bonds	\$ 247,753	\$ 23,185	\$ 32,795	\$ 238,143
Compensated absences	16,624	11,803	9,376	19,051
Claims and judgements	6,000	1,218	1,218	6,000
Arbitrage	323	-	189	134
Workers compensation	<u>5,000</u>	<u>4,056</u>	<u>3,556</u>	<u>5,500</u>
 Total	 <u>\$ 275,700</u>	 <u>\$ 40,262</u>	 <u>\$ 47,134</u>	 <u>\$ 268,828</u>

The County's estimated liability for claims and judgements of \$6,000 is the same projected liability for the prior year. While settlements for new court cases filed against the County are difficult to project, ongoing procedural reviews are held to mitigate claims. Legal counsel and subject experts are contracted to review workers compensation claims as needed. None of the existing/filed criminal litigation cases are expected to result in County liability. Other long-term 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, 2003, net capital assets of the governmental activities totaled \$315,981, reflecting a net increase of \$6,354 in asset additions less retirements. 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 \$11,148.

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 142.29 miles of roads and 49 bridges and culverts. Consistent with County policy, over 98% of the County's roads were rated 2.5 or better on a 4.0 scale; essentially, the same percent as the prior year. As was the case in FY2002, all of the County's bridges are in good to very good condition.

The County expended \$1,543 on road maintenance for the fiscal year ended September 30, 2003. 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 \$1,100. Additional details on infrastructure assets can be found in Required Supplementary Information, pages 79 and 80.

**County's Capital Assets**  
(net of depreciation)

	<u>2003</u>	<u>2002</u>
<b>Governmental Activities:</b>		
Land	\$ 24,368	\$ 23,996
Buildings and improvements	227,345	233,572
Equipment, Vehicles, Machinery	15,717	15,227
Infrastructure	29,554	30,302
Construction in Progress	18,997	6,530
<b>Total</b>	<u>\$ 315,981</u>	<u>\$ 309,627</u>

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

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

The annual budget is developed to provide efficient, effective and controlled use 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. The FY2004 Budget meets the key established policy directive of the Commissioners Court requiring that the budgeted ending balance be no less than 10.5% of budgeted expenditures.

Early in the FY2004 budget process, Dallas County projected a funding gap in revenues and expenses. As a result, the Commissioners Court instituted a 15-week "rolling" hiring freeze in March 2003. In addition, Commissioners Court required that all departments submit FY2004 budget requests that either included 10% revenue increase or a 10% expenditure decrease from their FY2003 budget.

The final FY2004 budget was adopted on September 30, 2003 with total General Fund expenditures of \$338.6 million, a 2% decrease from the estimated FY2003 expenditures. Budget initiatives reflected a \$17.2 million increase to the General Fund reserves in the FY2004 budget, therefore, reversing the reserve draw down experienced in FY2003. The General Fund budget contains unallocated reserves of \$1.69 million and emergency reserves of \$33.9 million.

The County budget for FY2004 included the following:

- The County's FY2004 property tax rate was set at \$20.39 cents per \$100 assessed valuation, an increase of \$.79 cents from FY2003. This was the first property tax rate increase since FY1996. Despite the minimal rate increase, Dallas County's rate remains among the lowest rate of urban counties in Texas.
- FY2004 budget includes the addition of 37 positions and the deletion of 98 positions for a net decrease of 61 positions county-wide. Many of the deletions were the result of efficiencies gained over the last few years.
- The FY2004 budget assumes continuation of reduced overtime for the jails resulting from a low vacancy rate in the jails and scheduling changes by the Sheriff.
- The FY2004 Major Capital Development Fund includes \$22.4 million for the George Allen Civil Courts renovation. The FY2004 Major Technology Fund includes \$2.4 million for the Civil Courts System replacement and \$2 million for Oracle 11i upgrade.
- Law enforcement step increases and County Health Insurance contribution increases (\$3.5 million) were adopted in the FY2004 budget.

#### **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](http://www.dallascounty.org).

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# **BASIC FINANCIAL STATEMENTS**

**DALLAS COUNTY, TEXAS**

Statement of Net Assets

September 30, 2003

(in thousands of dollars)

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Hospital</u>
	<u>Activities</u>	<u>District</u>
<b>ASSETS</b>		
Cash and investments	\$ 221,427	\$ 64,222
Receivables (net of allowance for uncollectibles)	272,932	104,977
Due from other government units	16,982	-
Inventories	2,065	6,396
Prepays	1,256	-
Deferred charges	40	-
Restricted assets:		
Cash and cash equivalents	473	4,848
Investments	-	9,313
Assets limited as to use - cash and investments	-	78,459
Capital assets (net of accumulated depreciation):		
Land	24,368	30,695
Construction in Progress	18,997	40,385
Infrastructure	29,554	-
Buildings	227,345	103,588
Machinery and equipment	15,717	68,200
Total capital assets	<u>315,981</u>	<u>242,868</u>
 Total assets	 <u>831,156</u>	 <u>511,083</u>
<b>LIABILITIES</b>		
Accounts payable and other current liabilities	22,056	70,153
Accrued interest payable	1,412	196
Accrued liabilities	2,907	32,694
Deferred revenue	263,190	-
Due to other government units	3,496	3,121
Noncurrent liabilities:		
Due within one year	48,539	3,684
Due in more than one year	220,289	14,341
Total liabilities	<u>561,889</u>	<u>124,189</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	298,000	231,478
Restricted for:		
Highways and streets	10,966	-
Debt service	12,181	-
Other purposes	4,471	14,161
Unrestricted	(56,351)	141,255
Total net assets	<u>\$ 269,267</u>	<u>\$ 386,894</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, 2003  
(in thousands of dollars)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating	Capital	Primary	Component
			Grants and Contributions	Grants and Contributions	Governmental Activities	Hospital District
<b>Primary government:</b>						
Governmental Activities:						
General Government	\$ 68,466	\$ 48,567	\$ -	\$ -	\$ (19,899)	\$ -
Judicial	102,611	44,299	3,415	17	(54,880)	-
Public safety	172,274	20,642	6,259	17	(145,356)	-
Highways and streets	21,748	39,508	-	-	17,760	-
Health	39,576	8,477	19,821	-	(11,278)	-
Education	5,671	-	8,136	-	2,465	-
Libraries	23	-	-	-	(23)	-
Public welfare	58,871	1,157	48,010	-	(9,395)	-
Interest on long-term debt	11,795	-	-	-	(11,795)	-
Total primary government	<u>\$ 481,035</u>	<u>\$ 162,950</u>	<u>\$ 85,650</u>	<u>\$ 34</u>	<u>\$ (232,401)</u>	<u>\$ -</u>
Component unit - Hospital District	\$ 923,554	\$ 591,453	\$ -	\$ -	-	(332,101)
General revenues:						
Property taxes					242,408	321,387
Alcoholic beverage taxes/other taxes					9,778	-
Grants and contributions not restricted to specific programs					2,986	14,958
Investment earnings					4,756	4,872
Total general revenues					<u>259,928</u>	<u>341,217</u>
Change in net assets					27,527	9,116
Net assets - beginning					<u>241,740</u>	<u>377,778</u>
Net assets - ending					<u>\$ 269,267</u>	<u>\$ 386,894</u>

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



**DALLAS COUNTY, TEXAS**

Balance Sheet

Governmental Funds

September 30, 2003

(in thousands of dollars)

	General	County-Wide Debt Service	Major Projects	Grants	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 39,613	\$ 12,110	\$ 54,304	\$ -	\$ 115,400	\$ 221,427
Property Tax Receivables (net of allowances for uncollectibles of \$28,859)	200,549	31,110	18,199	-	8,627	258,485
Accounts receivable (net of allowances for uncollectibles of \$248,594)	9,335	-	184	27	3,700	13,246
Accrued interest	48	-	-	-	-	48
Due from other funds	373	-	-	-	-	373
Due from other governmental units	3,433	-	-	10,507	3,042	16,982
Inventories	1,465	-	-	-	600	2,065
Prepayments and advances	1,256	-	-	-	-	1,256
<b>Total assets</b>	<u>\$ 256,072</u>	<u>\$ 43,220</u>	<u>\$ 72,687</u>	<u>\$ 10,534</u>	<u>\$ 131,369</u>	<u>\$ 513,882</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities :</b>						
Accounts payable	\$ 12,190	\$ -	\$ 2,955	\$ 4,508	\$ 2,403	\$ 22,056
Due to other funds	-	-	-	345	28	373
Due to other governmental units	816	-	-	-	2,680	3,496
Deferred revenue	206,852	31,039	18,199	4,627	11,143	271,860
<b>Total liabilities</b>	<u>219,858</u>	<u>31,039</u>	<u>21,154</u>	<u>9,480</u>	<u>16,254</u>	<u>297,785</u>
<b>Fund balances:</b>						
<b>Reserved for:</b>						
Encumbrances	8,820	-	20,477	-	12,521	41,624
Inventories	1,465	-	-	-	600	2,065
Change funds	96	-	-	-	-	96
Debt service	-	12,181	-	-	-	12,181
Prepayments and advances	1,256	-	-	-	-	1,256
Capital Projects	-	-	-	-	78,104	78,104
Charter School	-	-	-	1,054	-	1,054
<b>Unreserved reported in:</b>						
General Fund	24,577	-	-	-	-	24,577
Major Projects	-	-	31,056	-	-	31,056
Special Revenue	-	-	-	-	24,084	24,084
<b>Total fund balances</b>	<u>36,214</u>	<u>12,181</u>	<u>51,533</u>	<u>1,054</u>	<u>115,115</u>	<u>216,097</u>
<b>Total liabilities and fund balances</b>	<u>\$ 256,072</u>	<u>\$ 43,220</u>	<u>\$ 72,687</u>	<u>\$ 10,534</u>	<u>\$ 131,369</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.	315,981
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	8,670
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.	(1,281)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(270,200)
<b>Net assets of governmental activities</b>	<u>\$ 269,267</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, 2003**  
(in thousands of dollars)

	<b>General</b>	<b>County-Wide Debt Service</b>	<b>Major Projects</b>	<b>Grants</b>	<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Taxes	\$ 178,302	\$ 37,778	\$ 17,890	\$ -	\$ 8,438	\$ 242,408
Licenses and permits	391	-	-	-	33,173	33,564
Fines and forfeitures	10,795	-	-	-	9,136	19,931
Investments	2,510	1,364	627	-	255	4,756
Rental revenues	4,456	17	-	-	695	5,168
Intergovernmental revenues	2,994	-	-	85,684	26	88,704
Charges for current services	91,306	-	-	-	9,002	100,308
Miscellaneous	8,787	-	-	-	2,078	10,865
<b>Total revenues</b>	<b>299,541</b>	<b>39,159</b>	<b>18,517</b>	<b>85,684</b>	<b>62,803</b>	<b>505,704</b>
<b>EXPENDITURES</b>						
Current:						
General government	61,700	-	14,299	-	6,456	82,455
Judicial	92,817	-	-	4,774	3,616	101,207
Public safety	157,212	-	-	7,689	670	165,571
Highways and streets	-	-	-	-	10,161	10,161
Health	20,105	-	-	19,608	-	39,713
Education	-	-	-	5,604	-	5,604
Libraries	40	-	-	-	-	40
Public welfare	8,600	-	-	49,936	-	58,536
Debt service:						
Principal	-	32,600	-	-	195	32,795
Interest	-	11,393	-	-	11	11,404
Capital outlay	-	-	-	-	10,495	10,495
<b>Total expenditures</b>	<b>340,474</b>	<b>43,993</b>	<b>14,299</b>	<b>87,611</b>	<b>31,604</b>	<b>517,981</b>
Excess (deficiency) of revenues over (under) expenditures	(40,933)	(4,834)	4,218	(1,927)	31,199	(12,277)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	36,280	2,554	5,601	3,978	1,131	49,544
Transfers out	(6,443)	-	(2,561)	(997)	(39,737)	(49,544)
Proceeds from sale of tax notes	-	-	-	-	22,070	22,070
<b>Total other financing     sources (uses)</b>	<b>29,837</b>	<b>2,554</b>	<b>3,234</b>	<b>2,981</b>	<b>(16,536)</b>	<b>22,070</b>
Net change in fund balances	(11,096)	(2,280)	7,452	1,054	14,663	9,793
Fund balances - beginning	47,310	14,461	44,081	-	100,452	206,304
Fund balances - ending	<b>\$ 36,214</b>	<b>\$ 12,181</b>	<b>\$ 51,533</b>	<b>\$ 1,054</b>	<b>\$ 115,115</b>	<b>\$ 216,097</b>

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, 2003  
 (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)	\$ 9,793
<p>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.</p>	7,286
<p>The net effect of various miscellaneous transactions (donations) involving capital assets.</p>	(932)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	2,773
<p>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).</p>	(3,129)
<p>The issuance of long-term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	10,765
<p>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.</p>	<u>971</u>
Change in net assets of governmental activities (page 28)	\$ <u><u>27,527</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, 2003  
(in thousands of dollars)

	<u>Governmental Activities - Internal Service Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and Cash equivalents	\$ 473
Accounts receivable	<u>1,153</u>
Total current assets	<u>1,626</u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accrued liabilities	7
Liability for future benefits	<u>2,900</u>
Total current liabilities	<u>2,907</u>
 <b>NET ASSETS</b>	
Unrestricted	<u>(1,281)</u>
Total net assets	<u>\$ (1,281)</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, 2003

(in thousands of dollars)

	<b>Governmental Activities - Internal Service Funds</b>
Operating revenues:	
Premiums and reimbursements	\$ 28,370
Operating expenses:	
Benefit payments	25,142
Administration	2,267
Total operating expenses	<u>27,409</u>
Operating income	961
Nonoperating revenues :	
Interest income and other	<u>10</u>
Change in net assets	<u>971</u>
Total net assets - beginning	(2,252)
Total net assets - ending	<u>\$ (1,281)</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, 2003  
(in thousands of dollars)

	<b>Governmental Activities - Internal Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from participants	\$ 27,432
Cash payments for benefit claims	(25,242)
Cash payments for administrative fees	(2,289)
Other operating revenues	416
Net cash provided by operating activities	<u>317</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Interest and dividends on investments	<u>10</u>
Net cash provided in investing activities	<u>10</u>
Net decrease in cash and cash equivalents	327
Cash and cash equivalents at beginning of year	<u>146</u>
Cash and cash equivalents at end of year	<u>\$ 473</u>
<b>Reconciliation of operating income to net cash used by operating activities:</b>	
Operating income	\$ 961
Adjustment to reconcile operating income to net cash used in operating activities:	
Increase in accounts receivable	(521)
Decrease in accounts payable and accrued expenses	(123)
Net cash provided by operating activities	<u>\$ 317</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 Funds

September 30, 2003  
(in thousands of dollars)

	<u>Total</u>
<b>Assets:</b>	
Cash and investments	\$ 120,789
Accounts receivable	924
Accrued interest	2
Restricted assets	<u>8,864</u>
Total assets	\$ <u><u>130,579</u></u>
<b>Liabilities:</b>	
Accounts payable	129,666
Due to other government units	<u>913</u>
Total liabilities	\$ <u><u>130,579</u></u>

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

**DALLAS COUNTY, TEXAS**

Statement of Changes in Fiduciary Assets and Liabilities -  
Agency Funds

For the Year Ended September 30, 2003  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<b>Assets:</b>				
Cash and investments	\$ 118,872	\$ 7,192,985	\$ 7,191,068	\$ 120,789
Accounts receivable	1,321	889	1,286	924
Accrued interest	2	—	—	2
Restricted assets	<u>8,346</u>	<u>78,036</u>	<u>77,518</u>	<u>8,864</u>
Total assets	<u>\$ 128,541</u>	<u>\$ 7,271,910</u>	<u>\$ 7,269,872</u>	<u>\$ 130,579</u>
<b>Liabilities:</b>				
Accounts payable	\$ 127,873	\$ 713,586	\$ 711,793	\$ 129,666
Due to other government units	<u>668</u>	<u>908</u>	<u>663</u>	<u>913</u>
Total liabilities	<u>\$ 128,541</u>	<u>\$ 714,494</u>	<u>\$ 712,456</u>	<u>\$ 130,579</u>

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



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## DALLAS COUNTY, TEXAS

### Notes to the Basic Financial Statements

September 30, 2003  
(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*. The financial report has been prepared in accordance with GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", issued in June 1999 and implemented by the County in FY2002. 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, 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 670 beds and 167 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.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

**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

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2003, and became due October 1, 2003 have been assessed to finance the budget of the fiscal year beginning October 1, 2003 and, accordingly, have been reflected as deferred revenue and taxes receivable in the fund financial statements at September 30, 2003.

