

**DALLAS COUNTY, TEXAS**

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2006

**Prepared by:**

**Virginia Porter, CPA  
County Auditor  
509 Main, Suite 407  
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**DALLAS COUNTY, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2006**

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## DALLAS COUNTY COUNTY AUDITOR

March 20, 2007

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, 2006.

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 Deloitte & Touche, LLP. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County, for the fiscal year ended September 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

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

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Dallas, Texas 75202-3548

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## PROFILE OF DALLAS COUNTY

The County is located in north central Texas, and is strategically central to the economic region of Texas, Louisiana, Arkansas, Oklahoma and New Mexico as well as centrally located within the United States. The County region was opened for settlement by the Mexican colonization laws and was included in an impresario grant before 1836, but actual settlement was delayed until 1841. The first Texas legislature created the County from parts of Robertson and Nacogdoches counties on March 30, 1846, and designated the town of Dallas (a post office since 1844) as a temporary "Seat of Justice." The act does not state whom the County's name honors; it probably was George M. Dallas, then vice president of the United States. Two elections were held in 1850 to fix the City of Dallas as the permanent county seat. The County encompasses an area of 900 square miles. The 2006 estimated population for the County was 2,358,850. The County is a public corporation and political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners Court sets the tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the County Auditor. The Commissioners Court is also responsible for development of policies and orders, approving financial commitments and appointment of various department heads. The management and leadership provided by members of the Commissioners Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth. The commissioners serve on various boards and committees including the National Association of Counties, the Texas Conference of Urban Counties, State Judicial Committee on Information Technology, Dallas Children's Advocacy Center, Adult and Juvenile Health Advisory Committee, Texas Juvenile Crime Commission, Public Employees Benefit Corporation, Regional Transportation Council and Transportation Excellence for the 21<sup>st</sup> Century.

The County Auditor is appointed according to Texas State statutes for two year terms by the district judges. The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County, certifying available funds for county budgets, and "examining, auditing and approving" all disbursements from County funds prior to their submission to the Commissioners Court for approval. Commissioners Court has vested accounts payable and payroll processing functions with the County Auditor. The Auditor and/or staff serve on various government boards and committees including the Texas Association of County Auditors, County Information Resources Agency (a Texas inter-local government agency), Government Finance Officers Association, Civil Courts Governance Committee and the Divert Court Advisory Board.

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

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

provision of juvenile, health, education and welfare services involving the care and correction of dependent or delinquent children as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's planning and control. Budget 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 controlled by departments are approved on a line item basis but an annually approved capital improvement plan is utilized to track major capital projects. All budget transfers between departments and/or projects must follow statutory approval processes. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted.

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, sets its tax rate, and approves major contracts, the District is an organization separate from the County. These factors dictate the inclusion of the District in the County's financial statements. The District's financial data is presented separately to emphasize that it is legally separate from the County. The District operates under different statutory and constitutional authority. The District also has a separate constitutional tax limitation, the independent power of eminent domain and the individual right of ownership of property. The District maintains a medical facility, which provides service to indigents residing within the hospital district and serves as the major teaching hospital for the University of Texas Southwestern Medical School. The hospital is a Level I Trauma Center, a Level III Neonatal Intensive Care Unit and a regional burn center.

**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. The HFDC has no financial activity since all debt issuances are by and in the name of the individual approved health facilities.

### **Local Economy**

The Dallas Metropolitan area is headquarters for many Fortune 500 companies representing a diversified economy which includes high technology, retail, manufacturing and services. The DFW region also reflects art, fashion and entertainment. Business initiatives for government and the community continue to improve with the federal interest rates increasing from 3.75% to 5.25% during the fiscal year.

Net migration to the Dallas area is high and population trends in Texas and in Dallas continue to indicate a more diverse, poorer, less educated, older citizen base with increasing medical needs. Transportation needs are increasing with the demographic changes. Economic development has been negatively impacted as water conservation requirements accelerated due to a 2<sup>nd</sup> year of limited rainfall. Business planning continue to address air pollution which remains a serious issue with attainment of acceptable levels of pollutants questioned. Dallas County budget initiatives reflect increased pressures to provide for public safety, transportation funding and inmate health/security.

Population changes affecting education and housing continue to be addressed due to Hurricanes Katrina and Rita. The County was reimbursed for direct costs associated with assistance provided to the evacuees.

**Long-term Financial Planning** – Long-term planning initiatives were reviewed during the year with assistance of a contract consultant. 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 Major Capital Plan, a percentage of assessed taxes is devoted to capital improvement programs and large scale technology projects.

The Major Capital Development Fund (MCDF) provides 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 funded by the County through bonds. The MCDF has three categories of projects: transportation, parks and open space, and buildings. Debt is issued when needed to ensure sufficient funds are available and reserved for construction contracts. Revenue projections are expected to replenish reserves for future use.

Another property tax funded program, the Permanent Improvement Fund, managed by the Facilities Management Department, is largely utilized to maintain the integrity of the County's buildings. Risk management and self-insurance with stop loss policies for medical, workers compensation and property continue to generate significant savings. Cost increases incurred by the County are significantly less than industry averages.

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**Major initiatives** - Consistent with the national focus, homeland security is an important issue for the County that is being addressed in a number of different ways. The public safety focus is evidenced by staffing increases within the Sheriff's office and the Public Defender's office, the addition of two new district criminal courts, technology initiatives for criminal and civil courts, renewed exploration of options for enhanced/improved jail health and by buildings improvement for courts and jails. The planned rollout of a civil courts system Phase II - District Juvenile, Truancy, County Civil Courts within FY2006 and Phase III - Justice Courts within FY2007 are in development. The two new district criminal courts were staffed and a new courts building was opened in FY2006 and construction began on a new jail.

## **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, 2005. 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 25 consecutive years (fiscal years ended 1981 through 2005). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The preparation of the CAFR on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the County Auditor's Office. We express our appreciation to all the members of the office who assisted in and contributed to its preparation. Additionally, credit must be given

to the County Treasurer, and Directors of the Office of Budget and Evaluation, Human Resources, Purchasing and Public Works for verification and review of key elements of the financial report.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Virginia Porter".

Virginia Porter, CPA  
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, 2005