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:

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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 maintained a debt service fund for parking garage debt; debt was retired in February 2003. 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.

**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 based upon determination of net income, financial position and cash flows. The County's only Proprietary Fund is the Internal Service Fund used to account for the County's group medical 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.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(in thousands of dollars)**

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

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

**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 prior to September 30 based on taxable value as of January 1 and become due October 1 and past due after January 31. 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.

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

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

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.

#### 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. In the fund financial statements, advances and prepayments 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, 2003, resources were also set aside for the disproportionate share programs.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 (except for grant assets with lower thresholds) 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:

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

Infrastructure assets include infrastructure assets acquired prior to June 30, 1980 through the current period. 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 on 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.



DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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 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. General fund, road & bridge fund and grant funds typically have been used to liquidate the liability for compensated absences.

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 is 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).

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 for a specific purpose. Fund reservations include encumbrances, capital projects, debt service, inventories and prepaids.

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 \$ 270,200 difference are as follows:

Bonds payable	\$237,673
Less: Deferred charge for issuance costs	(40)
Premium on Bonds Payable	470
Accrued interest payable	1,412
Arbitrage	134
Claims and judgments	6,000
Workers compensations	5,500
Compensated absences	<u>19,051</u>
Net adjustment to reduce fund balance – total government funds to arrive at net assets – governmental activities	<u>\$270,200</u>

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

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

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. Governmental funds report capital expenditures; however, in the statement of activities, the cost of capital assets is allocated over their estimate useful lives and reported as depreciation expense. The details of this \$7,286 difference are as follows:

Capital expenditures	\$18,434
Depreciation expense	<u>(11,148)</u>
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>\$7,286</u>

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 \$(932) 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>\$86</u>
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In the statement of activities, only the loss on the disposal of capital assets is reported; however, in the government funds, the proceeds from the sale increase financial resources	<u>\$(1,018)</u>
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Net adjustment to increase net changes in fund balances – total <i>governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (932)</u>
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DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
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II. RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS  
(Continued)

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 \$3,129 difference are as follows:

Compensated absences	\$ 2,427
Arbitrage	(189)
Workers compensation	500
Accrued interest	(724)
Bond accretion	<u>1,115</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>3,129</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 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 State Street Corporation. 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

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(in thousands of dollars)**

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

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, 2003, the carrying amount of the County's demand and time deposits was \$177,255. The \$43,812 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.

	<u>Category</u>			<u>Reported Amount/ Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U.S. government Securities	\$ 50,480	—	—	\$ 50,480
Commercial paper	65,965	—	—	65,965
Security repurchase agreements	48,989	—	—	48,989
	<u>\$ 165,434</u>	<u>—</u>	<u>—</u>	<u>\$ 165,434</u>

**Discretely Presented Component Unit**

**Deposits**

At September 30, 2003, the carrying amount of the District's demand and time deposits was \$4,848. 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, 2003, the fair value of the District's investment in TexPool was \$77,921. TexPool amounts are not subject to categorization.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(in thousands of dollars)**

**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 \$74,070 at September 30, 2003. 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, 2003, to be the fair value of investments.

Category			Reported Amount/ Fair Value
1	2	3	
\$ 74,070	—	—	\$ 74,070

**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.

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

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

IV. PROPERTY TAXES AND OTHER RECEIVABLES (Continued)

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 and other receivables:

	<u>Unavailable</u>	<u>Unearned</u>
General fund	\$ 206,852	\$ -
Debt service fund	31,039	-
Major projects	18,199	-
Other nonmajor governmental funds	11,143	-
Grants receivable	-	4,627
Total deferred	<u>\$ 267,233</u>	<u>\$ 4,627</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.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(in thousands of dollars)**

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

**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:

	General	Debt Service	Major Projects	Grants	Other Nonmajor Funds	Total Govern- mental Activities	Internal Service Fund	Total
<b>Receivables:</b>								
Taxes	\$222,099	\$ 36,233	\$ 19,396	\$ -	\$ 9,616	\$ 287,344	-	\$287,344
Interest	48	-	-	-	-	48	-	48
Accounts	107,198	-	184	27	154,431	261,840	1,153	262,993
Intergovernmental	3,433	-	-	10,507	3,042	16,982	-	16,982
Intergovernmental	-	-	-	-	-	-	-	-
Gross Receivables	332,778	36,233	19,580	10,534	167,089	566,214	1,153	567,367
Less: allowance for uncollectibles	(119,415)	(5,123)	(1,197)	-	(151,720)	(277,453)	-	(277,453)
Net total receivables	<u>\$213,365</u>	<u>\$ 31,110</u>	<u>\$ 18,383</u>	<u>\$ 10,534</u>	<u>\$ 15,369</u>	<u>\$ 288,761</u>	<u>\$ 1,153</u>	<u>\$ 289,914</u>

**Discretely Presented Component Unit – Receivables as of September 30, 2003:**

	Parkland Hospital	Parkland Foundation	Total
<b>Receivables:</b>			
Taxes	\$ 20,941	\$ -	\$ 20,941
Patient accounts	130,087	-	130,087
Intergovernmental	3,282	-	3,282
Other	30,969	2,443	33,412
Gross Receivables	185,279	2,443	187,722
Less: allowance for uncollectibles			
Taxes	(13,748)	-	(13,748)
Accounts	(68,997)	-	(68,997)
Total uncollectibles	(82,745)	-	(82,745)
Net total receivables	<u>\$ 102,534</u>	<u>\$ 2,443</u>	<u>\$ 104,977</u>



DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

IV. PROPERTY TAXES AND OTHER RECEIVABLES (Continued)

Discretely Presented Component Unit

The District received approximately 35% of its total revenues in 2003 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.

*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. agency obligations at September 30, 2003:

Designated for capital uses	\$73,523
Debt service under bond indenture	5,074
Other	<u>(138)</u>
Total	<u>\$78,459</u>

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.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

V. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 23,996	\$ 389	\$ (17)	\$24,368
Construction in progress	6,530	12,467		18,997
Infrastructure	30,302	-	(748)	29,554
Total capital assets, not being depreciated	60,828	12,856	(765)	72,919
Capital assets, being depreciated:				
Buildings	386,910	665	(186)	387,389
Machinery and equipment	48,975	5,185	(2,552)	51,608
Total capital assets being depreciated	435,885	5,850	(2,738)	438,997
Less accumulated depreciation for:				
Buildings	(153,338)	(6,706)	-	(160,044)
Machinery and equipment	(33,748)	(4,442)	2,299	(35,891)
Total accumulated depreciation	(187,086)	(11,148)	2,299	(195,935)
Total capital assets, being depreciated, net	248,799	(5,298)	(439)	243,062
Governmental activities capital assets, net	<u>\$ 309,627</u>	<u>\$ 7,558</u>	<u>\$ (1,204)</u>	<u>\$ 315,981</u>

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

	FY2003
Governmental activities:	
General government	\$1,465
Public safety	5,785
Health	247
Highways and streets	998
Public welfare	529
Education	74
Library	12
Judicial	<u>2,038</u>
Total depreciation expense – governmental activities	<u>\$11,148</u>

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(in thousands of dollars)**

**V. CAPITAL ASSETS**

**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, 2003 for the District are summarized as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 29,612	\$ 1,083	\$ -	\$ 30,695
Construction in progress	<u>18,936</u>	<u>35,263</u>	<u>(13,814)</u>	<u>40,385</u>
Total capital assets, not being depreciated	48,548	36,346	(13,814)	71,080
Capital assets, being depreciated:				
Buildings	305,425	6,802	-	312,227
Machinery and equipment	<u>201,533</u>	<u>20,384</u>	<u>(12,514)</u>	<u>209,403</u>
Total capital assets being depreciated	<u>506,958</u>	<u>27,186</u>	<u>(12,514)</u>	<u>521,630</u>
Less accumulated depreciation for:				
Buildings	(195,612)	(13,027)	-	(208,639)
Machinery and equipment	<u>(131,192)</u>	<u>(21,801)</u>	<u>11,790</u>	<u>(141,203)</u>
Total accumulated depreciation	<u>(326,804)</u>	<u>(34,828)</u>	<u>11,790</u>	<u>(349,842)</u>
Total capital assets, being depreciated, net	<u>180,154</u>	<u>(7,642)</u>	<u>(724)</u>	<u>171,788</u>
Capital assets, net	<u>\$ 228,702</u>	<u>\$ 28,704</u>	<u>\$ (14,538)</u>	<u>\$ 242,868</u>

FY2003 depreciation for the District was \$34,828. 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 2003 totaled \$563.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
(in thousands of dollars)

**VI. LONG-TERM DEBT**

**Primary Government**

During FY2003, the County issued long term debt (tax notes) to partially finance its civil courts building. The following are general obligation bond issues outstanding at September 30, 2003:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Road and Bridge Refunding Bonds, Series 1985A:				
Capital Appreciation Bonds	8.9-9.25	1986	2005	\$ 1,288
Road Refunding Bonds, Series 1993A:				
Current Interest Bonds	2.4-5.25	1993	2009	10,650
Capital Appreciation Bonds	5.55-5.75	1993	2007	15,033
Permanent Improvement Bonds 1993B	2.4-5.3	1993	2009	24,885
Road Bond, Series 1995	5.25-7.0	1995	2005	3,600
Road Bonds, Series 1996	5.0-5.5	1996	2017	14,000
Certificates of Obligation, Series 1996A	4.12-6.15	1996	2004	515
Road Refunding Bonds, Series 1997:				
Current Interest Bonds	3.85-4.75	1997	2009	9,720
Permanent Improvement Refunding Bonds, Series 1997A	3.85-5.75	1997	2009	13,255
Certificates of Obligation, Series 1997B	4.10-6.0	1997	2006	3,000
Certificates of Obligation, Series 1998	3.75-4.0	1998	2007	4,360
Road Bonds, Series 2000	4.75-5.25	2000	2020	29,750
Road Refunding Bonds, Series 2000A:				
Capital Appreciation Bonds	4.7	2000	2004	1,416
Permanent Improvement, Refunding Bonds, Series 2000B	4.35-5.5	2000	2008	11,330
Road Refunding Bonds, Series 2001A:				
Current Interest Bonds	4.0-5.5	2001	2021	64,270
Capital Appreciation Bonds	4.2-4.35	2001	2007	3,081
Permanent Improvement Refunding Bonds Series 2001 B	4.0-5.0	2001	2012	5,920
Series 2003 Tax Notes	2.0-4.0	2003	2008	21,600
Total general obligation debt				<u>\$237,673</u>
Premium on Tax Notes				470
Total				<u>\$238,143</u>

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

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(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 \$134 at September 30, 2003.

*Changes in Long-Term Debt*

Long-term liability for the year ended September 30, 2003 was as follows:

<b>Governmental Activities:</b>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation	\$247,753	\$23,185	\$32,795	\$238,143	\$34,905
Claims and judgements	6,000	1,218	1,218	6,000	3,000
Compensated absences	16,624	11,803	9,376	19,051	7,522
Workers compensation	5,000	4,056	3,556	5,500	3,000
Arbitrage	323	-	189	134	112
Total	<u>\$275,700</u>	<u>\$40,262</u>	<u>\$47,134</u>	<u>\$268,828</u>	<u>\$48,539</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 \$4,100 at September 30, 2003.

On March 14, 1991, the County issued \$26,175 in General Obligation Bonds to advance refund \$24,985 of outstanding 1985 series bonds. 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. As a result, this portion of the 1985 Series bonds is 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 \$2,840 at September 30, 2003.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

VI. LONG-TERM DEBT (Continued)

On May 20, 1993, the County sold \$110,340 in General Obligation Bonds 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. 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 \$51,080 at September 30, 2003.

On September 17, 1997, the County issued \$36,325 in General Obligation Bonds 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. 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 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 \$22,975 at September 30, 2003.

On November 29, 2000, the County issued \$25,105 in General Obligation Bonds 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. 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 \$12,800 at September 30, 2003.

On August 16, 2001, the County issued \$46,921 in General Obligation Bonds 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. From refunding proceeds of \$49,500, payments amounting to \$48,837 (after payment of underwriting fees and other issuance costs plus additional receipts

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(in thousands of dollars)**

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

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, 2003.

**CAPITAL APPRECIATION BONDS**

Capital appreciation bonds, which accrue and compound interest from their date of delivery to yield, consist of Road Refunding Bonds 1985A series with original maturity of \$256 and a current maturity of \$1,445; 1993A series with original maturity of \$8,460 and a current maturity of \$17,430; 2000A series with an original maturity of \$1,155 and a current maturity of \$1,475; and 2001A series with an original maturity of \$2,816 and a current maturity of \$3,560. The total original principal amount was \$12,687 and the total current maturity amounts to \$23,910.

**NEW ISSUANCE**

On September 24, 2003, the County issued Tax Notes with a principal amount of \$21,600 for the purpose of partial funding the expansion and renovation of the George Allen Courts Building. Net proceeds from the issuance amounted to \$22,070 including a premium of \$470.

**CONTRACTUAL MATURITIES**

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

**Governmental Activities**

<u>Years Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$35,166	\$10,426
2005	33,561	9,818
2006	30,502	8,985
2007	25,354	7,661
2008	21,845	5,822
2009 – 2013	52,995	17,551
2014 – 2018	28,970	6,434
2019- 2021	9,280	856
<b>Total</b>	<b><u>\$237,673</u></b>	<b><u>\$67,553</u></b>

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(in thousands of dollars)**

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

The Debt Service Fund has \$12,181 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, 2003, there were two series of single family revenue bonds outstanding, with an aggregate principal amount payable of \$1,130.

***Discretely Presented Component Unit***

Long-term debt expected to be paid by the District consists of the following at September 30, 2003:

Revenue bonds:		
Series 1994, with interest from 5% to 5.40% payable semiannually, principal payable annually from 1995 to 2006	\$	9,730
Less unamortized original discount		(71)
Capital leases		1,731
Total component units long-term debt		11,390
Less current maturities		(3,684)
	\$	7,706

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, 2003, follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$12,620	\$ -	\$ (2,890)	\$ 9,730	\$3,060
Capital Lease	1,414	793	(476)	1,731	624
Less: unamortized discount	(99)	-	28	(71)	-
Professional and General Liability	5,403	3,255	(2,023)	6,635	-
Total	\$19,338	\$ 4,048	\$ (5,361)	\$18,025	\$3,684



**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
(in thousands of dollars)

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

*Contractual Maturities*

Long-term debt maturities and capital lease obligations at September 30, 2003 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>
2004	\$ 3,060	\$ 731
2005	3,235	724
2006	3,435	317
2007	-	140
	9,730	1,912
Less: unamortized discount	(71)	-
Interest	-	(181)
Principal due	\$ 9,659	\$ 1,731

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

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

Primary Government

The composition of interfund balances as of September 30, 2003, 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	\$ 4
General Fund	Child Support	24
General Fund	Grants	345
Totals		\$ 373

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

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
(in thousands of dollars)

	<b>Transfer In:</b>					
	General Fund	Debt Service	Major Projects	Grants	Nonmajor Govern- mental Funds	Total
<b>Transfer out:</b>						
General fund	\$ -	\$ 842	\$ 1,093	\$ 3,819	\$ 689	\$ 6,443
Grants	997	-	-	-	-	997
Major Projects	2,367	-	-	-	-	2,367
Nonmajor Governmental Funds	32,916	1,712	4,508	159	442	39,737
Totals	\$ 36,280	2,554	\$ 5,601	\$ 3,978	\$ 1,131	\$ 49,544

The Road and Bridge districts provide most of the transfers (\$37,327/\$49,544) 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 25% of the \$22,056 balance in accounts payable and other current liabilities at FY2003 year end represent accrued payroll liabilities and about 75% are payables to vendors and contractors.