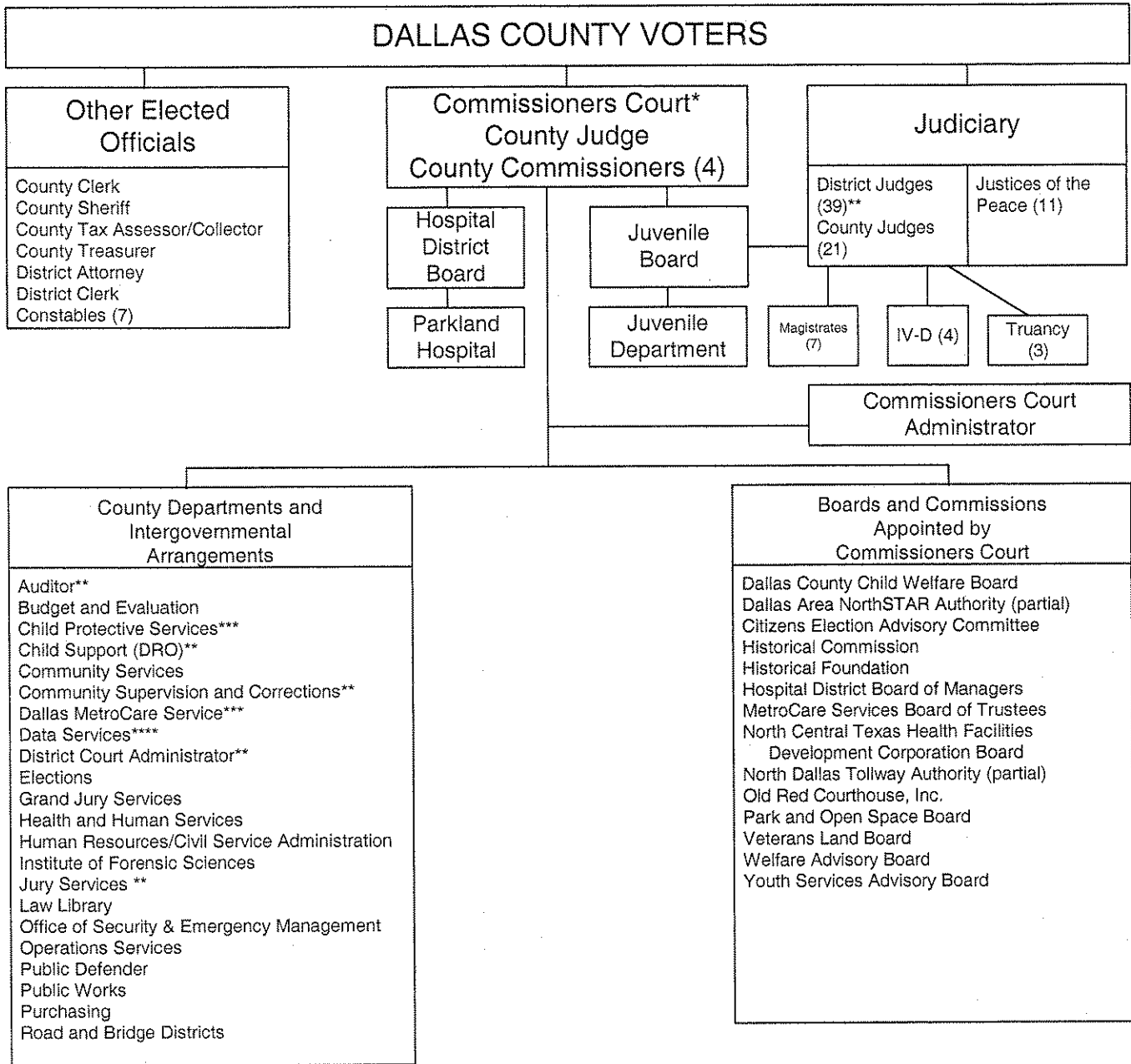
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards 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 39 District Judges appoint the County Auditor, District Court Administrator, DRO Coordinator, Jury Services Manager and participate in selecting the Directors of the Juvenile Department and the Community Supervision and Corrections Department.

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

\*\*\*\* Data services are outsourced. Certain service level agreements were cancelled, replaced by a County department during FY2006 according to planned re-integration at contract expiration (Nov. 2007).

**DALLAS COUNTY, TEXAS**

**Principal Officials**

As of September 30, 2006

<u>Official Title</u>	<u>Incumbent</u>
County Judge	Margaret Keliher *
Commissioner, Precinct 1	Maurine Dickey
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	Lupe Valdez

\* Current term ended in December 2006. New officials elected for four year term effective January 2007.

## INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and Commissioners' Court of  
Dallas County, Texas

We have audited the accompanying financial statements of the governmental activities; each major fund; the Dallas County Hospital District, the discretely presented component unit; and the aggregate remaining fund information of Dallas County, Texas (the "County") as of and for the year ended September 30, 2006, which collectively comprise Dallas County's financial statements as listed in the table of contents. These financial statements are the responsibility of Dallas County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Parkland Foundation, a discretely presented component unit of the Dallas County Hospital District, for the year ended September 30, 2006, (which encompasses 3.6% of assets, 0.2% of revenue and 4.1% of net assets of the Dallas County Hospital District). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Dallas County Hospital District, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the respective financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective 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 and report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the respective financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, the discretely presented component unit and aggregate remaining fund information of Dallas County as of September 30, 2006; the results of its operations; and cash flows of its proprietary fund and discretely presented component unit for the year then ended in conformity with accounting standards generally accepted in the United States of America.

Management's Discussion and Analysis (pages 11 – 24); the budgetary comparison information for the general, major projects and grants funds (pages 70 – 75); the Modified Approach – Infrastructure Assets (pages 76 – 77); and the Schedule of Funding Progress for the Defined Benefit Pension Plan (pages 78 - 79), are not required parts of the financial statements, but constitute supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of Dallas County's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the County's respective financial statements. The introductory section, the combining and individual fund financial statements, the budgetary schedules and statistical tables ("supplementary information"), listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of Dallas County. Such supplementary information is the responsibility of management of Dallas County. The combining and individual fund financial statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Deloitte & Touche LLP

March 20, 2007

## DALLAS COUNTY, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis (MD&A) of the County of Dallas (County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2006. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements. *All amounts, unless otherwise indicated, are expressed in thousands of dollars.* The MD&A includes comparative data for the prior year.

#### FINANCIAL HIGHLIGHTS

- The County's financial position in FY2006 improved as indicated by the \$52,479 increase in net assets from the previous year. The majority of the increase reflects a 1¢ per \$100 valuation property tax increase and increases in investment income and other charges and fees. The total net assets of \$457,111 include \$21,548 restricted for specific purposes and \$343,757 invested in capital assets net of related debt. Unrestricted net assets increased by \$22,162 million correlated with the increase in net assets.
- In the governmental funds statements, combined fund balances at year-end totaled \$284,994; of which, \$232,425 or eighty two percent is unreserved fund balances. The more significant components of unreserved fund balance are maintained in the General Fund as emergency reserves (19%) and in major projects, technology and capital project funds for planned technology, building projects and bond road projects (66%). Capital projects fund balances increased due to unspent bond proceeds from FY2006 bond sale.
- The general fund balance increased by only 1% even though the unreserved fund balance increased by 14% (\$5,489) mainly due to a concerted effort to substantially decrease prior years encumbrances. The unreserved general fund balance of \$44,346 equals 11% of general fund expenditures; the budgeted target is 10.5%.
- The County's bonded indebtedness increased by a net \$33,592 due to the sale of \$65 million in bonds to finance the South Tower Jail and Forensic Science buildings, reduced by FY2006 debt payments.
- The increase of \$26,929 to capital assets includes a parking garage that is nearly complete, the startup of several major building projects and the continuation of a number of major technology projects.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements 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 the County's assets and liabilities and its component unit, with the difference between the two reported as *net assets*. Fiduciary assets and liabilities are

excluded. 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 twenty four individual governmental funds (excluding fiduciary funds), seventeen special revenue funds, five capital project funds, one debt service fund and the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund, 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 Comprehensive Annual Financial 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 (including workers compensation) 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

The County's net assets at September 30, 2006 and 2005 are summarized as follows:

	<u>Governmental Activities</u>		
	<u>FY2006</u>	<u>FY2005</u>	<u>Increase (Decrease)</u>
Current and other assets	\$ 673,961	\$ 585,831	\$ 88,130
Capital assets ( net of depreciation)	<u>399,179</u>	<u>372,250</u>	<u>26,929</u>
Total assets	<u>1,073,140</u>	<u>958,081</u>	<u>115,059</u>
Current and other liabilities	362,748	334,884	27,864
Long-term liabilities	<u>253,281</u>	<u>218,565</u>	<u>34,716</u>
Total liabilities	<u>616,029</u>	<u>553,449</u>	<u>62,580</u>
Net assets			
Invested in capital assets, net of related debt	343,757	318,404	25,353
Restricted	21,548	16,584	4,964
Unrestricted net assets	<u>91,806</u>	<u>69,644</u>	<u>22,162</u>
Total net assets	<u>\$ 457,111</u>	<u>\$ 404,632</u>	<u>\$ 52,479</u>

Total assets of \$1,073,140 reflect an increase of \$115,059 (or 12%) during the fiscal year. All major asset categories such as cash, receivables and capital assets increased; total liabilities also increased by 11% reflecting the sale of \$65 million in bonds. Of the County's total assets, the largest components are: 1) cash and investments of \$310,290 or 29%, 2) receivables which largely represent the deferred tax revenues of \$336,410 or 31%, and 3) capital assets net of accumulated depreciation of \$399,179 or 37%. The increase (\$26,929) in capital assets reflects expenditures for a parking garage, election equipment and startup costs associated with the South Tower Jail and Forensic Science buildings. The receivables are offset by deferred revenue since the tax revenue assessed on January 2006 values is not realized until FY2007. Capital assets represent investments with useful lives exceeding one year but are non-liquid assets and cannot be utilized to satisfy County obligations. The total liabilities of \$616,029 include current liabilities of \$362,748. Of this amount, only 12% (\$44 million) represent liabilities which will require the use of budgetary resources. The most significant current liability is deferred tax revenue. The liabilities also include debt to finance non-County road maintenance which does not result in an increase in County assets.

The County's assets exceeded liabilities by \$457,111 at the close of the fiscal year. Of this amount, about 5% or \$21,548 represents *restricted net assets* which are resources that are subject to external restrictions on how they may be used. The \$4,964 increase in restricted net assets reflects the increase in debt service



fund balance. Restrictions on net assets include statutory requirements and bond covenants, and grantor conditions. The most significant portion (\$343,757) of the County's net assets reflects its *investment in capital assets* (e.g., land, buildings, machinery, and equipment) net of related debt. The key components of the increase in net assets of \$52,479 are the following:

- Increase in property tax revenues due to 1¢ per \$100 valuation property rate increase.
- Increase in other fees and fines.
- Increase in reserves for planned major projects.

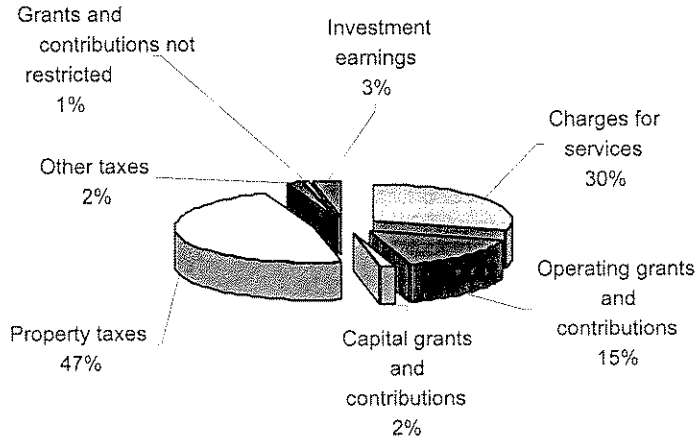
The Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds on page 30 provides further details on the increase in net assets (\$52,479).

Program revenues and expenses are presented net of interfund eliminations.

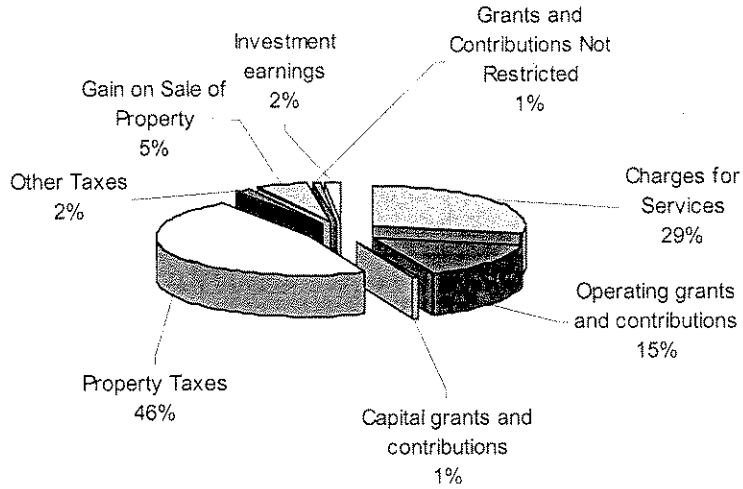
**Dallas County's Changes in Net Assets – Governmental Activities**

	<u>FY2006</u>	<u>FY2005</u>	<u>Increase (Decrease)</u>
Revenues:			
Net Program revenues:			
Charges for services	\$ 180,191	\$ 165,938	\$ 14,253
Operating grants and contributions	92,816	87,362	5,454
Capital grants and contributions	10,649	4,192	6,457
General revenues:			
Property taxes	284,946	267,462	17,484
Other taxes	11,129	10,695	434
Grants and contributions not restricted	3,640	5,243	(1,603)
Investment earnings	19,832	9,724	10,108
Gain on the sale of property	-	31,203	(31,203)
Total revenues	<u>603,203</u>	<u>581,819</u>	<u>21,384</u>
Expenses:			
General government	77,465	72,765	4,700
Public safety	198,138	172,347	25,791
Highways and streets	29,174	33,852	(4,678)
Public welfare	65,908	61,106	4,802
Health	45,948	44,285	1,663
Judicial	115,244	102,371	12,873
Education	9,547	7,941	1,606
Libraries	12	23	(11)
Interest on long-term debt	9,288	10,131	(843)
Total expenses	<u>550,724</u>	<u>504,821</u>	<u>45,903</u>
Change in net assets	52,479	76,998	(24,519)
Net assets - beginning	404,632	327,634	76,998
Net assets - ending	<u>\$ 457,111</u>	<u>\$ 404,632</u>	<u>\$ 52,479</u>

**Revenues by Source - Governmental Activities - FY2006**



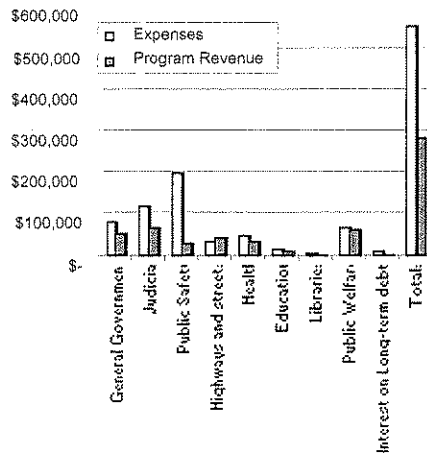
**Revenues by Source - Governmental Activities - FY2005**



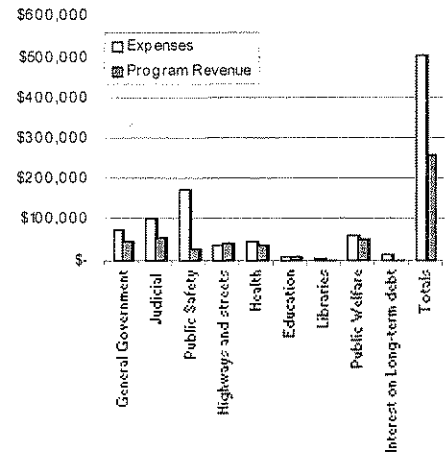
**Revenues**

For FY2006, revenues totaled \$603,203 compared to \$581,819 in FY2005. The 3.7% increase in overall revenues reflects a 1¢ per \$100 valuation property tax increase and other fee increases. Property taxes was the largest revenue source providing 47% of revenues in FY2006 and 46% in FY2005. Included in the second largest category 'charges for services' are justice of peace fees and fines, district and county clerk fees and tax collector commissions and fees. Fee increases through legislative action became effective during the year. Grant revenues increased by \$11,911 primarily due to increases in homeland security, election equipment grants and a new grant for historic preservation.

Expenses and Program Revenues -  
Governmental Activities - FY2006



Expenses and Program Revenues -  
Governmental Activities - FY2005



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

- Compared to the prior year, FY2006 program revenues (\$283,656) increased by \$26,164 due to a 13% increase in grant revenues and an 8% increase in charges for services. There were increases in grants for election equipment, homeland security and new grants included a historic preservation grant. Fee increases were realized due to statutory changes for judiciary charges for district, county and justice courts as well as new fees related to domestic relations/child support.
- General revenues of \$319,547 reflect a decrease in revenues of \$4,780. In FY2005, general revenues included a \$31 million gain on the sale of jail property. Excluding the gain, a comparison of FY2006 and FY2005 general revenues shows an increase of \$26,423. This 9% increase resulted mainly from an increase in property taxes (\$17,484) and investment earnings (\$10,108). Property taxes increased largely due to a 1¢ higher property tax rate and increased taxable property values.
- Public Safety expenses (\$198,138) which constituted about 36% of total expenses increased by \$25,791 from the previous year due to additional personnel, salary increases and increased operating expenses related to an almost 10% increase in number of housed prisoners and compliance with department of justice mandates.
- Judicial constituted the next largest category of expenses (\$115,244 or 21%). Judicial activities provided about 10% of total revenues. Judicial expenses increased by \$12,873 due to the addition of two district criminal courts, significant salary raises for attorneys employed by the District Attorney and other court costs increases.
- Highways and streets expenses decreased by (\$4,678) due to delays in several transportation projects.