**Discretely Present Component Unit** – Accounts payable in the statement of net assets includes accounts payable to vendors of \$29,980 and Health plan reserves for incurred but unreported claims of \$19,937 as of September 30, 2003. Accrued payroll and benefits is made up of accrued payroll of \$13,495, employee health care liability of \$3,712 and other employee benefits of \$3,029 as of September 30, 2003.

**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, 2003**  
**(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 8.5% contribution rate of the employer is a fixed percent matched by the 7% contribution rate payable by the employee members as adopted by the governing body of the County. This regular contribution rate of the County 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 with 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, 2003, the annual pension cost for the TCDRS plan for its employees was \$17,878 and the actual contributions were \$17,878. The annual required contributions were in compliance with the GASB Statement No. 27 parameters based on the actual actuarial valuations as of December 31, 2000 and December 31, 2001,

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

the basis for assessing the adequacy of the financing arrangement beginning with the contribution rates for calendar years 2002 and 2003. The December 31, 2002 actuarial valuation is the most recent valuation.

**Actuarial Valuation Information**

Actuarial valuation date	December 31, 2000	December 31, 2001	December 31, 2002
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	18.7 years	22.1 years
Asset valuation method	Long-term appreciation with adjustments	Long-term appreciation with adjustments	Long-term appreciation with adjustments
Actuarial Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	7.0%	5.5%	5.5%
Inflation	4.0%	3.5%	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, 2001	\$ 14,548	100%	—
September 30, 2002	\$ 15,662	100%	—
September 30, 2003	\$ 17,878	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, 2000	501,898	498,967	2,931	100.60	203,499	1.44
December 31, 2001	539,413	609,282	(69,869)	88.50	216,653	(32.25)
December 31, 2002	571,775	653,084	(81,309)	87.55	228,361	(35.61)

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2003**  
**(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, 2003, was approximately \$294,454. For the year ended September 30, 2003, the District's total payroll was approximately \$366,969. Membership in the Plan as of January 1, 2003 and 2002, was composed of the following:

Group	Members	
	2003	2002
Retirees and beneficiaries	713	668
Vested terminated employees	2,028	1,973
Active employees:		
Fully vested	3,040	2,904
Nonvested	4,152	3,801

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, 2003  
(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, 2003. The January 1, 2002, 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	
	2003	2002
Retirees and beneficiaries currently receiving benefits	\$ 65,530	\$ 53,915
Terminated employees not yet receiving benefits	43,960	44,595
Current employees:		
Accumulated employee contributions, including allocated investment income	84,951	72,858
Employer financed	83,142	65,375
Total actuarial accrued liability	277,583	236,743
Net assets available for benefits, at market value	242,440	210,074
Assets in excess of actuarial accrued liability	\$ (35,143)	\$ (26,669)

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, 2003 and 2002, \$13,846 and \$12,689, respectively, of employee contributions were made in accordance with the established contribution requirements described above. The District contributed \$5,155 to the Plan during the year ended September 30, 2003, in accordance with contribution requirements determined by the January 1, 2003, actuarial valuation. These contributions consisted of \$4,746 for normal cost and \$409 for amortization of the unfunded actuarial accrued liability and represented 1.8% of covered payroll for the year. The District contributed \$12,957 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.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(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 81. 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, 2003, 2002 and 2001, respectively, available assets were sufficient to fund 87.3%, 88.8%, and 95.4% of the actuarial accrued liability (AAL). The assets in excess (less than) of AAL in January 1, 2003, 2002 and 2001, represented (11.9)%, (10.6)%, and (4.1)% of the annual payroll for employees covered for the District's 2003, 2002 and 2001 Plan fiscal years, respectively. In addition, for the Plan's fiscal years 2003 and 2002, the District's contributions made in accordance with actuarially determined requirements were 1.8% and 5.1%, 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, 2003, was approximately \$312,981; the District's total payroll was approximately \$366,969. 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, 2003 were approximately \$11,066 from the District and \$15,770 from employees, or 5.0% of covered payroll.

IX. LEASES

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

2004	980
2005	824
2006	493
2007	170
2008	-
Total	\$ <u>2,467</u>

Rental expense for all operating leases was approximately \$1,034 in FY2003.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(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, 2003, future minimum rental payments applicable to the operating leases are as follows:

2004	\$	1,595
2005		1,510
2006		1,038
2007		1,073
2008		998
2009		685
Total	\$	<u>6,899</u>

Rental expense for all operating leases was approximately \$3,814 in FY2003.

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 \$5,996 at September 30, 2003.

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

2004	\$	1,235
2005		901
2006		877
2007		783
2008		721
Thereafter		<u>5,762</u>
Total	\$	<u>10,279</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, 2003  
(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, Contracts Claims Service, LP, 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 FY 2003, a total of \$27,531 was paid in benefits and administrative costs. The medical claims liability includes an estimate of \$2,224 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 \$34,046.

Changes in the medical and workers' compensation claims liability amounts in fiscal years 2003 and 2002 follow:

	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Liability</u>
2003 Medical	\$ 3,000	25,142	25,242	2,900
2002 Medical	\$ 4,026	\$ 22,603	\$ 23,629	\$ 3,000
2003 Workers' Compensation	\$ 5,000	4,056	3,556	5,500
2002 Workers' Compensation	\$ 4,646	\$ 3,439	\$ 3,085	\$ 5,000

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(in thousands of dollars)

X. RISK MANAGEMENT (Continued)

**Discretely Presented Component Unit**

The liabilities described below as of September 30, 2003 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 re-evaluated 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 2% 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 3% annual rate.

Changes in the Hospital Professional Liability and General Liability, Employee Health Care Benefit Liability and Workers' Compensation Liability amounts in fiscal 2003 and 2002 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				
2003	\$ 5,403	\$ 3,255	\$ (2,023)	\$ 6,635
2002	4,829	1,582	(1,008)	5,403
Employee health care liability:				
2003	\$ 4,302	\$ 25,975	\$ (26,565)	\$ 3,712
2002	2,400	18,727	(16,825)	4,302
Workers' compensation liability:				
2003	3,021	1,485	(1,647)	2,859
2002	\$ 3,059	\$ 1,500	\$ (1,538)	\$ 3,021

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2003  
(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 FY2003 year end totaled \$6,635.

XII. DEFICIT NET ASSETS

The County's Internal Service Fund has a net asset deficit at September 30, 2003 of \$1,281. 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.

**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, 2003  
(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>		
<b>REVENUES:</b>				
Taxes	\$ 179,419	\$ 179,419	\$ 178,302	\$ (1,117)
Licenses and permits	350	350	391	41
Fines and forfeitures	10,570	10,570	10,795	225
Investments	3,221	3,221	2,510	(711)
Rentals	3,758	3,758	4,456	698
Intergovernmental revenues	1,804	1,804	2,994	1,190
Charges for current services	87,337	87,337	91,306	3,969
Miscellaneous	10,096	10,096	8,787	(1,309)
Total revenues	<u>296,555</u>	<u>296,555</u>	<u>299,541</u>	<u>2,986</u>
<b>EXPENDITURES:</b>				
General government:				
Salaries	31,753	30,351	29,370	981
Allowances	32	36	31	5
Operating	28,534	32,087	31,851	236
Property	489	678	448	230
Total general government	<u>60,808</u>	<u>63,152</u>	<u>61,700</u>	<u>1,452</u>
Public safety:				
Salaries	125,283	130,742	130,167	575
Allowances	148	158	154	4
Operating	29,091	27,206	26,870	336
Property	114	102	21	81
Total public safety	<u>154,636</u>	<u>158,208</u>	<u>157,212</u>	<u>996</u>
Health:				
Salaries	6,659	7,454	7,439	15
Allowances	55	58	46	12
Operating	12,995	13,276	12,619	657
Property	28	5	1	4
Total health	<u>19,737</u>	<u>20,793</u>	<u>20,105</u>	<u>688</u>
Public Welfare:				
Salaries	5,789	5,830	5,710	120
Allowances	52	61	54	7
Operating	3,060	3,177	2,836	341
Property	8	8	-	8
Total welfare	<u>8,909</u>	<u>9,076</u>	<u>8,600</u>	<u>476</u>
Libraries:				
Salaries	-	-	-	-
Operating	51	51	40	11
Property	-	-	-	-
Total libraries	<u>51</u>	<u>51</u>	<u>40</u>	<u>11</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, 2003  
(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>		
Judicial				
Salaries	\$ 67,080	\$ 67,841	\$ 67,112	\$ 729
Allowances	57	61	35	26
Operating	26,089	28,116	25,582	2,534
Property	128	104	88	16
Total judicial	<u>93,354</u>	<u>96,122</u>	<u>92,817</u>	<u>3,305</u>
Reserves	<u>41,614</u>	<u>31,707</u>	<u>-</u>	<u>31,707</u>
Total expenditures	<u>379,109</u>	<u>379,109</u>	<u>340,474</u>	<u>38,635</u>
Excess ( Deficiency) of revenues over ( under) expenditures	<u>(82,554)</u>	<u>(82,554)</u>	<u>(40,933)</u>	<u>41,621</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	41,687	41,687	36,280	(5,407)
Operating transfers out	<u>(6,443)</u>	<u>(6,443)</u>	<u>(6,443)</u>	<u>-</u>
Total other financing sources and uses	<u>35,244</u>	<u>35,244</u>	<u>29,837</u>	<u>(5,407)</u>
Net change in fund balances	<u>(47,310)</u>	<u>(47,310)</u>	<u>(11,096)</u>	<u>36,214</u>
Fund balances - beginning	<u>47,310</u>	<u>47,310</u>	<u>47,310</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,214</u>	<u>\$ 36,214</u>

Notes: See accompanying independent auditors' report.

See " Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual."

**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, 2003  
(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>		
<b>REVENUES</b>				
Ad valorem taxes	\$ 17,947	\$ 17,947	17,890	\$ (57)
Investments and rentals	525	525	627	102
Miscellaneous	1,751	1,751	—	(1,751)
Total revenues	<u>20,223</u>	<u>20,223</u>	<u>18,517</u>	<u>(1,706)</u>
<b>EXPENDITURES</b>				
General government:				
Property	<u>26,787</u>	<u>26,787</u>	<u>14,299</u>	<u>12,488</u>
Total expenditures	<u>26,787</u>	<u>26,787</u>	<u>14,299</u>	<u>12,488</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(6,564)</u>	<u>(6,564)</u>	<u>4,218</u>	<u>10,782</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to general fund	(4,758)	(4,758)	(2,367)	2,391
Transfers to debt service	—	—	—	—
Transfers from general fund	1,093	1,093	1,093	—
Transfer from other funds	675	675	675	—
Transfer from road & bridge districts	<u>3,833</u>	<u>3,833</u>	<u>3,833</u>	<u>—</u>
Total other financing sources and uses	<u>843</u>	<u>843</u>	<u>3,234</u>	<u>2,391</u>
Net change in fund balances	(5,721)	(5,721)	7,452	13,173
Fund balances - beginning	<u>44,081</u>	<u>44,081</u>	<u>44,081</u>	<u>—</u>
Fund balances - ending	<u>\$ 38,360</u>	<u>\$ 38,360</u>	<u>\$ 51,533</u>	<u>\$ 13,173</u>

Notes: See accompanying independent auditors' report.

See "Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual."

**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, 2003

(in thousands of dollars)

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 91,023	\$ 85,684	\$ (5,339)
<b>EXPENDITURES</b>			
Judicial:	5,170	4,774	396
Public safety:	8,461	7,689	772
Health:	20,681	19,608	1,073
Public welfare:	53,582	49,936	3,646
Education:	<u>6,110</u>	<u>5,604</u>	<u>506</u>
Total expenditures	<u>94,004</u>	<u>87,611</u>	<u>6,393</u>
Excess (deficiency) of revenues over (under) expenditure	<u>(2,981)</u>	<u>(1,927)</u>	<u>1,054</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from general fund	3,819	3,819	—
Transfer to general fund	(997)	(997)	—
Transfer from HIV grant	<u>159</u>	<u>159</u>	<u>—</u>
Other financing sources and uses	<u>2,981</u>	<u>2,981</u>	<u>—</u>
Net change in fund balances	—	1,054	1,054
Fund balances - beginning	—	—	—
Fund balances - ending	<u>\$ —</u>	<u>\$ 1,054</u>	<u>\$ 1,054</u>

Notes: See accompanying independent auditors' report.

See "Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual."



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

**September 30, 2003**

**Budgetary information** – 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 amounts budgeted in a fiscal year for expenditures in various funds may not exceed the balances in those funds as of the first day of the fiscal year plus any anticipated revenue for the fiscal year as estimated by the County Auditor.

The following are the funds 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 2003 but did not increase the County’s overall budget. Unencumbered funds lapse at fiscal year end. The original budgets inclusive of prior period encumbered funds presented in the report are the approved budgets before amendments and transfers. The final budgets presented in this report reflect the budgets as amended for all appropriation transfers processed during the fiscal year. More comprehensive accounting of activity on the budgetary basis is provided in a separate report, which is available for public inspection in the office of the Dallas County Auditor, 509 Main Street, Room 407, Dallas, Texas 75202-3504.

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

**September 30, 2003**

**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

(in thousands of dollars)

A federal highway administration pavement condition rating (PCR) was utilized to assess the condition of the 142.29 miles of County roads; a decrease of 4.7 miles of roads from FY2002. In FY2003, The City of Balch Springs annexed the 4.7 miles of roads from the County. The County policy is to maintain roads at a minimum of 2.5 on the 4.0 scale. The following conditions were defined and associated to a rating:

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

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

**Road and Bridge**

<b><u>District</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
District 1	-	-
District 2	99.4	99.4
District 3	96.8	95.9
District 4	<u>100.0</u>	<u>100.0</u>
Overall System	<u>98.7</u>	<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, 2003, annual maintenance and preservation costs of \$1,543, compared to \$2,989 during FY2002. The FY2003 expenditures were higher than the estimated amount needed of \$1,100. Overall, maintenance costs was significantly lower than in FY2002 due to right of way issues. The actual maintenance costs exceeded projected amount needed because of higher labor and materials costs.

Note: See accompanying independent auditors' report.

**DALLAS COUNTY, TEXAS**

Required Supplementary Information (Unaudited)

Infrastructure Assets Under Modified Approach  
September 30, 2003

(in thousands of dollars)

	<b>Number of Bridges</b>		<b>2003</b>	<b>2002</b>
	<u>Rating</u>	<u>Number</u>	<u>%</u>	<u>%</u>
Very good	6.0-9.0	37	86	86
Good	4.0-5.9	6	14	14
Fair	3.0-3.9	-	-	-
Poor	0.0-2.9	-	-	-
Total		<u>43</u>	<u>100</u>	<u>100</u>

The condition of the County's bridges is determined using the State of Texas Bridge Inventory Inspection System (BRINSAP). A numerical condition range 0.0 (beyond repair) to 9.0 (excellent condition) is used to assess each of seven elements of the structure. These include deck, superstructure, substructure, channel, culvert, approaches, and miscellaneous items. 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. Since the bridges are inspected every two years, the FY2003 rating is the same as the F2002 results.

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, 2001  
(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>
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)%
2003	\$ 242,440	\$ 277,583	\$ (35,143)	87.3%	\$294,454	11.9%

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:

Tax Notes, Series 2003 used to partially fund expansion of George Allen Civil Courts Building.