## 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 budget controls and fiscal responsibility are the framework of the County's strong fiscal management and accountability.

**Governmental funds.** The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, *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 \$284,994 an increase of \$59,999 compared with the prior year. The General Fund balance was increased by \$614 as both revenues and expenses increased. All other fund balances increased - the Major Projects Fund balance increased by \$10,973 due for planned projects and construction delays associated with the South Tower Jail. The Debt Service Fund balance increased by \$6,051 reflecting the increase in interest rates and the decrease in FY2006 debt service payments; FY2006 bond issuance new debt payments will start next year. Grants fund balance increased by \$2,735 due to an increase in grant revenues and a decrease in liabilities. A portion of the fund balances continues to be reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders as of year end (\$47,143); 2) to reflect inventories (\$1,803); 3) and for other restricted purposes (\$3,623).

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 \$44,346 in contrast to \$38,857 in the prior year. The fund balance of \$56,396 reflects a small increase of \$614 from FY2005 fund balance of \$55,782. Drivers for revenue were the increase in tax rate, high interest rates and new legislative fees. The increased revenues were expended for additional salaries and jail operating expenditures as the County worked to improve jail standards and to comply with state jail requirements. 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 11% of total fund expenditures, which compares with general fund budgetary targets for reserves of 10.5% of expenditures.

The Debt Service Fund balance increased in anticipation of new debt (\$65 million) related to the jail and the forensic science buildings.

The Major Projects Fund reflects a fund balance of \$84,897 compared to \$73,924 in FY2005. The increase of \$10,973 reflects lower expenditures as several major projects were completed and other project startups were delayed. Additionally, property tax rate increases are generating reserves to finance specific projects planned for the near future.

The Grants Fund reflected a \$11.9 million increase in grants revenues from \$91,554 in FY2005 to \$103,465 in FY2006. Grant expenditures also increased from \$93,990 in FY2005 to \$105,042 in FY2006. Revenue increased for election equipment (\$4 million), homeland security (\$3 million) and courtesy patrol (\$3 million) and historic building preservation; likewise, expenditures also increased for these grants.

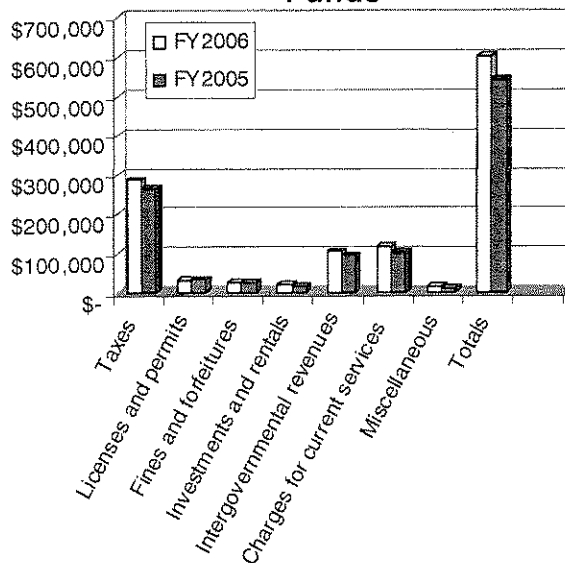
The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

**Governmental Funds - Revenues Classified by Source**

	<u>FY2006</u>	<u>FY2005</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
Property Taxes	\$ 286,792	\$ 262,124	\$ 24,668	9%
Licenses and permits	32,704	33,458	(754)	(2%)
Fines and forfeitures	26,060	24,404	1,656	7%
Investments and rentals	22,851	14,856	7,995	54%
Intergovernmental revenues	104,752	94,575	10,177	11%
Charges for current services	115,239	100,209	15,030	15%
Miscellaneous	16,277	13,023	3,254	25%
<b>Total</b>	<b>\$ 604,675</b>	<b>\$ 542,649</b>	<b>\$ 62,026</b>	<b>11%</b>

- Property Taxes – increased by \$24,668 primarily due to a 1¢ per \$100 value increase in the property tax rate from \$20.39 in FY2005 to \$21.39 in FY2006. Additionally, improved tax collections and increased property values plus new construction of \$2,765,132 contributed to the increase in property tax revenue.
- Investments and rentals – increased 54% reflecting continued Federal Reserve instituted interest rate increases. Federal interest rates increased from 3.75% to 5.25% during the year.
- Intergovernmental Revenues – increased by 11% mainly reflecting an increase in a number of grants including HAVA election equipment (\$4 million), homeland security (\$3 million) and courtesy patrol (\$3 million).
- Charges for current services – increased 15% due to newly authorized fees for the judiciary including county clerk (\$4 million), domestic relations (\$2 million) and justice of peace (\$4 million); for public safety including medical exams (\$1 million), inmates (\$1 million); and for other fees and fines (\$4 million).

**Revenues Classified by Source - Governmental Funds**



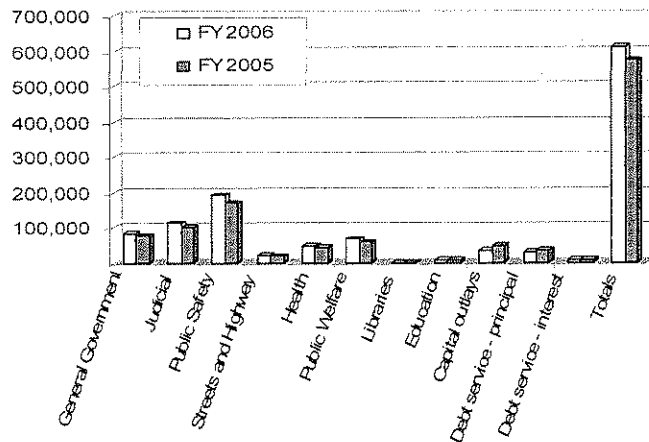
The following table presents expenditures by function compared to prior year amounts.

**Expenditures by Function - Governmental Funds**

Function	FY2006	FY2005	Increase (Decrease)	Percent of Change
General government	\$ 82,362	\$ 77,065	\$ 5,297	7%
Judicial	112,485	102,310	10,175	10%
Public safety	192,710	169,831	22,879	13%
Streets and highways	22,040	20,059	1,981	10%
Health	45,484	43,895	1,589	4%
Public welfare	70,261	60,225	10,036	17%
Libraries	-	19	(19)	(100%)
Education	9,512	8,061	1,451	18%
Capital outlays	34,748	48,869	(14,121)	(29%)
Debt service - principal	32,180	34,940	(2,760)	(8%)
Debt service - interest	8,310	9,265	(955)	(10%)
<b>Total</b>	<b>\$ 610,092</b>	<b>\$ 574,539</b>	<b>\$ 35,553</b>	<b>6%</b>

- General government – The 7% increase in expenditures reflects the 5% salary increases and the increase in utilities.
- Judicial – The 10% increase in expenditures was largely due to addition of 2 new criminal district courts, increased staffing/pay raises for district attorney for DA and statutorily increased compensation for jurors.
- Public safety – Additional jail personnel overtime and salary increases were jail initiatives toward compliance with state jail mandates.
- Public welfare – Increased expenditures directly correlate with increases in grants for homeland security, election equipment and courtesy patrol.
- Education – In FY2005, the County transferred the Charter School (for juveniles) administration from outsourced vendor to County administration. The increase in FY2006 reflects the addition of 19 positions needed to handle increased student enrollment and County salary increases.
- Capital outlays – decreased because of the completion of one major project and construction delays in the South Tower Jail.

**Expenditures By Function - Governmental Funds**



## GENERAL FUND BUDGETARY HIGHLIGHTS

The final FY2006 budget was adopted on September 27, 2005 with the total General Fund expenditures and reserves amounting to \$432,225 an increase of \$35,946 from the final FY2005 budgeted expenditures and reserves. The \$432,225 excludes \$6,024 in re-appropriated amounts of approved encumbrances from prior periods added to the original and final budgets for a total of \$438,249. The FY2006 budgeted increase had two primary objectives of meeting public safety initiatives and providing for competitive employee compensation including 5% pay increases for most employees, a 10% pay increase for law enforcement and 15% pay increase for attorneys as well as a net increase of 283 positions.

In total, the original budget and the final amended budget were equal although budgeted reserves decreased by \$28,374 from the original to the final budget. Reserves provided for the following:

- Public safety (\$17.6 million) – \$14 million for additional positions and overtime in response to Department of Justice report on jail conditions and mandates. Additional operating expenses were also incurred for improved jail sanitation, clothing and bedding and jail health.
- Utilities ( \$1.8 million)
- Judicial (\$7.4 million) – increased court costs for visiting judges, court appointed attorneys and interpreter fees. \$6 Million of the additional budget remained unspent at year end.

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

- Actual revenues were higher than budgeted by \$9.0 million due to increased forensic activity, various fees and higher interest rates.
- Actual expenditures were lower than the final budget for general government, judicial and public safety reflecting midyear budget transfers from County reserves to other line items; however, those available funds were encumbered for outstanding purchase orders and contracts ensuring a funding source.

## DEBT ADMINISTRATION AND CAPITAL ASSETS

**Long-term debt.** At September 30, 2006, the County had unlimited tax and limited tax general obligation bonds outstanding in the amount of \$221,723. According to Texas statutes, the County has two debt limits. Bonds issued under Article 3, Section 52e of the Texas Constitution total \$80,721 and bonds issued under Article 722 of Vernon's Civil Statutes total \$136,572. The debt limits for the two authorizations are \$39,585,249 (25% of real property assessed valuation) and \$9,216,671 (5% of assessed valuation of all taxable property); therefore, the County has legal debt margins on general obligation debt of \$39,509,513 and \$9,088,534 respectively.

The County's bond rating is "AAA" from Standard & Poor's and "Aaa" rating from Moody's for general obligation debt. These ratings have been upheld since 1978 with the latest evaluation dated March 2006.



The following represents the activity of the long-term debt of the County for FY2006:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
General obligation bonds	\$ 188,131	\$ 66,174	\$ 32,582	\$ 221,723
Compensated absences	19,113	20,206	17,276	22,043
Claims and judgments	3,000	-	-	3,000
Workers compensation	8,321	2,639	4,445	6,515
Total	\$ <u>218,565</u>	\$ <u>89,019</u>	\$ <u>54,303</u>	\$ <u>253,281</u>

The County's estimated liability for claims and judgments is \$3,000, unchanged from FY2005. 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. Workers compensation liability is declining as a results of cost saving initiatives are reflected in historical analysis. More detailed information about the County's long-term liabilities is presented in Note VI to the financial statements.

**Capital assets.** The capital assets of the County are those assets (land, buildings, improvements, and machinery & equipment (M&E)), which are used in the performance of the County's functions. Capital assets also include infrastructure assets – roads and bridges. At September 30, 2006, net capital assets of the governmental activities totaled \$399,179, reflecting a net increase of \$26,929 in asset additions less retirements. The decrease of \$2 million in land reflects the removal of costs of trails from fixed asset system. A re-evaluation of the contracts for the trails revealed that the cities and not the County own the trails. A parking garage is nearly complete and several other major building construction projects are underway. Depreciation on capital assets (except for infrastructure assets which are reported under the modified approach basis) is recognized in the government-wide financial statements. FY2006 depreciation for buildings, improvements and M&E totaled \$15,172.

An annual allocation of the tax rate is reserved to fund expenditures related to major capital and major technology assets. 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 136.77 miles of roads and 41 bridges and culverts. The FY2006 assessment revealed the condition of the roads was being maintained consistent with County policy where 95% of the County's roads were rated 2.5 or better on a 4.0 scale. Over 90% of the County's bridges are in very good condition, 4 bridges having been replaced in FY2006.

The County expended \$1,149 on road maintenance for the fiscal year ended September 30, 2006. 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 FY2006 was a minimum of \$1,026. The 41 bridges had ratings that met the County's planned condition level of very good or better condition. FY2006 incurred bridge maintenance costs of \$202 also included costs for the replacement of the 4 bridges. Additional details on infrastructure assets can be found in Required Supplementary Information, pages 76 and 77.

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

	<u>2006</u>	<u>2005</u>
<b>Governmental Activities:</b>		
Land	\$ 23,318	\$ 25,320
Buildings and improvements	257,593	228,533
Equipment, Vehicles, Machinery	31,322	21,833
Infrastructure	28,554	28,676
Construction in Progress	<u>58,392</u>	<u>67,888</u>
<b>Total</b>	<u>\$ 399,179</u>	<u>\$ 372,250</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 of the Dallas County Commissioners. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities. The FY2007 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.

The FY2007 budget process was primarily focused on 1) increasing staff to meet Dallas County Commissioners Court objectives and 2) providing competitive employee compensation.

The final FY2007 budget was adopted on September 12, 2006 with total General Fund expenditures of \$406.1 million, an increase of \$7.9 million (2%) over projected actual FY2006 expenditures. The FY2007 budget for all funds totaled \$836.9 million.

Highlights from the Dallas County FY2007 Budget include the following:

- The County's FY2007 property tax rate was maintained at the FY2006 rate of \$.2139 cents per \$100 assessed valuation. This rate continues to be among the lowest rates of any county in Texas.
- The FY2007 budget included the addition of 100 positions and the deletion of 4 positions for a net increase of 96 positions. Primary areas of increased resources are 1) Juvenile Department staffing (24 positions), 2) District Attorney staffing (17 positions), and 3) Public Defender staffing (9 positions).
- The FY2007 Major Capital Development Fund included \$31.7 million for various transportation projects, \$1.36 million for open space trails/acquisitions and \$50.6 million for various building upgrades and enhancements.
- Workforce investment included the following compensation increases a) 4% structure increase plus funding for step increases for law enforcement personnel and b) 2% structure and 2% merit increase for the general workforce.

The result of the five month long budget process was the approval of a FY2007 County Budget that met all established policy directives of the Commissioners Court and accomplished the major objectives of Dallas County.

## **REQUEST FOR INFORMATION**

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

# **BASIC FINANCIAL STATEMENTS**

**DALLAS COUNTY, TEXAS**

Statement of Net Assets

September 30, 2006

(in thousands of dollars)

	Primary Government	Component Unit
	Governmental Activities	Hospital District
<b>ASSETS</b>		
Cash and investments	\$ 310,290	\$ 284,687
Receivables (net of allowance for uncollectibles)	336,410	192,069
Due from other government units	20,007	-
Inventories	1,803	8,263
Prepays	3,490	-
Deferred charges	1,961	-
Restricted assets:		
Cash and cash equivalents	-	12,897
Investments	-	6,155
Assets limited as to use - cash and investments	-	79,040
Net Pension Asset	-	11,401
Capital assets (net of accumulated depreciation):		
Land	23,318	37,378
Construction in Progress	58,392	50,661
Infrastructure	28,554	-
Buildings	257,593	89,304
Machinery and equipment	31,322	83,482
Total capital assets	399,179	260,825
Total assets	1,073,140	855,337
<b>LIABILITIES</b>		
Accounts payable and other current liabilities	39,963	190,207
Accrued interest payable	1,573	-
Accrued liabilities	2,116	16,040
Unearned revenue	309,976	-
Due to other government units	9,120	5,356
Noncurrent liabilities:		
Due within one year	50,515	276
Due in more than one year	202,766	5,577
Total liabilities	616,029	217,456
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	343,757	260,153
Restricted for:		
Highways and streets	9,701	-
Debt service	11,847	21,147
Unrestricted	91,806	356,581
Total net assets	\$ 457,111	\$ 637,881