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, 2003  
(in thousands of dollars)

**Special Revenue**

	Road and Bridge	Permanent Improvement	Law Library	Parking Garage Revenue	HIV Grant
<b>ASSETS</b>					
Cash and investments	\$ 12,810	\$ 1,312	\$ 753	\$ —	\$ —
Receivables:					
Taxes - current	—	2,551	—	—	—
Less allowance for uncollectibles	—	(266)	—	—	—
Net taxes receivable	—	2,285	—	—	—
Accounts	150,879	—	1,787	—	—
Less allowance for uncollectibles	(147,372)	—	(1,690)	—	—
Net accounts receivable	3,507	—	97	—	—
Due from other governmental units	—	—	—	—	—
Inventories	600	—	—	—	—
Total assets	\$ 16,917	\$ 3,597	\$ 850	\$ —	\$ —
<b>LIABILITIES</b>					
Accounts payable	\$ 417	\$ (2)	\$ 14	\$ —	\$ —
Due to other funds	—	—	—	—	—
Due to other governmental units	2,680	—	—	—	—
Deferred revenue	2,454	2,281	34	—	—
Total liabilities	5,551	2,279	48	—	—
<b>FUND BALANCES</b>					
Reserved for encumbrances	400	1,266	34	—	—
Reserved for inventory of supplies	600	—	—	—	—
Reserved for debt service	—	—	—	—	—
Reserved for Capital Projects	—	—	—	—	—
Unreserved	10,366	52	768	—	—
Total fund balances	11,366	1,318	802	—	—
Total liabilities and fund balances	\$ 16,917	\$ 3,597	\$ 850	\$ —	\$ —

(Continued)

**DALLAS COUNTY, TEXAS**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds - Continued  
 September 30, 2003  
 in thousands of dollars)

**Special Revenue - Continued**

	Major Technology	District Attorney		District Attorney Forfeiture		
		HIDTA Federal	Special	Federal	State	
<b>ASSETS</b>						
Cash and investments	\$ 10,082	\$ 109	\$ 1,073	\$ 412	\$ 1,665	
Receivables:						
Taxes - current	7,065	—	—	—	—	
Less allowance for uncollectibles	(723)	—	—	—	—	
Net taxes receivable	6,342	—	—	—	—	
Accounts	—	—	—	—	—	
Less allowance for uncollectibles	—	—	—	—	—	
Net accounts receivable	—	—	—	—	—	
Due from other governmental units	—	—	—	—	—	
Inventories	—	—	—	—	—	
Total assets	\$ 16,424	\$ 109	\$ 1,073	\$ 412	\$ 1,665	
<b>LIABILITIES</b>						
Accounts payable	\$ 1,044	\$ —	\$ —	\$ —	\$ —	
Due to other funds	—	—	—	—	—	
Due to other governmental units	—	—	—	—	—	
Deferred revenue	6,332	—	—	—	—	
Total liabilities	7,376	—	—	—	—	
<b>FUND BALANCES</b>						
Reserved for encumbrances	682	—	—	—	—	
Reserved for inventory of supplies	—	—	—	—	—	
Reserved for debt service	—	—	—	—	—	
Reserved for Capital Projects	—	—	—	—	—	
Unreserved	8,366	109	1,073	412	1,665	
Total fund balances	9,048	109	1,073	412	1,665	
Total liabilities and fund balances	\$ 16,424	\$ 109	\$ 1,073	\$ 412	\$ 1,665	

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Continued  
September 30, 2003  
(in thousands of dollars)

**Special Revenue - Continued**

	District Attorney- Other Forfeitures	Historical Commission	Historical Exhibit	Child Support - Special	Alternative Dispute Resolution	Appellate Justice System	Total
<b>ASSETS</b>							
Cash and investments	\$ 38	\$ 19	\$ 355	\$ 53	\$ 107	\$ 688	\$ 29,476
Receivables:							
Taxes - current	—	—	—	—	—	—	9,616
Less allowance for uncollectibles	—	—	—	—	—	—	(989)
Net taxes receivable	—	—	—	—	—	—	8,627
Accounts	—	—	—	—	1,150	616	154,432
Less allowance for uncollectibles	—	—	—	—	(1,121)	(549)	(150,732)
Net accounts receivable	—	—	—	—	29	67	3,700
Due from other governmental units	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	600
Total assets	<u>\$ 38</u>	<u>\$ 19</u>	<u>\$ 355</u>	<u>\$ 53</u>	<u>\$ 136</u>	<u>\$ 755</u>	<u>\$ 42,403</u>
<b>LIABILITIES</b>							
Accounts payable	\$ —	\$ —	\$ 100	\$ 29	\$ 2	\$ —	\$ 1,604
Due to other funds	—	—	4	24	—	—	28
Due to other governmental units	—	—	—	—	—	—	2,680
Deferred revenue	—	—	—	—	28	14	11,143
Total liabilities	—	—	104	53	30	14	15,455
<b>FUND BALANCES</b>							
Reserved for encumbrances	—	—	25	—	1	2	2,410
Reserved for inventory of supplies	—	—	—	—	—	—	600
Reserved for debt service	—	—	—	—	—	—	—
Reserved for Capital Projects	—	—	—	—	—	—	—
Unreserved	38	19	226	—	105	739	23,938
Total fund balances	<u>38</u>	<u>19</u>	<u>251</u>	<u>—</u>	<u>106</u>	<u>741</u>	<u>26,948</u>
Total liabilities and fund balances	<u>\$ 38</u>	<u>\$ 19</u>	<u>\$ 355</u>	<u>\$ 53</u>	<u>\$ 136</u>	<u>\$ 755</u>	<u>\$ 42,403</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Continued**  
**September 30, 2003**  
**(in thousands of dollars)**

**Capital Projects**

	<u>Tax Notes</u>		<u>Certificates of Obligation</u>			<u>Permanent</u>	
	<u>2003</u>	<u>1995</u>	<u>1996</u>	<u>1998</u>	<u>1985</u>	<u>1988</u>	
<b>ASSETS</b>							
Cash and investments	\$ 22,070	\$ 234	\$ 49	\$ 1,402	\$ 72	\$ 159	
Receivables:							
Taxes - current	—	—	—	—	—	—	
Less allowance for uncollectibles	—	—	—	—	—	—	
Net taxes receivable	—	—	—	—	—	—	
Accounts	—	—	—	—	—	—	
Due from other governmental units	—	—	—	—	—	—	
Inventories	—	—	—	—	—	—	
Total assets	<u>\$ 22,070</u>	<u>\$ 234</u>	<u>\$ 49</u>	<u>\$ 1,402</u>	<u>\$ 72</u>	<u>\$ 159</u>	
<b>LIABILITIES</b>							
Accounts payable	\$ 40	\$ —	\$ 1	\$ 24	\$ —	\$ —	
Due to other funds	—	—	—	—	—	—	
Due to other governmental units	—	—	—	—	—	—	
Deferred revenue	—	—	—	—	—	—	
Total liabilities	40	—	1	24	—	—	
<b>FUND BALANCES</b>							
Reserved for encumbrances	—	1	2	101	2	—	
Reserved for inventory of supplies	—	—	—	—	—	—	
Reserved for debt service	—	—	—	—	—	—	
Reserved for Capital Projects	22,030	233	46	1,277	70	159	
Unreserved	—	—	—	—	—	—	
Total fund balances	<u>22,030</u>	<u>234</u>	<u>48</u>	<u>1,378</u>	<u>72</u>	<u>159</u>	
Total liabilities and fund balances							
balances	<u>\$ 22,070</u>	<u>\$ 234</u>	<u>\$ 49</u>	<u>\$ 1,402</u>	<u>\$ 72</u>	<u>\$ 159</u>	

Improvement Bonds		Road Bonds								Total
1992	1995	1977	1985	1988	1992	1995	1996	2000	2001A	
\$ 541	\$ 980	\$ 1,617	\$ 1,044	\$ 1,155	\$ 1,602	\$ 3,274	\$ 4,575	\$ 9,100	\$ 37,904	\$ 85,778
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	14	—	—	546	929	209	730	614	—	3,042
—	—	—	—	—	—	—	—	—	—	—
<u>\$ 541</u>	<u>\$ 994</u>	<u>\$ 1,617</u>	<u>\$ 1,044</u>	<u>\$ 1,701</u>	<u>\$ 2,531</u>	<u>\$ 3,483</u>	<u>\$ 5,305</u>	<u>\$ 9,714</u>	<u>\$ 37,904</u>	<u>\$ 88,820</u>
\$ —	\$ 117	\$ 34	\$ —	\$ —	\$ 114	\$ 307	\$ 0	\$ 137	\$ 25	\$ 799
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	117	34	—	—	114	307	—	137	25	799
151	226	359	101	—	718	2,043	719	5,465	29	9,917
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
390	651	1,224	943	1,701	1,699	1,133	4,586	4,112	37,850	78,104
—	—	—	—	—	—	—	—	—	—	—
<u>541</u>	<u>877</u>	<u>1,583</u>	<u>1,044</u>	<u>1,701</u>	<u>2,417</u>	<u>3,176</u>	<u>5,305</u>	<u>9,577</u>	<u>37,879</u>	<u>88,021</u>
<u>\$ 541</u>	<u>\$ 994</u>	<u>\$ 1,617</u>	<u>\$ 1,044</u>	<u>\$ 1,701</u>	<u>\$ 2,531</u>	<u>\$ 3,483</u>	<u>\$ 5,305</u>	<u>\$ 9,714</u>	<u>\$ 37,904</u>	<u>\$ 88,820</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Continued  
September 30, 2003  
(in thousands of dollars)

	<b>Debt Service</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Parking Garage</b>	
<b>ASSETS</b>		
Cash and investments	\$ 146	\$ 115,400
Receivables:		
Taxes - current	—	9,616
Less allowance for uncollectibles	—	(989)
Net taxes receivable	—	8,627
Accounts	—	154,432
Less allowance for uncollectibles	—	(150,732)
Net accounts receivable	—	3,700
Due from other governmental units	—	3,042
Inventories	—	600
Total assets	\$ 146	\$ 131,369
<b>LIABILITIES</b>		
Accounts payable	\$ —	\$ 2,403
Due to other funds	—	28
Due to other governmental units	—	2,680
Deferred revenue	—	11,143
Total liabilities	—	16,254
<b>FUND BALANCES</b>		
Reserved for encumbrances	—	12,327
Reserved for inventory of supplies	—	600
Reserved for debt service	—	—
Reserved for Capital Projects	—	78,104
Unreserved	146	24,084
Total fund balances	146	115,115
Total liabilities and fund balances	\$ 146	131,369

**DALLAS COUNTY, TEXAS**

Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended September 30, 2003  
 (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>
<b>REVENUES</b>					
Taxes	\$ —	\$ 2,234	\$ —	\$ —	\$ —
Highway license fees	33,173	—	—	—	—
Fines and forfeitures	9,136	—	—	—	—
Investments and rentals	81	—	12	700	—
Intergovernmental revenues	26	—	—	—	—
Charges for current services	3,913	—	867	—	—
Miscellaneous	68	—	—	—	—
Total revenues	<u>46,397</u>	<u>2,234</u>	<u>879</u>	<u>700</u>	<u>—</u>
<b>EXPENDITURES</b>					
Current:					
General government	—	1,073	—	108	—
Judicial	—	—	1,039	—	—
Public safety	—	—	—	—	—
Highways and streets	10,161	—	—	—	—
Health	—	—	—	—	—
Public welfare	—	—	—	—	—
Education	—	—	—	—	—
Principal retirement	—	—	—	—	—
Interest	—	—	—	—	—
Capital Outlay	—	—	—	—	—
Total expenditures	<u>10,161</u>	<u>1,073</u>	<u>1,039</u>	<u>108</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,236</u>	<u>1,161</u>	<u>(160)</u>	<u>592</u>	<u>—</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of tax notes	—	—	—	—	—
Transfer to child support-special fund	—	—	—	—	—
Transfer to general fund	(31,782)	(119)	(175)	(480)	—
Transfer to debt service funds	(1,712)	—	—	(142)	—
Transfer from general fund	—	—	11	—	—
Transfer from alternative dispute	—	—	—	—	—
Transfer to bond fund	—	—	—	—	—
Transfer to major projects	(3,833)	(500)	—	—	—
Transfer from road & bridge dist.	—	—	—	—	—
Transfer to grant fund 466	—	—	—	—	(159)
Transfer from major technology	—	—	—	—	—
Transfer from permanent improvement	—	—	—	—	—
Total other financing sources (uses)	<u>(37,327)</u>	<u>(619)</u>	<u>(164)</u>	<u>(622)</u>	<u>(159)</u>
Net change in fund balances	(1,091)	542	(324)	(30)	(159)
Fund balances - beginning	12,457	776	1,126	30	159
Fund balances - ending	\$ <u>11,366</u>	\$ <u>1,318</u>	\$ <u>802</u>	\$ <u>—</u>	\$ <u>—</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, 2003  
(in thousands of dollars)

**Special Revenue - Continued**

	Major Technology	District Attorney		District Attorney Forfeitures	
		HIDTA Federal	Special	Federal	State
<b>REVENUES</b>					
Taxes	\$ 6,204	\$ —	\$ —	\$ —	\$ —
Highway license fees	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Investments and rentals	113	1	—	5	19
Intergovernmental revenues	—	—	—	—	—
Charges for current services	—	—	—	—	—
Miscellaneous	—	53	459	—	676
<b>Total revenues</b>	<b>6,317</b>	<b>54</b>	<b>459</b>	<b>5</b>	<b>695</b>
<b>EXPENDITURES</b>					
Current:					
General government	2,841	—	—	—	—
Judicial	—	—	411	15	321
Public safety	—	—	—	—	—
Highways and streets	—	—	—	—	—
Health	—	—	—	—	—
Public welfare	—	—	—	—	—
Education	—	—	—	—	—
Principal retirement	—	—	—	—	—
Interest	—	—	—	—	—
Capital Outlay	—	—	—	—	—
<b>Total expenditures</b>	<b>2,841</b>	<b>—</b>	<b>411</b>	<b>15</b>	<b>321</b>
Excess (deficiency) of revenues over (under) expenditures	3,476	54	48	(10)	374
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer to child support-special fund	—	—	—	—	—
Transfer to general fund	(284)	—	—	—	—
Transfer to debt service funds	—	—	—	—	—
Transfer from general fund	—	—	—	—	—
Transfer from alternative dispute	—	—	—	—	—
Transfer to bond fund	—	—	—	—	—
Transfer to major projects	—	—	—	—	—
Transfer from road & bridge dist.	—	—	—	—	—
Transfer to grant fund 466	—	—	—	—	—
Transfer from major technology	—	—	—	—	—
Transfer from permanent improvements	—	—	—	—	—
<b>Total other financing sources (uses)</b>	<b>(284)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Net change in fund balances	3,192	54	48	(10)	374
Fund balances - beginning	5,856	55	1,025	422	1,291
Fund balances - ending	\$ 9,048	\$ 109	\$ 1,073	\$ 412	\$ 1,665

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds - Continued  
For the Year Ended September 30, 2003  
(in thousands of dollars)

**Special Revenue - Continued**

	District Attorney- Other Forfeitures	Historical Commission	Historical Exhibit	Child Support - Special	Alternative Dispute Resolution	Appellate Justice System	Totals
<b>REVENUES</b>							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	8,438
Highway license fees	—	—	—	—	—	—	33,173
Fines and forfeitures	—	—	—	—	—	—	9,136
Investments and rentals	—	—	5	4	1	9	950
Intergovernmental revenue	—	—	—	—	—	—	26
Charges for current services	—	—	2,623	793	475	331	9,002
Miscellaneous	34	—	—	13	—	—	1,303
Total revenues	<u>34</u>	<u>—</u>	<u>2,628</u>	<u>810</u>	<u>476</u>	<u>340</u>	<u>62,028</u>
<b>EXPENDITURES</b>							
Current:							
General government	—	1	2,433	—	—	—	6,456
Judicial	—	—	—	1,178	368	284	3,616
Public safety	—	—	—	670	—	—	670
Highways and streets	—	—	—	—	—	—	10,161
Health	—	—	—	—	—	—	—
Public welfare	—	—	—	—	—	—	—
Education	—	—	—	—	—	—	—
Principal retirement	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—
Capital Outlay	—	—	—	—	—	—	—
Total expenditures	<u>—</u>	<u>1</u>	<u>2,433</u>	<u>1,848</u>	<u>368</u>	<u>284</u>	<u>20,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34</u>	<u>(1)</u>	<u>195</u>	<u>(1,038)</u>	<u>108</u>	<u>56</u>	<u>41,125</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from sale of tax notes	—	—	—	—	—	—	—
Transfer to child support	—	—	—	—	(300)	—	(300)
Transfer to general fund	—	—	—	—	—	(76)	(32,916)
Transfer to debt service funds	—	—	—	—	—	—	(1,854)
Transfer from general fund	—	—	—	678	—	—	689
Transfer from alternative dispute	—	—	—	300	—	—	300
Transfer to bond fund	—	—	—	—	—	—	—
Transfer to major projects	—	—	(175)	—	—	—	(4,508)
Transfer from road & bridge dist.	—	—	—	—	—	—	—
Transfer to grant fund 466	—	—	—	—	—	—	(159)
Transfer from major technology	—	—	—	—	—	—	—
Transfer from permanent improvements	—	—	—	—	—	—	—
Total other financing sources and (uses)	<u>—</u>	<u>—</u>	<u>(175)</u>	<u>978</u>	<u>(300)</u>	<u>(76)</u>	<u>(38,748)</u>
Net change in fund balances	34	(1)	20	(60)	(192)	(20)	2,377
Fund balances - beginning	4	20	231	60	298	761	24,571
Fund balances - ending	<u>\$ 38</u>	<u>\$ 19</u>	<u>\$ 251</u>	<u>\$ —</u>	<u>\$ 106</u>	<u>\$ 741</u>	<u>\$ 26,948</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, 2003  
(in thousands of dollars)

**Capital Projects**

	Tax Notes		Certificates of Obligation			Permanent		
	2003	1995	1996	1996A	1997B	1998	1985	1988
<b>REVENUES</b>								
Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Highway license fees	---	---	---	---	---	---	---	---
Fines and forfeitures	---	---	---	---	---	---	---	---
Investments and rentals	---	---	---	---	---	---	---	---
Intergovernmental revenues	---	---	---	---	---	---	---	---
Charges for current services	---	---	---	---	---	---	---	---
Miscellaneous	---	---	---	---	---	---	---	62
Total revenues	---	---	---	---	---	---	---	62
<b>EXPENDITURES</b>								
Current:								
General government	---	---	---	---	---	---	---	---
Judicial	---	---	---	---	---	---	---	---
Public safety	---	---	---	---	---	---	---	---
Highways and streets	---	---	---	---	---	---	---	---
Health	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---
Education	---	---	---	---	---	---	---	---
Principal retirement	---	---	---	---	---	---	---	---
Interest	---	---	---	---	---	---	---	---
Capital Outlay	40	12	34	---	---	238	17	---
Total expenditures	40	12	34	---	---	238	17	---
Excess (deficiency) of revenues over (under) expenditures	(40)	(12)	(34)	---	---	(238)	(17)	62
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from sale of tax notes	22,070	---	---	---	---	---	---	---
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	---	---	---	---	---	---	61	---
Transfer to major projects	---	---	---	---	---	---	---	---
Transfer from road & bridge dist.	---	---	---	---	---	---	---	---
Transfer from major projects	---	---	---	---	---	---	---	---
Transfer from major technology	---	---	---	---	---	---	---	---
Total other financing sources (uses)	22,070	---	---	---	---	---	61	---
Net change in fund balances	22,030	(12)	(34)	---	---	(238)	44	62
Fund balances - beginning	---	246	82	---	---	1,616	28	97
Fund balances - ending	\$ 22,030	\$ 234	\$ 48	\$ ---	\$ ---	\$ 1,378	\$ 72	\$ 159



**DALLAS COUNTY, TEXAS**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds- Continued  
For the Year Ended September 30, 2003  
(in thousands of dollars)

	<b>Debt Service</b>	
	<b>Parking Garage</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>		
Taxes	\$ —	\$ 8,438
Highway license fees	—	33,173
Fines and forfeitures	—	9,136
Investments and rentals	—	950
Intergovernmental revenues	—	26
Charges for current services	—	9,002
Miscellaneous	—	2,078
Total revenues	—	62,803
<b>EXPENDITURES</b>		
Current:		
General government	—	6,456
Judicial	—	3,616
Public safety	—	670
Highways and streets	—	10,161
Health	—	—
Public welfare	—	—
Education	—	—
Principal retirement	195	195
Interest	11	11
Capital Outlay	—	10,495
Total expenditures	206	31,604
Excess (deficiency) of revenues over (under) expenditure	(206)	31,199
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from sale of tax notes	—	22,070
Transfer to child support	—	(300)
Transfer to general fund	—	(32,916)
Transfer to debt service fund	—	(1,854)
Transfer from general fund	—	689
Transfer from parking revenue fund	142	142
Transfer from alternative dispute	—	300
Transfer to bond funds	—	—
Transfer to major projects	—	(4,508)
Transfer from road & bridge dist.	—	—
Transfer to grant fund 466	—	(159)
Transfer from major technology	—	—
Total other financing sources and (uses)	142	(16,536)
Net change in fund balances	(64)	14,663
Fund balances - beginning	210	100,452
Fund balances - ending	\$ 146	\$ 115,115

**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, 2003  
(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 37,925	\$ 37,778	\$ (147)
Investments and rentals	1,515	1,381	(134)
Intergovernmental revenues	<u>53</u>	<u>-</u>	<u>(53)</u>
Total revenues	39,493	39,159	(334)
<b>EXPENDITURES</b>			
Principal retirement	32,600	32,600	-
Interest	<u>11,412</u>	<u>11,393</u>	<u>19</u>
Total expenditures	44,012	43,993	19
Excess (deficiency) of revenues over ( under) expenditures	<u>(4,519)</u>	<u>(4,834)</u>	<u>(315)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from road and bridge	2,554	2,554	-
Transfer from general fund	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,554</u>	<u>2,554</u>	<u>-</u>
Net change in fund balance	(1,965)	(2,280)	(315)
Fund balances - beginning	<u>14,461</u>	<u>14,461</u>	<u>-</u>
Fund balances - ending	<u>\$ 12,496</u>	<u>\$ 12,181</u>	<u>\$ (315)</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, 2003  
 (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>
<b>EXPENDITURES</b>			
Principal retirement	\$ 195	\$ 195	\$ —
Interest	<u>11</u>	<u>11</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>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from parking garage revenue	<u>142</u>	<u>142</u>	<u>—</u>
Net change in fund balance	(64)	(64)	—
Fund balance - beginning	<u>210</u>	<u>210</u>	<u>—</u>
Fund balance - ending	\$ <u><u>146</u></u>	\$ <u><u>146</u></u>	<u><u>—</u></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, 2003

(in thousands of dollars)

	<b>Budget Amount</b>	<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Highway license fees	\$ 36,398	\$ 33,173	\$ (3,225)
Fines and forfeiture	10,234	9,136	(1,098)
Intergovernmental revenues	54	26	(8)
Charges for current services	3,710	3,913	203
Investments and rentals	225	81	(144)
Miscellaneous	41	68	27
Total revenues	50,642	46,397	(4,245)
<b>EXPENDITURES</b>			
Highways and streets:			
Salaries	6,622	6,006	616
Allowances	31	30	1
Operating	4,170	3,718	452
Property	1,593	407	1,186
Sub-total	12,416	10,161	2,255
Reserves	10,170	—	10,170
Total expenditures	22,586	10,161	12,425
Excess (deficiency) of revenues over (under) expenditures	28,056	36,236	8,180
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to debt service funds	(1,712)	(1,712)	—
Transfer to general fund	(34,968)	(31,782)	3,186
Transfer to major projects	(3,833)	(3,833)	—
Total other financing sources and uses	(40,513)	(37,327)	3,186
Net change in fund balances	(12,457)	(1,091)	11,366
Fund balances - beginning	12,457	12,457	—
Fund balances - ending	\$ —	\$ 11,366	\$ 11,366



**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, 2003

(in thousands of dollars)

	<b>Budget Amount</b>	<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Ad valorem taxes	\$ 2,389	\$ 2,234	\$ (155)
Miscellaneous	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>2,389</u>	<u>2,234</u>	<u>(155)</u>
<b>EXPENDITURES</b>			
General government:			
Property	<u>2,487</u>	<u>1,073</u>	<u>1,414</u>
Total expenditures	<u>2,487</u>	<u>1,073</u>	<u>1,414</u>
Excess (deficiency) of revenues over (under) expenditures	(98)	1,161	1,259
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to general fund	(119)	(119)	—
Transfers to major projects	<u>(500)</u>	<u>(500)</u>	<u>—</u>
Total other financing sources and uses	<u>(619)</u>	<u>(619)</u>	<u>—</u>
Net change in fund balances	(717)	542	1,259
Fund balances - beginning	<u>776</u>	<u>776</u>	<u>—</u>
Fund balances - ending	<u>\$ 59</u>	<u>\$ 1,318</u>	<u>\$ 1,259</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, 2003

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investments and rentals	\$ 28	\$ 12	\$ (16)
Charges for current services	<u>977</u>	<u>867</u>	<u>(110)</u>
Total revenues	<u>1,005</u>	<u>879</u>	<u>(126)</u>
<b>EXPENDITURES</b>			
Judicial:			
Salaries	391	401	(10)
Operating	615	606	9
Property	<u>—</u>	<u>32</u>	<u>(32)</u>
Sub-total	1,006	1,039	(33)
Reserves	<u>750</u>	<u>—</u>	<u>750</u>
Total expenditures	<u>1,756</u>	<u>1,039</u>	<u>717</u>
Excess (deficiency of revenues over (under) expenditures	<u>(751)</u>	<u>(160)</u>	<u>591</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from general fund	11	11	—
Transfer to general fund	(175)	(175)	—
Total other financing sources and uses	<u>(164)</u>	<u>(164)</u>	<u>—</u>
Net change in fund balances	(915)	(324)	591
Fund balances - beginning	<u>1,126</u>	<u>1,126</u>	<u>—</u>
Fund balances - ending	<u>\$ 211</u>	<u>\$ 802</u>	<u>\$ 591</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, 2003

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investments and rentals	700	\$ 700	\$ —
Total revenues	<u>700</u>	<u>700</u>	<u>—</u>
<b>EXPENDITURES</b>			
General government:			
Operating	108	108	—
Property	—	—	—
Total expenditures	<u>108</u>	<u>108</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>592</u>	<u>592</u>	<u>—</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to general fund	(480)	(480)	—
Transfer to debt service funds	<u>(142)</u>	<u>(142)</u>	<u>—</u>
Total other financing sources and uses	<u>(622)</u>	<u>(622)</u>	<u>—</u>
Net change in fund balances	(30)	(30)	—
Fund balances - beginning	<u>30</u>	<u>30</u>	<u>—</u>
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

**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, 2003

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 6,165	\$ 6,204	\$ 39
Investments and rentals	70	113	43
Miscellaneous	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>6,235</u>	<u>6,317</u>	<u>82</u>
<b>EXPENDITURES</b>			
General government:			
Property	<u>6,595</u>	<u>2,841</u>	<u>3,754</u>
Total expenditures	<u>6,595</u>	<u>2,841</u>	<u>3,754</u>
Excess (deficiency) of revenues over (under) expenditures	(360)	3,476	3,836
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to major projects	<u>—</u>	<u>—</u>	<u>—</u>
Transfers to general fund	<u>(284)</u>	<u>(284)</u>	<u>—</u>
Total other financing sources and uses	<u>(284)</u>	<u>(284)</u>	<u>—</u>
Net change in fund balances	(644)	3,192	3,836
Fund balances - beginning	<u>5,856</u>	<u>5,856</u>	<u>—</u>
Fund balances - ending	<u>\$ 5,212</u>	<u>\$ 9,048</u>	<u>\$ 3,836</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, 2003

(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>
<b>REVENUES</b>			
Investments and rentals	\$ —	\$ —	\$ —
Miscellaneous	—	—	—
Total revenues	<u>—</u>	<u>—</u>	<u>—</u>
<b>EXPENDITURES</b>			
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	(15)	(1)	14
Fund balances - beginning	<u>20</u>	<u>20</u>	<u>—</u>
Fund balances - ending	<u><u>\$ 5</u></u>	<u><u>\$ 19</u></u>	<u><u>\$ 14</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, 2003

(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>
<b>REVENUES</b>			
Investments and rentals	\$ 12	\$ 5	\$ (7)
Charges for current services	3,097	2,623	(474)
Miscellaneous	—	—	—
Total revenues	<u>3,109</u>	<u>2,628</u>	<u>(481)</u>
<b>EXPENDITURES</b>			
General government:			
Operating	2,934	2,433	501
Property	25	—	25
Total expenditures	<u>2,959</u>	<u>2,433</u>	<u>526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>150</u>	<u>195</u>	<u>45</u>
<b>OTHER FINANCIAL SOURCES (USES)</b>			
Transfer to general fund	(27)	—	27
Transfer to major projects	<u>(175)</u>	<u>(175)</u>	<u>—</u>
Total other financing sources and uses	<u>(202)</u>	<u>(175)</u>	<u>27</u>
Net change in fund balances	(52)	20	72
Fund balances - beginning	231	231	—
Fund balances - ending	<u>\$ 179</u>	<u>\$ 251</u>	<u>\$ 72</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, 2003

(in thousands of dollars)

	Budget	Actual	Variance
	Amount	Amount	Positive (Negative)
<b>REVENUES</b>			
Investments and rentals	\$ 6	\$ 4	(2)
Charges for current services	894	793	(101)
Miscellaneous	27	13	(14)
Total revenues	<u>927</u>	<u>810</u>	<u>(117)</u>
<b>EXPENDITURES</b>			
Judicial:			
Salaries	1,149	1,146	3
Allowances	7	6	1
Operating	32	26	6
Property	—	—	—
Total judicial	<u>1,188</u>	<u>1,178</u>	<u>10</u>
Public safety:			
Salaries	628	557	71
Operating	146	113	33
Property	—	—	—
Total public safety	<u>774</u>	<u>670</u>	<u>104</u>
Total expenditures	<u>1,962</u>	<u>1,848</u>	<u>114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,035)</u>	<u>(1,038)</u>	<u>(3)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from general fund	678	678	—
Transfer from alternative dispute resolution fund	300	300	—
Other financing sources and uses	<u>978</u>	<u>978</u>	<u>—</u>
Net change in fund balances	<u>(57)</u>	<u>(60)</u>	<u>(3)</u>
Fund balances - beginning	60	60	—
Fund balances - ending	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ (3)</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, 2003

(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>
<b>REVENUES</b>			
Investments and rentals	\$ 4	\$ 1	\$ (3)
Charges for current services	<u>512</u>	<u>475</u>	<u>(37)</u>
Total revenues	<u>516</u>	<u>476</u>	<u>(40)</u>
<b>EXPENDITURES</b>			
Judicial:			
Salaries	49	48	1
Operating	<u>322</u>	<u>320</u>	<u>2</u>
Total expenditures	371	368	3
Excess of revenues over (under)			
expenditures	<u>145</u>	<u>108</u>	<u>(37)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to child support - special fund	<u>(300)</u>	<u>(300)</u>	<u>—</u>
Total other financing sources and uses	<u>(300)</u>	<u>(300)</u>	<u>—</u>
Net change in fund balances	(155)	(192)	(37)
Fund balances - beginning	<u>298</u>	<u>298</u>	<u>—</u>
Fund balances - ending	<u>\$ 143</u>	<u>\$ 106</u>	<u>\$ (37)</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, 2003