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, 2006  
(in thousands of dollars)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Hospital District
<b>Primary government:</b>						
Governmental Activities:						
General Government	\$ 77,465	\$ 50,809	\$ -	\$ -	\$ (26,656)	\$ -
Judicial	115,244	58,257	3,330	-	(53,657)	-
Public safety	198,138	20,337	5,977	-	(171,824)	-
Highways and streets	29,174	41,849	-	-	12,675	-
Health	45,948	6,409	26,359	-	(13,180)	-
Education	9,547	-	9,444	-	(103)	-
Libraries	12	-	-	-	(12)	-
Public welfare	65,908	2,530	47,706	10,649	(5,023)	-
Interest on long-term debt	9,288	-	-	-	(9,288)	-
<b>Total primary government</b>	<b>\$ 550,724</b>	<b>\$ 180,191</b>	<b>\$ 92,816</b>	<b>\$ 10,649</b>	<b>\$ (267,068)</b>	<b>\$ -</b>
Component unit - Hospital District	\$ 1,039,669	\$ 814,280	\$ 12,386	\$ -	\$ -	\$ (213,003)
General revenues:						
Property taxes					284,946	345,140
Alcoholic beverage taxes/other taxes					11,129	-
Grants and contributions not restricted to specific programs					3,640	13,884
Investment earnings					19,832	18,566
Total general revenue					<u>319,547</u>	<u>377,590</u>
Change in net assets					52,479	164,587
Net assets - beginning					404,632	473,294
Net assets - ending					<u>\$ 457,111</u>	<u>\$ 637,881</u>

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

**DALLAS COUNTY, TEXAS**

Balance Sheet

Governmental Funds

September 30, 2006

(in thousands of dollars)

	<u>General</u>	<u>Debt Service County-Wide</u>	<u>Major Projects</u>	<u>Grants</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and investments	\$ 69,883	\$ 12,781	\$ 92,750	\$ 7,464	\$ 121,188	\$ 304,066
Property Tax Receivables (net of allowances for uncollectibles of \$27,596)	225,941	29,151	36,660	-	20,867	312,619
Accounts receivable (net of allowances for uncollectibles of \$399,285)	15,854	-	-	-	6,042	21,896
Accrued interest	1,161	734	-	-	-	1,895
Due from other funds	695	-	-	121	-	816
Due from other governmental units	638	-	2,740	9,099	7,530	20,007
Inventories	1,050	-	-	-	753	1,803
Prepayments and advances	3,437	-	-	-	53	3,490
Total assets	<u>\$ 318,659</u>	<u>\$ 42,666</u>	<u>\$ 132,150</u>	<u>\$ 16,684</u>	<u>\$ 156,433</u>	<u>\$ 666,592</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities :						
Accounts payable	\$ 22,500	\$ 200	\$ 6,966	\$ 5,309	\$ 4,988	\$ 39,963
Due to other funds	3,163	-	686	16	121	3,986
Due to other governmental units	1,311	-	3,002	-	4,807	9,120
Deferred and unearned revenue	235,289	29,046	36,599	1,844	25,751	328,529
Total liabilities	<u>262,263</u>	<u>29,246</u>	<u>47,253</u>	<u>7,169</u>	<u>35,667</u>	<u>381,598</u>
Fund balances:						
Reserved for:						
Encumbrances	7,430	-	19,188	3,078	17,447	47,143
Inventories	1,050	-	-	-	753	1,803
Prepayments, advances and change funds	3,570	-	-	-	53	3,623
Unreserved reported in:						
General Fund	44,346	-	-	-	-	44,346
Debt Service	-	13,420	-	-	-	13,420
Major Projects	-	-	65,709	-	-	65,709
Grants	-	-	-	6,437	-	6,437
Special Revenue	-	-	-	-	102,513	102,513
Total fund balances	<u>56,396</u>	<u>13,420</u>	<u>84,897</u>	<u>9,515</u>	<u>120,766</u>	<u>284,994</u>
Total liabilities and fund balances	<u>\$ 318,659</u>	<u>\$ 42,666</u>	<u>\$ 132,150</u>	<u>\$ 16,684</u>	<u>\$ 156,433</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.	399,179
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	18,553
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 assets.	763
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(246,378)
Net assets of governmental activities	<u>\$ 457,111</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, 2006  
(in thousands of dollars)

	General	Debt Service County-Wide	Major Projects	Grants	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 217,356	\$ 38,620	\$ 21,691	\$ -	\$ 9,125	\$ 286,792
Licenses and permits	440	-	-	-	32,264	32,704
Fines and forfeitures	16,339	-	-	-	9,721	26,060
Investment income	9,376	5,279	3,302	-	1,099	19,056
Rental revenues	3,795	-	-	-	-	3,795
Intergovernmental revenues	1,287	-	-	103,465	-	104,752
Charges for current services	106,623	-	-	-	8,616	115,239
Miscellaneous	9,739	56	2,415	-	4,067	16,277
Total revenues	<u>364,955</u>	<u>43,955</u>	<u>27,408</u>	<u>103,465</u>	<u>64,892</u>	<u>604,675</u>
<b>EXPENDITURES</b>						
Current:						
General government	69,436	-	-	-	12,926	82,362
Judicial	106,472	-	-	2,932	3,081	112,485
Public safety	187,347	-	-	5,363	-	192,710
Highways and streets	-	-	9,973	-	12,067	22,040
Health	19,619	-	-	25,865	-	45,484
Education	-	-	-	9,512	-	9,512
Public welfare	8,891	-	-	61,370	-	70,261
Debt service:						
Principal	-	32,180	-	-	-	32,180
Interest	-	8,310	-	-	-	8,310
Capital outlay	-	-	17,470	-	17,278	34,748
Total expenditures	<u>391,765</u>	<u>40,490</u>	<u>27,443</u>	<u>105,042</u>	<u>45,352</u>	<u>610,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,810)</u>	<u>3,465</u>	<u>(35)</u>	<u>(1,577)</u>	<u>19,540</u>	<u>(5,417)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	35,630	2,586	14,786	4,831	2,000	59,833
Transfers out	(8,206)	-	(3,778)	(519)	(47,330)	(59,833)
Issuance of bonded debt	-	-	-	-	63,220	63,220
Premium on bonded debt	-	-	-	-	2,196	2,196
Total other financing sources (uses)	<u>27,424</u>	<u>2,586</u>	<u>11,008</u>	<u>4,312</u>	<u>20,086</u>	<u>65,416</u>
Net change in fund balances	614	6,051	10,973	2,735	39,626	59,999
Fund balances - beginning	55,782	7,369	73,924	6,780	81,140	224,995
Fund balances - ending	<u>\$ 56,396</u>	<u>\$ 13,420</u>	<u>\$ 84,897</u>	<u>\$ 9,515</u>	<u>\$ 120,766</u>	<u>\$ 284,994</u>

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



**DALLAS COUNTY, TEXAS**  
 Reconciliation of the Statement of Revenues  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 For the Year Ended September 30, 2006  
 (in thousands of dollars)

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

Net change in fund balances -- total governmental funds (page 29)	\$	59,999
<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>		
		30,182
<p>The net effect of various transactions ( e.g. sale of capital of assets). See Notes, page 44 for details.</p>		
		(3,253)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(1,278)
<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). See Notes, page 45 for details.</p>		
		(4,199)
<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. See Notes, page 45 for details.</p>		
		(32,588)
<p>Internal service funds are used by management to charge the costs to account for group medical self-insurance and workers compensation. The net revenue/(loss) is reported with governmental activities.</p>		
		<u>3,616</u>
Change in net assets of governmental activities (page 27)	\$	<u><u>52,479</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, 2006

(in thousands of dollars)

	<b>Governmental Activities - Internal Service Fund</b>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 6,224
Due from other funds	3,170
Total assets	<u>9,394</u>
<b>LIABILITIES</b>	
Current liability:	
Medical	2,116
Workers' Compensation	3,000
Non-current liability-Workers' Compensation	<u>3,515</u>
	<u>8,631</u>
<b>NET ASSETS</b>	
Unrestricted	<u>763</u>
Total net assets	<u>\$ 763</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, 2006

(in thousands of dollars)

	<b>Governmental Activities - Internal Service Fund</b>
Operating revenues:	
Premiums and reimbursements	\$ <u>48,469</u>
Operating expenses:	
Benefit payments	42,852
Administration	<u>2,058</u>
Total operating expenses	<u>44,910</u>
Operating income	3,559
Nonoperating revenues :	
Interest income and other	<u>57</u>
Change in net assets	3,616
Total net assets (deficit) - beginning	(2,853)
Total net assets - ending	\$ <u><u>763</u></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, 2006

(in thousands of dollars)

	<u>Governmental Activities - Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash for premiums and reimbursements	\$ 49,204
Cash payments for benefit claims	(44,658)
Cash payments for administrative fees	(2,062)
Other operating revenues	<u>518</u>
Net cash provided by operating activities	<u>3,002</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Interest and dividends on investments	<u>57</u>
Net cash provided by investing activities	<u>57</u>
Net increase in cash and cash equivalents	3,059
Cash and cash equivalents at beginning of year	<u>3,165</u>
Cash and cash equivalents at end of year	<u><u>\$ 6,224</u></u>
<b>Reconciliation of operating income to net cash used by operating activities:</b>	
Operating income	\$ 3,559
Adjustment to reconcile operating income to net cash used in operating activities:	
Increase due from other funds	2,478
Increase in liabilities	<u>(3,035)</u>
Net cash used in operating activities	<u><u>\$ 3,002</u></u>

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

**DALLAS COUNTY, TEXAS**

Statement of Fiduciary Assets and Liabilities -  
Agency Funds

September 30, 2006  
(in thousands of dollars)

	<u>Total</u>
<b>Assets:</b>	
Cash and investments	\$ 149,422
Accrued interest	13
Restricted assets	<u>8,431</u>
Total assets	<u>\$ 157,866</u>
 <b>Liabilities:</b>	
Accounts payable	<u>157,866</u>
Total liabilities	<u>\$ 157,866</u>

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

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Reporting Entity

##### *Primary Government*

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.

##### *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 720 beds and 90 bassinets, operates an outpatient clinics 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 hospital also manages the County's jail health system. 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, 2006  
(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 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, 2006  
(in thousands of dollars)

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

statements. The General Fund, Debt Service, Major Projects and Grant 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 and Capital Projects. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

#### 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 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 for services 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. Except for grants, measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Grants policy includes recognition of all revenues where grant eligibility requirements have been met. 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, 2006, and became due October 1, 2006 have been assessed to finance the budget of the fiscal year beginning October 1, 2006 and, accordingly, have been reflected as deferred revenue and taxes receivable in the fund financial statements and government-wide statements at September 30, 2006.

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, 2006  
(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** 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. The County issued \$65 million in tax and parking bonds in FY2006 to finance construction of South Tower Jail and the Forensic Science buildings. 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.

**Major Projects Fund** (special revenue 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.

**Nonmajor funds** include Special revenue funds (other than major projects and grants) and capital projects funds. The funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Other Fund types include proprietary and fiduciary funds:

**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, workers compensation 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, 2006  
(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 and workers compensation payments).

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

#### **Discretely Presented Component Unit**

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

The District is considered a governmental organization and is subject to the pronouncements of the Governmental Accounting Standards Board ("GASB"). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board, including those issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements.

#### **D. Assets, liabilities, and net assets**

##### **1. Deposits and Investments**

The County's cash and cash equivalents include cash on hand, demand deposits and short term investments with a maturity date of 90 days or less from the date of purchase. State statutes and the County's official Investment Policy authorize the County to invest in obligations of the U.S. Treasury, direct obligations of, or participation certificates guaranteed by, the Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, and Federal Home Loan Banks or Banks for Cooperatives.

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 revenues, expenditures and changes in fund balance. Deposit and Investment Risk Disclosures are in accordance with GASB Statement No. 40.

##### **2. Receivables and payables**

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

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for the prior year's levy are shown net of an allowance for uncollectible accounts.

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

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

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 expenditures 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. The inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the fund financial statements, advances and prepayments are offset by a reservation of fund balance which indicates they do not represent "available spendable resources."

4. Restricted Assets/Funds

**Primary Government** - The balances at year end for restricted assets within the Fiduciary - Escrow Fund represent bail bond activity as indicated:

Certificates of Deposit	\$3,648
Real Property	<u>4,783</u>
Total	<u>\$8,431</u>

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports as restricted funds contributions, grants and other revenues restricted by donors for specific purposes. 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.

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, 2006, resources were also set aside for the disproportionate share programs.

6. Capital Assets - Primary Government

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the government-wide financial statements. Capital assets (except for grant assets with lower thresholds) are defined as assets with a cost of \$5,000 or more and a useful life in excess of one year. 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 (roads and bridges) include 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 County roads and bridges and the estimated costs for preserving them at specified levels.

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).

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

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

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). Accordingly, there are none in the fund level statements at September 30, 2006 but compensated absences are accrued in the government-wide statements.

**Primary Government** - The County's permanent, full-time employees accrue 3.08 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 and bridge fund (a non-major special revenue fund) and the grant fund 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 or capital outlays.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Expected costs are budgeted annually from current resources and paid through a Trust (see Note X).

10. Net Assets and Fund Balances

Net assets in the proprietary fund financial statements and the government-wide financial statements are classified in three categories: 1) net assets invested in capital assets, net of related debt, 2) restricted net assets and 3) unrestricted net assets. 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, inventories and prepayments.

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 \$ 246,378 difference are as follows:

Bonds payable	\$217,293
Less: Deferred charge for issuance costs/refunding	(1,961)
Premium on Bonds Payable	4,430
Accrued interest payable	1,573
Claims and judgments	3,000
Compensated absences	<u>22,043</u>

Net adjustment to reduce fund balance – total government funds to arrive at net assets – governmental activities \$246,378

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(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 detail of this \$30,182 difference is as follows:

Capital expenditures	\$ 45,354
Depreciation expense	<u>(15,172)</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>\$30,182</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/ (decrease) net assets.” The detail of this \$(3,253) difference is as follows:

In the statement of activities, only the gain or loss on the disposal of capital assets is reported; however, in the government funds, the proceeds from the sale increase financial resources.

-Loss on disposal of capital assets	<u>\$(3,253)</u>
Net adjustment to decrease net changes in fund balances – total <i>governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(3,253)</u>

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

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

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) 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.” The details of this (\$32,588) difference are as follows:

Debt principal repayment	\$ 32,180
Debt issued or incurred:	
Issuance Costs- Bond sale	406
Amortization of Issuance costs	(160)
Amortization of Premium	402
Bonds issued	<u>(65,416)</u>
Net adjustment to decrease net changes in fund balances	\$ <u>(32,588)</u>

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 \$(4,199) difference are as follows:

Compensated absences	\$ ( 2,930)
Accrued interest	( 511)
Bond accretion	<u>( 758)</u>
Net adjustment to decrease net changes in fund balances	\$ <u>( 4,199)</u>



# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

### 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'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 Government National Mortgage Association pools; commercial paper; obligations of states, counties, cities and other political subdivisions of any state with a rating of A-1+ or better; and surety bonds rated in the two highest categories for claims paying ability.

#### **Deposits**

At September 30, 2006, the County's bank balance was \$39,134. The deposit consists of cash and cash equivalents for all funds. Cash and cash equivalents include demand deposits as well as short-term investments. Book amounts differ from bank balances due to outstanding reconciling items.