(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>
<b>REVENUES</b>			
Investments and rentals	\$ 14	\$ 9	\$ (5)
Charges for current services	<u>305</u>	<u>331</u>	<u>26</u>
Total revenues	<u>319</u>	<u>340</u>	<u>21</u>
<b>EXPENDITURES</b>			
Judicial - operating	437	273	164
Property	<u>137</u>	<u>11</u>	<u>126</u>
Total expenditures	574	284	290
Excess (deficiency) of revenues over (under) expenditures	<u>(255)</u>	<u>56</u>	<u>311</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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	(331)	(20)	311
Fund balances - beginning	<u>761</u>	<u>761</u>	<u>—</u>
Fund balances - ending	<u>\$ 430</u>	<u>\$ 741</u>	<u>\$ 311</u>

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**DALLAS COUNTY, TEXAS**

Combining Statement of Fiduciary Assets and Liabilities -  
Agency Fund

September 30, 2003  
(in thousands of dollars)

	<b>Administrative Funds</b>		<b>Grant Fund</b>
	<b>Payroll</b>	<b>Escrow</b>	<b>Juvenile Probation Commission</b>
<b>Assets:</b>			
Cash and investments	\$ 439	\$ 13,457	\$ 77
Restricted assets	—	8,864	—
Total assets	\$ 439	\$ 22,321	\$ 77
<b>Liabilities:</b>			
Accounts payable:	\$ 434	\$ 22,321	\$ 77
Due to other government units	5	—	—
Total liabilities	\$ 439	\$ 22,321	\$ 77

Fee Office Funds				
<u>State Report</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>	
\$ 1,869	\$ 26,643	\$ 15,429	\$	1,746
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
\$ <u>1,869</u>	\$ <u>26,643</u>	\$ <u>15,429</u>	\$	<u>1,746</u>
\$ 1,869	\$ 26,643	\$ 15,429	\$	1,746
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
\$ <u>1,869</u>	\$ <u>26,643</u>	\$ <u>15,429</u>	\$	<u>1,746</u>

(Continued)

**DALLAS COUNTY, TEXAS**

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

September 30, 2003  
(in thousands of dollars)

	Fee Office Funds			Housing
	Community Supervision and Corrections	Justices of the Peace	Constables	Finance Corporation 1993 Refunding
<b>Assets:</b>				
Cash and investments	\$ 6,844	\$ 2,054	\$ 169	\$ 12
Accounts receivable	—	—	—	—
Accrued interest	2	—	—	—
Due from other government units	—	—	—	—
Restricted assets	—	—	—	—
Total assets	\$ 6,846	\$ 2,054	\$ 169	\$ 12
<b>Liabilities:</b>				
Accounts payable	\$ 6,827	\$ 2,054	\$ 169	\$ 12
Due to other government units	19	—	—	—
Total liabilities	\$ 6,846	\$ 2,054	\$ 169	\$ 12

Departmental Special Funds

Juvenile Department Child Support	Housing Finance Corporation - 1994 Refunding	Community Supervision and Corrections Special	Youth Village	District Attorney Check Collection	Tax Assessor - Collector
\$ 453	\$ 1,574	\$ 1,327	\$ 1	\$ 239	\$ 47,865
—	—	—	—	—	924
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>\$ 453</u>	<u>\$ 1,574</u>	<u>\$ 1,327</u>	<u>\$ 1</u>	<u>\$ 239</u>	<u>\$ 48,789</u>
\$ 453	\$ 1,574	\$ 1,327	\$ 1	\$ 239	\$ 47,900
—	—	—	—	—	889
—	—	—	—	—	—
<u>\$ 453</u>	<u>\$ 1,574</u>	<u>\$ 1,327</u>	<u>\$ 1</u>	<u>\$ 239</u>	<u>\$ 48,789</u>

(Continued)

**DALLAS COUNTY, TEXAS**

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

September 30, 2003  
(in thousands of dollars)

District Attorney Forfeiture Funds

	<u>Police</u>	<u>Attorney</u>	<u>Gambling</u>	<u>Narcotics</u>	<u>Total</u>
	<u>Agencies</u>	<u>General</u>			<u>2003</u>
<b>Assets:</b>					
Cash and investments	\$ 25	\$ 6	\$ 42	\$ 518	\$ 120,789
Accounts receivable	—	—	—	—	924
Accrued interest	—	—	—	—	2
Due from other government units	—	—	—	—	—
Restricted assets	—	—	—	—	8,864
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,864</u>
Total assets	\$ <u>25</u>	\$ <u>6</u>	\$ <u>42</u>	\$ <u>518</u>	\$ <u>130,579</u>
<b>Liabilities:</b>					
Accounts payable	\$ 25	\$ 6	\$ 42	\$ 518	\$ 129,666
Due to other government units	—	—	—	—	913
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>913</u>
Total liabilities	\$ <u>25</u>	\$ <u>6</u>	\$ <u>42</u>	\$ <u>518</u>	\$ <u>130,579</u>

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**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<u>Administrative Fund - Payroll</u>				
Assets:				
Cash and investments	\$ 750	\$ 605,293	\$ 605,604	\$ 439
Total assets	<u>\$ 750</u>	<u>\$ 605,293</u>	<u>\$ 605,604</u>	<u>\$ 439</u>
Liabilities:				
Accounts payable - administrative	\$ 745	\$ 147,055	\$ 147,366	\$ 434
Due to other funds	<u>5</u>	<u>—</u>	<u>—</u>	<u>5</u>
Total liabilities	<u>\$ 750</u>	<u>\$ 147,055</u>	<u>\$ 147,366</u>	<u>\$ 439</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<hr/> <u>Administrative Fund - Escrow</u> <hr/>				
Assets:				
Cash and investments	\$ 12,092	\$ 13,750	\$ 12,385	\$ 13,457
Restricted assets	<u>8,346</u>	<u>78,036</u>	<u>77,518</u>	<u>8,864</u>
Total assets	<u>\$ 20,438</u>	<u>\$ 91,786</u>	<u>\$ 89,903</u>	<u>\$ 22,321</u>
Liabilities:				
Accounts payable - administrative	\$ 20,438	\$ 19,524	\$ 17,641	\$ 22,321
Due to other funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>\$ 20,438</u>	<u>\$ 19,524</u>	<u>\$ 17,641</u>	<u>\$ 22,321</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
Grant Fund -				
<u>Juvenile Probation Commission</u>				
Assets:				
Cash and investments	\$ 73	\$ 3,186	\$ 3,182	\$ 77
Total assets	<u>\$ 73</u>	<u>\$ 3,186</u>	<u>\$ 3,182</u>	<u>\$ 77</u>
Liabilities:				
Accounts payable - grants	\$ 73	\$ 3,189	\$ 3,185	\$ 77
Total liabilities	<u>\$ 73</u>	<u>\$ 3,189</u>	<u>\$ 3,185</u>	<u>\$ 77</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance October 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2003</u>
<u>Fee Office Fund - State Reports</u>				
Assets:				
Cash and investments	\$ 1,653	\$ 296,321	\$ 296,105	\$ 1,869
Total assets	<u>\$ 1,653</u>	<u>\$ 296,321</u>	<u>\$ 296,105</u>	<u>\$ 1,869</u>
Liabilities:				
Fee office accounts payable	\$ 1,653	\$ 14,692	\$ 14,476	\$ 1,869
Total liabilities	<u>\$ 1,653</u>	<u>\$ 14,692</u>	<u>\$ 14,476</u>	<u>\$ 1,869</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<hr/>				
Fee Office Fund - County Clerk				
<hr/>				
Assets:				
Cash and investments	\$ 25,901	\$ 3,734,283	\$ 3,733,541	\$ 26,643
Total assets	<u>\$ 25,901</u>	<u>\$ 3,734,283</u>	<u>\$ 3,733,541</u>	<u>\$ 26,643</u>
Liabilities:				
Fee office accounts payable	\$ 25,901	\$ 36,968	\$ 36,226	\$ 26,643
Total liabilities	<u>\$ 25,901</u>	<u>\$ 36,968</u>	<u>\$ 36,226</u>	<u>\$ 26,643</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<u>Fee Office Fund - District Clerk</u>				
Assets:				
Cash and investments	\$ 18,531	\$ 90,434	\$ 93,536	\$ 15,429
Total assets	\$ <u>18,531</u>	\$ <u>90,434</u>	\$ <u>93,536</u>	\$ <u>15,429</u>
Liabilities:				
Fee office accounts payable	\$ 18,531	\$ 90,434	\$ 93,536	\$ 15,429
Total liabilities	\$ <u>18,531</u>	\$ <u>90,434</u>	\$ <u>93,536</u>	\$ <u>15,429</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<hr/>				
Fee Office Fund - Sheriff				
Assets:				
Cash and investments	<u>1,771</u>	\$ <u>18,713</u>	\$ <u>18,738</u>	\$ <u>1,746</u>
Total assets	\$ <u><u>1,771</u></u>	\$ <u><u>18,713</u></u>	\$ <u><u>18,738</u></u>	\$ <u><u>1,746</u></u>
Liabilities:				
Fee office accounts payable	\$ <u>1,771</u>	\$ <u>15,323</u>	\$ <u>15,348</u>	\$ <u>1,746</u>
Total liabilities	\$ <u><u>1,771</u></u>	\$ <u><u>15,323</u></u>	\$ <u><u>15,348</u></u>	\$ <u><u>1,746</u></u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<u>Fee Office Fund -</u> <u>Community Supervision and Corrections</u>				
Assets:				
Cash and investments	\$ 6,852	\$ 1,742,823	\$ 1,742,831	\$ 6,844
Accrued interest receivable	<u>2</u>	<u>—</u>	<u>—</u>	<u>2</u>
Total assets	<u>\$ 6,854</u>	<u>\$ 1,742,823</u>	<u>\$ 1,742,831</u>	<u>\$ 6,846</u>
Liabilities:				
Fee office accounts payable	\$ 6,833	\$ 75,901	\$ 75,907	\$ 6,827
Due to other funds	<u>21</u>	<u>19</u>	<u>21</u>	<u>19</u>
Total liabilities	<u>\$ 6,854</u>	<u>\$ 75,920</u>	<u>\$ 75,928</u>	<u>\$ 6,846</u>



**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<hr/>				
Fee Office Fund - Justices of the Peace				
<hr/>				
Assets:				
Cash and investments	\$ 1,897	\$ 970	\$ 813	\$ 2,054
Total assets	<u>\$ 1,897</u>	<u>\$ 970</u>	<u>\$ 813</u>	<u>\$ 2,054</u>
Liabilities:				
Fee office accounts payable	\$ 1,897	\$ 970	\$ 813	\$ 2,054
Total liabilities	<u>\$ 1,897</u>	<u>\$ 970</u>	<u>\$ 813</u>	<u>\$ 2,054</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<u>Fee Office Fund - Constables</u>				
Assets:				
Cash and investments	\$ 132	\$ 602	\$ 565	\$ 169
Total assets	\$ <u>132</u>	\$ <u>602</u>	\$ <u>565</u>	\$ <u>169</u>
Liabilities:				
Fee office accounts payable	\$ 132	\$ 602	\$ 565	\$ 169
Total liabilities	\$ <u>132</u>	\$ <u>602</u>	\$ <u>565</u>	\$ <u>169</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
Departmental Special Fund - Housing Finance Corporation - 1993 Refunding				
<b>Assets</b>				
Cash and investments	\$ 178	\$ 19,626	\$ 19,792	\$ 12
Total assets	<u>\$ 178</u>	<u>\$ 19,626</u>	<u>\$ 19,792</u>	<u>\$ 12</u>
<b>Liabilities:</b>				
Accounts payable - departmental special	\$ 178	\$ 1,135	\$ 1,301	\$ 12
Total liabilities	<u>\$ 178</u>	<u>\$ 1,135</u>	<u>\$ 1,301</u>	<u>\$ 12</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<u>Departmental Special Fund -</u>				
<u>Juvenile Department Child Support</u>				
Assets:				
Cash and investments	\$ 454	\$ 40	\$ 41	\$ 453
Total assets	\$ <u>454</u>	\$ <u>40</u>	\$ <u>41</u>	\$ <u>453</u>
Liabilities:				
Accounts payable - departmental special	\$ 454	\$ 40	\$ 41	\$ 453
Total liabilities	\$ <u>454</u>	\$ <u>40</u>	\$ <u>41</u>	\$ <u>453</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<b>Balance</b>		<b>Balance</b>
	<b>October 1,</b>	<b>Additions</b>	<b>September 30,</b>
	<b>2002</b>	<b>Deductions</b>	<b>2003</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Departmental Special Fund - Housing Finance Corporation - 1994 Refunding</b>			
<hr/>			
Assets			
Cash and investments	\$ 661	\$ 344,347	\$ 343,434
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ 661	\$ 344,347	\$ 343,434
	<u>          </u>	<u>          </u>	<u>          </u>
Liabilities:			
Accounts payable - departmental special	\$ 661	\$ 2,132	\$ 1,219
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	\$ 661	\$ 2,132	\$ 1,219
	<u>          </u>	<u>          </u>	<u>          </u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<hr/>				
Departmental Special Fund - Community Supervision and Collections Special				
<hr/>				
Assets:				
Cash and investments	\$ 1,712	\$ 5,682	\$ 6,067	\$ 1,327
Total assets	<u>\$ 1,712</u>	<u>\$ 5,682</u>	<u>\$ 6,067</u>	<u>\$ 1,327</u>
Liabilities:				
Accounts payable - departmental special	\$ 1,712	\$ 5,764	\$ 6,149	\$ 1,327
Total liabilities	<u>\$ 1,712</u>	<u>\$ 5,764</u>	<u>\$ 6,149</u>	<u>\$ 1,327</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<u>Departmental Special Fund - Youth Village</u>				
Assets:				
Cash and investments	\$ <u>2</u>	\$ <u>—</u>	\$ <u>1</u>	\$ <u>1</u>
Total assets	\$ <u><u>2</u></u>	\$ <u><u>—</u></u>	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>
Liabilities:				
Accounts payable - departmental special	\$ <u>2</u>	\$ <u>—</u>	\$ <u>1</u>	\$ <u>1</u>
Total liabilities	\$ <u><u>2</u></u>	\$ <u><u>—</u></u>	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<u>Departmental Special Fund -</u>				
<u>District Attorney Check Collection</u>				
Assets:				
Cash and investments	\$ 155	\$ 84	\$ —	\$ 239
Total assets	<u>\$ 155</u>	<u>\$ 84</u>	<u>\$ —</u>	<u>\$ 239</u>
Liabilities:				
Accounts payable - departmental special	\$ 155	\$ 84	\$ —	\$ 239
Total liabilities	<u>\$ 155</u>	<u>\$ 84</u>	<u>\$ —</u>	<u>\$ 239</u>



**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

Fiscal Year Ended September 30, 2003

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<u>Departmental Special Fund -</u> <u>Tax Assessor and Collector</u>				
Assets:				
Cash and investments	\$ 45,490	\$ 303,496	\$ 301,121	\$ 47,865
Accounts receivable	1,321	889	1,286	924
Total assets	<u>\$ 46,811</u>	<u>\$ 304,385</u>	<u>\$ 302,407</u>	<u>\$ 48,789</u>
Liabilities:				
Accounts payable - departmental special	\$ 46,169	\$ 299,416	\$ 297,685	\$ 47,900
Due to other funds	642	889	642	889
Total liabilities	<u>\$ 46,811</u>	<u>\$ 300,305</u>	<u>\$ 298,327</u>	<u>\$ 48,789</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

For the Year Ended September 30, 2003  
(in thousands of dollars)

	<u>Balance October 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2003</u>
<hr/>				
District Attorney Forfeiture Funds - Police Agencies				
<hr/>				
Assets:				
Cash and investments	\$ 25	\$ 569	\$ 569	\$ 25
Total assets	<u>\$ 25</u>	<u>\$ 569</u>	<u>\$ 569</u>	<u>\$ 25</u>
Liabilities:				
Accounts payable	\$ 25	\$ —	\$ —	\$ 25
Total liabilities	<u>\$ 25</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 25</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

For the Year Ended September 30, 2003  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<hr/>				
District Attorney Forfeiture Funds - Attorney General				
<hr/>				
Assets:				
Cash and investments	\$ 75	\$ 75	\$ 144	\$ 6
Total assets	<u>\$ 75</u>	<u>\$ 75</u>	<u>\$ 144</u>	<u>\$ 6</u>
Liabilities:				
Accounts payable	\$ 75	\$ —	\$ 69	\$ 6
Total liabilities	<u>\$ 75</u>	<u>\$ —</u>	<u>\$ 69</u>	<u>\$ 6</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

For the Year Ended September 30, 2003  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<hr/>				
District Attorney Forfeiture Funds - Gambling				
<hr/>				
Assets:				
Cash and investments	\$ 32	\$ 632	\$ 622	\$ 42
Total assets	<u>\$ 32</u>	<u>\$ 632</u>	<u>\$ 622</u>	<u>\$ 42</u>
Liabilities:				
Accounts payable	\$ 32	\$ 10	\$ —	\$ 42
Total liabilities	<u>\$ 32</u>	<u>\$ 10</u>	<u>\$ —</u>	<u>\$ 42</u>

**DALLAS COUNTY, TEXAS**

Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds - Continued

For the Year Ended September 30, 2003  
(in thousands of dollars)

	<u>Balance October 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2003</u>
<hr/>				
District Attorney Forfeiture Funds - Narcotics				
<hr/>				
Assets:				
Cash and investments	\$ 436	\$ 12,059	\$ 11,977	\$ 518
Total assets	<u>\$ 436</u>	<u>\$ 12,059</u>	<u>\$ 11,977</u>	<u>\$ 518</u>
Liabilities:				
Accounts payable	\$ 436	\$ 347	\$ 265	\$ 518
Total liabilities	<u>\$ 436</u>	<u>\$ 347</u>	<u>\$ 265</u>	<u>\$ 518</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, 2003 and 2002**  
(in thousands of dollars)

	<u>2003</u>	<u>2002</u>
<b>Governmental funds capital assets:</b>		
Land	\$ 24,368	\$ 23,996
Buildings and improvements	387,389	386,910
Machinery and equipment	51,608	48,975
Infrastructure	29,554	30,302
Construction in progress	18,997	6,530
Total governmental funds capital assets	<u>\$ 511,916</u>	<u>\$ 496,713</u>
<b>Investments in governmental funds capital assets by source:</b>		
General fund	\$ 39,904	\$ 40,633
Special revenue fund	347,724	345,640
Capital projects funds	123,012	109,250
Donations	1,276	1,190
Total governmental funds capital assets	<u>\$ 511,916</u>	<u>\$ 496,713</u>

**DALLAS COUNTY, TEXAS**  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Function and Activity  
 September 30, 2003  
 (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	\$ 15,050	\$ 40,151	\$ 15,622	\$ -	\$ 17,924	\$ 88,747
Public welfare	1,412	18,552	1,950	-	-	21,914
Public safety	4,350	219,796	13,579	-	-	237,725
Judicial	3,189	98,276	1,902	-	1,073	104,440
Health	115	5,096	1,807	-	-	7,018
Streets and highways	96	1,844	16,653	29,554	-	48,147
Education	156	3,674	7	-	-	3,837
Libraries	-	-	88	-	-	88
Total governmental funds capital assets	<u>\$ 24,368</u>	<u>\$ 387,389</u>	<u>\$ 51,608</u>	<u>\$ 29,554</u>	<u>\$ 18,997</u>	<u>\$ 511,916</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, 2003  
 (in thousands of dollars)

<u>Function and Activity</u>	<b>Governmental Funds Capital Assets</b>			<b>Governmental Funds Capital Assets</b>		
	<u>October 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30, 2003</u>		
General Government	\$ 74,109	\$ 15,242	\$ 604	\$ 88,747		
Public welfare	21,640	304	30	21,914		
Public safety	238,122	482	879	237,725		
Judicial	103,120	1,320	-	104,440		
Health	6,474	551	7	7,018		
Streets and highways	49,342	585	1,780	48,147		
Education	3,830	7	-	3,837		
Libraries	76	29	17	88		
 Total governmental funds capital assets	 \$ <u>496,713</u>	 \$ <u>18,520</u>	 \$ <u>3,317</u>	 \$ <u>511,916</u>		

# **STATISTICAL SECTION**

Table 1

DALLAS COUNTY, TEXAS

Government -Wide Expenses by Function  
 For the Last Two Fiscal Years  
 ( in thousands of dollars)

(Unaudited)

Fiscal Year	General Government	Judicial	Public Safety	Highways and Streets	Health	Education	Libraries	Public Welfare	Interest on Long-term Debt	Total
2002 \$	65,372	\$ 98,247	167,880	\$ 27,634	\$ 47,470	\$ 5,636	\$ -	\$ 51,732	\$ 14,248	\$ 478,219
2003 \$	68,466	\$ 102,611	172,274	\$ 21,748	\$ 39,576	\$ 5,671	\$ 23	\$ 58,871	\$ 11,795	\$ 481,035

Table 2

DALLAS COUNTY, TEXAS

Government-Wide Revenues  
For the Last Two Years  
(in thousands of dollars)

(Unaudited)

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES				Total
	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions Not Restricted to Specific Programs	Unrestricted Investment Earnings		
2002	\$ 179,539	\$ 72,571	\$ 3,331	\$ 246,661	\$ 2,281	\$ 8,271	\$ 512,654	
2003	162,950	84,596	34	252,186	2,986	4,756	507,508	

Table 3

## 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	
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%
2003 *	\$ 132,669,788	\$ 133,793,253	\$ 27,047,926	\$ 27,047,926	\$ 159,717,714	\$ 160,841,179	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)

Tax Year	General fund Tax Rates (1)	Jury Fund	Major Technology Fund	Permanent Improvement Fund	Major Capital Development Fund
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
2003	0.15832	—	0.00500	0.00180	0.01450

Tax levies (1)  
(in thousands of dollars)

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
2003	\$	202,119	\$	—	\$	6,383	\$	2,298	\$	18,511

#### Legal Limitation Note ( 2 )

Original - Texas Constitution, Article 8, Section 9, (b)	0.80000
Additional authorized by voters - Texas Constitution (111, 9, c)	0.15000
Additional authorized by Article 4494 n.2	0.75000
Additional authorized by constitutional amendment, Article 3, Section 52 (b) (c) - limited only by annual requirements	0.01548
	\$ 1.71548

Legal limitation includes provision for debt service.

(1) Source: Dallas County Financial Records

(2) Source: Civil Statutes of Texas

Note: Tax rates are applied to assessed values as of January 1 of the tax year.

Table 4

Debt Service Funds	Total Primary Government	Component Unit	Total Reporting Entity
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
0.02428	0.20390	0.25400	0.45790
\$ 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
\$ 30,997	\$ 260,308 (a)	\$ 324,269	\$ 584,577

(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.

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

Table 5

## DALLAS COUNTY, TEXAS

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

Year	Tax Levies	Collections of Current Tax Levy During Fiscal Period (a)	Percentage of Tax Levy Collected During Fiscal Period (a)	Collections of Prior Year's Tax Levy During Fiscal Period (a)	Total Collections	Percentage of Total Collections to Tax Levies
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	\$ 556,476	\$ 537,790	96.64%	\$ 4,963	\$ 542,753	97.53%
2002	\$ 577,903	\$ 553,641	95.80%	\$ 4,287	\$ 557,928	96.54%
2003	\$ 584,577 (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 2003 tax roll are incomplete until the end of the fiscal tax year, June 30, 2004.

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

Source: Dallas County financial records.

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

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.



Table 6

## DALLAS COUNTY, TEXAS

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

Year	Estimated Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
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
2003	2,283,953	\$ 160,841,179,676 *	\$ 237,673,000	\$ 12,327,000	\$ 225,346,000	0.00140	\$ 99

\* 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 1: The assessment date is January 1.

Note 2: Population is estimated as of July 1, 2003 per Census Bureau.

Table 7

## DALLAS COUNTY, TEXAS

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

Company	Revenues (Millions) FY2003
Exxon/Mobil	\$ 182,466
J.C. Penney Co., Inc.	\$ 32,347
Electronic Data Systems	\$ 21,782
Fleming	\$ 17,562
AMR	\$ 17,299
Texas Utilities	\$ 14,086
Kimberly-Clark	\$ 13,566
AdvancePCS	\$ 13,107
Dean Foods	\$ 9,213
Burlington Northern Santa Fe Corporation	\$ 8,979
Texas Instruments	\$ 8,383
Centex	\$ 7,748
D.R. Horton	\$ 6,739
Southwest Airlines	\$ 5,522
RadioShack	\$ 4,577
Triad Hospitals	\$ 3,541
Affiliated Computer Services	\$ 3,063
Lennox International	\$ 3,026
Neiman Marcus	\$ 2,948

Source: Dallas Chamber of Commerce

Table 8

**DALLAS COUNTY, TEXAS**  
 Top Non-Publicly Held Employers  
 Headquartered in Dallas / Fort Worth  
 September 30, 2003  
 (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 District	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

Table 9

## DALLAS COUNTY, TEXAS

Top Ten Taxpayers  
September 30, 2003  
(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	1,605,116	1.21	%
Texas Instruments	Electronics	\$ 1,438,159	1.08	
Texas Utilities Electric Company	Electric utility	1,315,833	0.99	
Crescent Real Estate	Real Estate	869,249	0.66	
Verizon / GTE	Telephone utility	535,798	0.40	
Southwest Airlines	Airline	510,029	0.38	
Trammel Crow / Anatole	Real estate	366,411	0.28	
*Walmart	Retail	326,838	0.25	
*Exxon / Mobil	Crude Oil & Natural Gas	275,688	0.21	
*Vought Aircraft Industries	Acrostructures	182,856	0.14	
Total		\$ <u>7,425,977</u>	<u>5.60</u>	%

(a) Excludes property under protest.

\* Newly categorized as top ten for current year.

Note: Estimated amounts based on 2003 appraisal roll.

Source: Dallas County Tax Assessor-Collector.

Table 10

## DALLAS COUNTY, TEXAS

General Governmental Revenues by Source  
 Last Ten Fiscal Years  
 September 30, 2003  
 (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
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	\$ 40,133	\$ 76,444	\$ 6,825	\$ 359,620
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
2003	\$ 242,408	\$ 33,564	\$ 19,931	\$ 9,924	\$ 88,704	\$ 100,308	\$ 10,865	\$ 505,704

Source: Dallas County financial records.

**DALLAS COUNTY, TEXAS**

General Government Expenditures by Function

Last Ten Fiscal Years

September 30, 2003

(in thousands of dollars)

(Unaudited)

<u>Year</u>	<u>General Government and Judicial</u>	<u>Public Safety</u>	<u>Streets and Highways</u>	<u>Health</u>	<u>Public Welfare</u>
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
2003	\$ 183,662	\$ 165,571	\$ 10,161	\$ 39,713	\$ 58,536

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>
\$	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
\$	40	\$ 5,604	\$ 10,495	\$ 44,199	\$ 517,981

Table 12

**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, 2003  
 (in thousands of dollars)  
 (Unaudited)

<u>Year</u>		<u>Total Expenditures</u>	<u>Debt Service</u>	<u>Debt Service as Percent of Total</u>
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 %
2003	\$	517,981	\$ 44,199	8.53 %

Source: Dallas County financial records.



## DALLAS COUNTY, TEXAS

## Computation of Legal Debt Margin - Primary Government

September 30, 2003

(in thousands of dollars)

(Unaudited)

Assessed valuation of real property*		\$	<u>132,656,480</u>
Assessed valuation of all taxable property*			<u>159,704,406</u>
Bonds issued under Article 3, Section 52 of the Texas Constitution:			
Debt limit, one-fourth of real property assessed valuation			33,164,120
Amount of debt applied to debt limit:			
Bonded debt	\$	152,808	
Less debt service funds - appropriation for future debt payments		<u>7,867</u>	
Total amount of debt applicable to debt limit			<u>144,941</u>
Legal debt margin, bonds issued under Article 3, section 52, of the Texas Constitution		\$	<u><u>33,019,179</u></u>
Bonds issued under Texas General Laws:			
Debt limit, five percent of assessed valuation of all taxable property		\$	7,985,220
Amount of debt applied to debt limit:			
Bonded debt	\$	84,865	
Less debt service funds - appropriation for future debt payments		<u>4,369</u>	
Total amount of debt applicable to debt limit			<u>80,496</u>
Legal debt margin, bonds issued under Texas General Laws		\$	<u><u>7,904,724</u></u>

\*Net of Rolling Stock and values under protest

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, 2003  
 (Unaudited)

<u>Official Title</u>	<u>Incumbent</u>	<u>Amounts of</u>	
		<u>Salary</u>	<u>Surety Bond</u>
County Judge	Margaret Keliher	\$ 130,262	\$ 5,000
Commissioner, Precinct 1	Jimmy L. Jackson	\$ 107,358	\$ 5,000
Commissioner, Precinct 2	Michael E. Cantrell	\$ 107,358	\$ 5,000
Commissioner, Precinct 3	John Wiley Price	\$ 107,358	\$ 5,000
Commissioner, Precinct 4	Kenneth A. Mayfield	\$ 107,358	\$ 5,000
County Auditor	Virginia Porter	\$ 113,496	\$ 5,000
County Treasurer	Lisa Hembry	\$ 103,896	\$ 25,000
Assessor-Collector of Taxes	David Childs	\$ 103,896	\$ 200,000 (a)
County Clerk	Cynthia Calhoun	\$ 103,896	\$ 500,000
District Attorney	* William Hill	\$ 158,890	\$ 5,000 (b)
District Clerk	Jim Hamlin	\$ 103,896	\$ 100,000
Sheriff	James C. Bowles	\$ 118,626	\$ 10,000

Note:

(a) Bonded to the County of Dallas	\$ 100,000
Bonded to the State of Texas	<u>100,000</u>
	\$ 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 and phone allowance.

**DALLAS COUNTY, TEXAS**

Schedule of Insurance in Force  
 Primary Government  
 September 30, 2003  
 (Unaudited)

Type of Coverage	Property/Group Covered
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>
\$	214,598	\$ 519,460,022 total \$ 200,000,000 per occurrence	5/03 to 5/04	Allianz Insurance Company
\$	30,070	\$ 50,000,000	5/03 to 5/04	Allianz Insurance Company
		\$ 8,915,613	5/03 to 5/04	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
\$	1,888	\$ 500,000	2/03 to 2/04	U.S. Fire Insurance
\$	**250,000	\$ —	7/03 to 7/05	Self-insured; Contracts Claims Service, LP Third Party Administrator
\$	516,207	Stop Loss	1/03 to 1/04	American Fidelity Assurance Company
\$	1,103,620	Life Insurance	1/03 to 1/04	Group Life & Health Insurance Co.
\$	715,880	Long Term Disability	1/03 to 1/04	Standard Insurance Co.

\* Premium includes amount for Floater coverage

\*\* Amount paid to third party administrator

Table 16

## DALLAS COUNTY, TEXAS

Computation of Direct and Overlapping Bonded Debt  
 Last Ten Fiscal Years  
 September 30, 2003  
 (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	09/30/2003	\$ 237,673	100.0%	\$ 237,673
Hospital District	09/30/2003	\$ —	100.0%	\$ —
Water Control and Improvement District No. 6	09/30/2003	\$ 9,359	100.0%	\$ 9,359
Total Direct		<u>247,032</u>		<u>247,032</u>
Overlapping Debt:				
Independent school districts:				
Carrollton-Farmers Branch	08/31/2003	\$ 288,331	81.8%	\$ 235,855
Cedar Hill	08/31/2003	\$ 71,112	100.0%	\$ 71,112
Coppell	08/31/2003	\$ 356,684	100.0%	\$ 356,684
Dallas	08/31/2003	\$ 693,695	100.0%	\$ 693,695
DeSoto	08/31/2003	\$ 86,854	100.0%	\$ 86,854
Duncanville	08/31/2003	\$ 204,980	100.0%	\$ 204,980
Ferris	08/31/2003	\$ 455	8.0%	\$ 36
Garland	08/31/2003	\$ 307,102	100.0%	\$ 307,102
Grand Prairie	08/31/2003	\$ 269,433	100.0%	\$ 269,433
Grapevine	08/31/2003	\$ 273,329	1.0%	\$ 2,733
Highland Park	08/31/2003	\$ 69,276	100.0%	\$ 69,276
Irving	08/31/2003	\$ 415,042	100.0%	\$ 415,042
Lancaster	08/31/2003	\$ 15,586	100.0%	\$ 15,586
Mesquite	08/31/2003	\$ 382,862	100.0%	\$ 382,862
Richardson	08/31/2003	\$ 374,938	100.0%	\$ 374,938
Wilmer-Hutchins	08/31/2003	\$ 4,768	100.0%	\$ 4,768
Total independent school districts		<u>\$ 3,814,447</u>		<u>\$ 3,490,956</u>

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

## DALLAS COUNTY, TEXAS

## Computation of Direct and Overlapping Bonded Debt - Continued

Last Ten Fiscal Years

September 30, 2003

(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	09/30/2003	\$ 33,193	100.0%	\$ 33,193
Balch Springs	09/30/2003	17,787	100.0%	17,787
Carrollton	09/30/2003	124,208	64.7%	80,363
Cedar Hill	09/30/2003	31,019	98.3%	30,492
Coppell	09/30/2003	54,775	98.9%	54,172
Dallas	09/30/2003	723,302	97.1%	702,326
DeSoto	09/30/2003	62,956	100.0%	62,956
Duncanville	09/30/2003	25,406	100.0%	25,406
Farmers Branch	09/30/2003	13,524	100.0%	13,524
Garland	09/30/2003	161,896	100.0%	161,896
Glenn Heights	09/30/2003	264	72.4%	191
Grand Prairie	09/30/2003	94,978	55.9%	53,093
Hutchins	09/30/2003	6,578	100.0%	6,578
Irving	09/30/2003	154,170	100.0%	154,170
Lancaster	09/30/2003	30,280	100.0%	30,280
Mesquite	09/30/2003	56,313	100.0%	56,313
Richardson	09/30/2003	71,112	86.7%	61,654
Rowlett	09/30/2003	87,448	85.8%	75,030
Sachse	09/30/2003	6,292	93.5%	5,883
Seagoville	09/30/2003	2,406	99.6%	2,396
Total cities and towns		<u>1,757,907</u>		<u>1,627,704</u>
Total Overlapping		\$ <u>5,572,354</u>		\$ <u>5,118,660</u>
Total Direct and Overlapping		\$ <u><u>5,819,386</u></u>		\$ <u><u>5,365,692</u></u>

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

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Table 17

**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	
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
2003	\$ 730	\$ 480	\$ 250	\$ 195	\$ 11	\$ 206	1.21

(1) Includes undesignated fund balance at October 1.

\*Bond debt liquidated in February 2003.

Source: Dallas County financial records.

Table 18

**DALLAS COUNTY, TEXAS**  
 Property 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>
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
2003	\$ 160,841,179	\$ 2,256,055

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

Source: Dallas Central Appraisal District.

## DALLAS COUNTY, TEXAS

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

(Unaudited)

(Rates are per \$100 property value)

<u>Name</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Dallas County	0.20390	0.19600	0.19600	0.19600	0.19600	0.19720	0.20100	0.21000	0.21610	0.20240
Hospital District	0.25400	0.25400	0.25400	0.25400	0.19600	0.17990	0.18577	0.19409	0.19959	0.19959
Community College District	0.06000	0.06000	0.05000	0.05000	0.05000	0.05000	0.05000	0.05206	0.05206	0.05206
<b>School Districts</b>										
Carrollton-Farmers Branch	1.72240	1.72240	1.72420	1.61370	1.61370	1.53770	1.49610	1.46190	1.43290	1.43210
Cedar Hill	1.68000	1.63000	1.43000	1.43000	1.63000	1.77900	1.76000	1.75000	1.75000	1.63000
Coppell	1.70500	1.60000	1.60000	1.60000	1.60000	1.60000	1.60000	1.60000	1.59500	1.54500
Dallas	1.58753	1.58753	1.00000	1.47803	1.46053	1.46053	1.46053	1.46053	1.41810	1.41813
DeSoto	1.71000	1.66000	1.66000	1.66000	1.66000	1.77000	1.69000	1.64860	1.61860	1.61860
Duncanville	1.75000	1.63000	1.68000	1.68000	1.64000	1.68000	1.64000	1.60680	1.60680	1.57240
Ferris	1.53700	1.53950	1.51000	1.49000	1.49000	1.53000	1.53000	1.50000	1.50000	1.50000
Garland	1.45860	1.47140	1.47170	1.67550	1.47840	1.54450	1.48720	1.44280	1.44280	1.44280
Grand Prairie	1.66710	1.66710	1.66760	1.60810	1.46680	1.50780	1.46780	1.46780	1.46780	1.46780
Grapevine	1.70100	1.65979	1.58200	1.55200	1.55229	1.53779	1.53779	1.46700	1.46910	1.47910
Highland Park	1.61000	1.16000	1.69500	1.60550	1.60550	1.49500	1.54010	1.61310	1.60450	1.66040
Irving	1.77060	1.77060	1.69500	1.66840	1.66840	1.67840	1.64840	1.66340	1.63860	1.56960
Lancaster	1.67000	1.67000	1.67000	1.65200	1.67579	1.73000	1.69930	1.69930	1.69990	1.69990
Mesquite	1.62000	1.58000	1.58000	1.58000	1.58000	1.58000	1.53000	1.50000	1.50000	1.50000
Richardson	1.80810	1.80810	1.79000	1.64860	1.63000	1.62570	1.60000	1.56980	1.56980	1.56980
Sunnyvale	1.34947	1.34947	1.30000	1.24670	1.21750	1.20000	1.20500	1.20500	1.22200	1.24200
Wilmer / Hutchins	1.54820	1.54820	1.55840	1.52760	1.49910	1.64240	1.46450	1.70700	1.72100	1.74470
<b>Cities and Towns</b>										
Addison	0.39990	0.39990	0.38480	0.38100	0.38460	0.40000	0.44750	0.45500	0.51770	0.52450
Balch Springs	0.61700	0.61700	0.62900	0.59999	0.59999	0.62000	0.59000	0.59241	0.59625	0.60211
Carrollton	0.59930	0.59900	0.59900	0.60430	0.60430	0.60430	0.60430	0.60430	0.60430	0.57830
Cedar Hill	0.64140	0.64140	0.64269	0.64269	0.64269	0.64269	0.64269	0.64269	0.65289	0.64220
Cockrell Hill	0.74036	0.74036	0.74508	0.77048	0.75202	0.77183	0.70432	0.73996	0.71538	0.70064
Coppell	0.64860	0.64860	0.64860	0.64860	0.64860	0.64860	0.66860	0.66860	0.66950	0.66950
Dallas	0.69980	0.66750	0.66750	0.66750	0.66750	0.64910	0.65160	0.67220	0.65260	0.67440
DeSoto	0.65921	0.65921	0.61139	0.61139	0.61139	0.61139	0.61139	0.62860	0.58860	0.64850
Duncanville	0.71800	0.71800	0.71800	0.71800	0.71800	0.71800	0.71800	0.72000	0.72190	0.85480
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	0.64110	0.63360	0.61360	0.63360	0.63360	0.63360	0.63360	0.63360	0.63360
Glenn Heights	0.70990	0.70990	0.72840	0.79000	0.79240	0.80000	0.83000	0.84830	0.84830	0.85000
Grand Prairie	0.67000	0.67500	0.67500	0.67500	0.67500	0.67999	0.67999	0.69560	0.69560	0.69560
Highland Park	0.22080	0.22900	0.22900	0.25750	0.25750	0.26930	0.29700	0.29700	0.29700	0.29710
Hutchins	0.50882	0.58816	0.48165	0.50151	0.54412	0.54636	0.54793	0.57115	0.57115	0.57120
Irving	0.49800	0.49800	0.48800	0.48800	0.48800	0.49300	0.49300	0.50860	0.50570	0.52210
Lancaster	0.67170	0.67170	0.67170	0.67170	0.55170	0.55170	0.55170	0.55170	0.55170	0.67170
Mesquite	0.54148	0.54148	0.54148	0.54148	0.54148	0.58148	0.48148	0.54148	0.54148	0.52830
Richardson	0.47785	0.44385	0.44385	0.44385	0.44385	0.44385	0.44385	0.44385	0.44385	0.45390
Rowlett	0.64000	0.64000	0.64000	0.64000	0.64000	0.64000	0.62000	0.60500	0.60500	0.57320
Sachse	0.57540	0.50000	0.50000	0.64670	0.64670	0.67470	0.67470	0.66450	0.64950	0.64950
Seagoville	0.65000	0.65000	0.58000	0.58000	0.53779	0.53779	0.55176	0.55408	0.52634	0.52660
Sunnyvale	0.37997	0.37997	0.37997	0.37997	0.37997	0.37997	0.35739	0.35739	0.35233	0.34390
University Park	0.32932	0.32932	0.33999	0.37159	0.39537	0.43537	0.45995	0.46137	0.46581	0.47730
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.

Dallas County Appraisal District

**Table 20**

**DALLAS COUNTY, TEXAS**

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

(Unaudited)

	Calendar Year				
	2003	2002	2001	2000	1999
<b>Dallas Metropolitan Statistical Area (Actual):</b>					
Total civilian labor force	2,067,253	2,060,318	2,080,567	1,988,200	1,930,600
Total unemployment	143,757	142,091	113,316	65,400	60,500
Percent unemployed	6.95%	6.90%	5.40%	3.30%	3.10%
Total employment	1,923,496	1,918,227	1,967,251	1,922,800	1,870,100
<b>State of Texas (Actual):</b>					
Total civilian labor force	10,745,614	10,697,069	10,649,900	10,432,000	10,349,400
Total unemployment	671,108	653,100	542,100	453,000	463,700
Percent unemployed	6.25%	6.10%	5.10%	4.30%	4.50%
Total employment	10,074,506	10,044,000	10,107,800	9,979,000	9,885,700
<b>United States (Actual):</b>					
Total civilian labor force	142,733,000	142,616,000	141,576,000	140,357,000	139,216,000
Total unemployment	8,508,000	8,142,000	6,708,000	5,324,000	5,661,000
Percent unemployed	5.96%	5.70%	4.70%	3.80%	4.10%
Total employment	134,225,000	134,474,000	134,868,000	135,033,000	133,555,000

Source: LMI Department, Texas Workforce Commission and  
 Greater Dallas Chamber as of September 30, 2003

Table 21

## 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, 2003								6434*
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	2003	2,283,953
	1920	210,551	1990	1,852,810	1997	2,013,700		

Elections (b): General elections held March, May, September and November annually.

General:	<u>FY 1999</u>	<u>FY 2000**</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
General Registered voters	1,138,235	1,248,351	1,967,200	1,208,333	1,123,583
Number of votes cast	54,384	617,187	45,780	450,150	141,347
Percentage of registered voters voting	4.78%	49.44%	2.33%	37.25%	1.26%
Special:					
Number of elections held:	20	21	21	27	23

Miles of maintained roads, 2003 (c) (includes federal and state highways and city streets):

Roads, bridges and culverts 1,617.35

Climate, 2003 (d):

Altitude 500 – 800 feet

Rainfall (inches):

Normal 33.09

Actual 23.59

Temperature(d):

High Low

Normal average 84.1 64.9

Actual average 93.0 56.0

Data Sources:

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

\* Full- time and part-time employees

\*\* Presidential Election

**DALLAS COUNTY TEXAS**  
**Miscellaneous Statistical Data - Continued**  
**(Unaudited)**

County of Dallas:			
Total assets, all Dallas area banks - 2003 (e):		\$	30,432,022
Total consumption of natural gas mcf - 2003 (f):			78,622,853
Radio and television (g):			
Radio stations			50
Television stations			16
Colleges and Universities			25
<b>FEE OFFICE FACTS (h):</b>			
	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Justice of the Peace Courts (1):			
Employees	143	143	140
Cases	270,600	263,529	307,499
Budget	\$ 5,494,532	\$ 5,472,451	\$ 6,265,214
Fee income	\$ 1,746,221	\$ 1,703,129	\$ 2,301,983
Fine income	\$ 7,265,565	\$ 6,945,012	\$ 8,525,378
County Treasurer:			
Employees	20	20	20
Total receipts	\$ 39,248,527,875	\$ 33,736,025,012	\$ 29,368,183,164
Total disbursements	\$ 39,269,633,722	\$ 33,736,341,027	\$ 29,355,390,989
Investment earnings	\$ 16,320,912	\$ 8,379,028	\$ 5,425,212
Budget charges	\$ 1,028,362	\$ 1,041,521	\$ 967,428
Fee income	\$ 895,944	\$ 1,283,316	\$ 944,861

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

Data Sources:  
 (c) Federal Reserve  
 (f) TXU Gas  
 (g) Chamber of Commerce  
 (h) Dallas County financial records

Table 21

## DALLAS COUNTY TEXAS

Miscellaneous Statistical Data - Continued  
(Unaudited)

	FY 2001	FY 2002	FY 2003
Constables (2):			
Employees	221	222	224
Civil process	165,627	151,020	144,620
Budget charges	\$ 11,468,186	\$ 11,643,893	\$ 11,875,894
Fee income	\$ 7,355,235	\$ 7,762,414	\$ 7,806,493
District Clerk:			
Employees	246	250	250
Civil process cases	42,601	44,505	44,952
Criminal cases	26,246	26,114	27,566
Jurors	123,653	113,489	118,960
Budget charges	\$ 9,011,101	\$ 9,708,162	\$ 9,995,169
Fee income	\$ 5,291,709	\$ 5,830,757	\$ 6,177,631
Assessor-Collector of Taxes:			
Employees	227	233	233
Ad valorem assessment notices issued	731,051	743,709	750,087
Motor vehicle registrations	1,818,868	1,816,528	1,929,114
Budget charges	\$ 9,476,370	\$ 9,573,404	\$ 9,932,453
Collections	\$ 1,363,098,347	\$ 2,726,295,132	\$ 2,798,788,359
Number of entities collection contracts	37	39	42
County Clerk:			
Employees	191	192	192
Marriage licenses	19,660	17,778	17,209
Civil suits	13,557	15,774	15,261
Probate cases	9,331	9,681	8,826
Criminal cases	61,194	54,694	52,244
Budget charges	\$ 9,460,584	\$ 9,785,822	\$ 9,902,640
Fee income	\$ 8,967,870	\$ 9,940,196	\$ 11,485,944
Sheriff:			
Employees	1,823	1,700	1692
Daily average in county jail	6,218	6,663	6,827
Persons booked	99,751	93,786	95,858
Civil process	6,083	6,825	6,616
Budget charges	\$ 85,902,424	\$ 96,076,822	\$ 93,941,172
Fee income	\$ 2,802,441	\$ 2,899,802	\$ 2,656,741
Average food cost per person per day	\$1.68	\$1.86	\$1.88

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

**DALLAS COUNTY TEXAS**  
**Miscellaneous Statistical Data - Continued**  
**(Unaudited)**

Dallas County Schools (i):

	<u>Balance September 1, 2002</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance September 30, 2003</u>
Operating account	\$ 3,406,826	\$ 54,526,049	\$ 55,525,980	\$ 2,406,895
Consolidated payroll account	40,000	28,908,491	28,908,491	40,000
Investments	<u>20,952,054</u>	<u>4,511,610</u>	<u>8,413,124</u>	<u>17,050,540</u>
Total	<u>\$ 24,398,880</u>	<u>\$ 87,946,150</u>	<u>\$ 92,847,595</u>	<u>\$ 19,497,435</u>

Data Sources:

(i) Dallas County School District