#### **Investments**

At year end, the County's investment balances were as follows:

Investment Type	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
Federal Home Loan Bank Notes	\$ 49,758	623
Federal Home Loan Mortgage Corp. Notes	39,237	743
Federal National Mortgage Corp. Notes	69,863	726
Certificates of Deposit	125,100	27
Commercial paper	100,488	23
Security repurchase agreements	36,132	3
	<u>\$ 420,578</u>	<u>278</u>

#### *Interest rate risk*

The County manages its exposure to declines in fair values by limiting the weighted average days to maturity of its investment portfolio.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES (Continued)

*Credit risk*

The County is authorized by statute and by depository contract to invest in insured or registered securities including "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 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. Consistent with the investment policy, the government sponsored securities (e.g. FNMA notes, FHLB notes, and FHLMC notes) are rated A-1+ by Standard & Poor's and P-1 by Moody's. As required under the investment policy, commercial paper with stated maturity of 270 days or fewer cannot be rated less than A-1+ or P-1 by at least two nationally recognized credit rating agencies. Certificates of deposit are not rated.

*Concentration of credit risk*

The County's policy is to limit the investments in commercial paper such as government sponsored securities to 35% of the County's portfolio. Not more than 5% of the total portfolio can be in any one issuer name and not more than 10% of the total portfolio shall mature on any given day.

*Custodial credit risk*

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

Discretely Presented Component Unit

As of September 30, 2006, the District had the following deposits and investments:

Description	Fair Value	Weighted Av. Days to Maturity
Bank Deposits	\$ 654	N/A
Tex Pool Deposits	176,859	N/A
Money Market Fund	37,969	N/A
FNMA Notes	58,621	209
FHLB Notes	24,928	42
FHLMC Notes	78,693	140
US Treasury Notes	2,136	150
Total	\$ 379,860	

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

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

*Interest Rate Risk* – The District invests in fixed rate debt securities with a short-term maturity. Interest rate risk is limited by the short term nature of the investments.

*Credit Risk* - The District has a comprehensive investment policy that fully complies with State law and the Public Funds Investment Act. The District's investments in U.S. Treasury notes carry the explicit guarantee of the U.S. Government. The Debt securities issued by FNMA, FHLB, FHLMC are rated AAA by Standard and Poor's rating agency. TexPool's portfolio consists exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. government securities, and AAA rated no load money market mutual funds. All demand deposits are collateralized by FDIC insurance of \$100,000 and with securities pledged to the District and held in safekeeping at a third party bank on behalf of the District's depository institution.

*Concentration of Credit Risk* - Per the District's investment policy, no more than 40% of the investment portfolio can be invested in any one issuer of US Government Agencies and Government Sponsored Enterprises, including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Bank and the Federal Home Loan Mortgage Corporation. The largest percentage in any one issuer is in the Federal National Mortgage Association at 23.2%.

*Custodial Credit Risk* - Per the District's investment policy, all investments are held in the District's name and held in safekeeping at a third-party bank on behalf of the District's depository institution.

### 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 Addison, the City of Balch Springs, the City of Carrollton, the City of Cedar Hill and Cedar Hill ISD, 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 City 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, the City of Sachse, the City of Seagoville, Levee Districts 4, and 14, the City of University Park, the Westchester Public Improvement District, the City of Wilmer, and the Wilmer-Hutchins ISD. The County and the District are the only entities controlled by the Commissioners Court. The County collects and distributes property taxes of the other entities as authorized by Tax Code §6.24.

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

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2006**  
**(in thousands of dollars)**

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

which the taxes are collected. Tax collections deposited for the County are distributed on a monthly basis to funds: General, Debt Service, Major Projects, and nonmajor funds - Permanent Improvement and Major Technology. 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 at various percentage participation levels. In FY2006, the County either financially participated in or had authorization to participate in eleven TIF districts. The County's participation is determined by the amount of County property taxes levied and collected each tax year on the captured appraised value of real property located in the TIF District less the tax increment base for the year in which the TIF was designated, multiplied by the County's increment provided per agreement. TIF funds are used to finance project costs within the TIF District and/or pay bonds or notes issued for the TIF.

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. Under GASB 33, "Accounting and Financial Reporting for Nonexchange Transactions," property taxes are an imposed nonexchange revenue. Assets from imposed nonexchange transactions are recorded when the entity has an enforceable legal claim to the asset or when the entity receives resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date as designated in the enabling legislation. The County has a valid lien at January 1 with property assessed and tax rate adopted prior to the fiscal year end. Therefore, the County has recorded a receivable and deferred revenue for taxes assessed as of year end but will be collected in FY2007. 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>General Fund</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Other Nonmajor</u>	<u>Grant</u>	<u>Total</u>
Taxes Receivables	\$ 225,190	\$ 29,000	\$ 36,599	\$ 20,834	\$ -	\$ 311,623
Other Receivables	10,099	46	-	4,917	-	15,062
Unavailable	235,289	29,046	36,599	25,751	-	326,685
Unearned	-	-	-	-	1,844	1,844
Total Deferred	\$ 235,289	\$ 29,046	\$ 36,599	\$ 25,751	\$ 1,844	\$ 328,529

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

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2006**  
**(in thousands of dollars)**

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

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.

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

	<u>General</u>	Debt Service County- Wide	Major Projects	Grants	Other Nonmajor Governmental Funds	<u>Total</u>
<b>Receivables:</b>						
Property taxes	\$246,396	\$ 32,861	\$ 38,954	\$ -	\$ 22,004	\$ 340,215
Interest	1,161	734	-	-	-	1,895
Accounts	162,795	-	-	-	258,386	421,181
Due from other governmental units	638	-	2,740	9,099	7,530	20,007
Gross Receivables	410,990	33,595	41,694	9,099	287,920	783,298
Less: allowance for uncollectibles	<u>(167,396)</u>	<u>(3,710)</u>	<u>(2,294)</u>	<u>-</u>	<u>(253,481)</u>	<u>(426,881)</u>
Net total receivables	<u>\$243,594</u>	<u>\$ 29,885</u>	<u>\$ 39,400</u>	<u>\$ 9,099</u>	<u>\$ 34,439</u>	<u>\$ 356,417</u>

**Discretely Presented Component Unit – Receivables as of September 30, 2006:**

	<u>Parkland Hospital</u>	<u>Parkland Foundation</u>	<u>Total</u>
<b>Receivables:</b>			
Taxes	\$ 21,069	\$ -	\$ 21,069
Patient accounts	73,551	-	73,551
Intergovernmental	8,362	-	8,362
Other	<u>104,989</u>	<u>11,900</u>	<u>116,889</u>
Gross Receivables	207,971	11,900	219,871
Less: allowance for uncollectibles			
Taxes	(14,624)	-	(14,624)
Accounts	<u>(13,178)</u>	<u>-</u>	<u>(13,178)</u>
Total uncollectibles	<u>(27,802)</u>	<u>-</u>	<u>(27,802)</u>
Net total receivables	<u>\$ 180,169</u>	<u>\$ 11,900</u>	<u>\$ 192,069</u>

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2006**  
**(in thousands of dollars)**

**Discretely Presented Component Unit**

The District received approximately 29% of its total revenues in 2006 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.

**V. CAPITAL ASSETS**

**Primary Government**

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

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 25,320	\$ 470	\$ (2,472)	\$ 23,318
Construction in progress	67,888	28,509	(38,005)	58,392
Infrastructure	28,676	-	(122)	28,554
Total capital assets, not being depreciated	121,884	28,979	(40,599)	110,264
Capital assets, being depreciated:				
Buildings	401,079	37,375	(775)	437,679
Machinery and equipment	63,962	16,980	(3,045)	77,897
Total capital assets being depreciated	465,041	54,355	(3,820)	515,576
Less accumulated depreciation for:				
Buildings	(172,546)	(7,969)	429	(180,086)
Machinery and equipment	(42,129)	(7,203)	2,757	(46,575)
Total accumulated depreciation	(214,675)	(15,172)	3,186	(226,661)
Total capital assets, being depreciated, net	250,366	39,183	(634)	288,915
Governmental activities capital assets, net	<u>\$ 372,250</u>	<u>\$ 68,162</u>	<u>\$ (41,233)</u>	<u>\$ 399,179</u>

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

### V. CAPITAL ASSETS

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

Governmental Activities:	FY2006
General government	\$ 4,316
Public safety	4,973
Health	351
Highways and streets	1,002
Public welfare	2,202
Education	83
Library	12
Judicial	2,233
Total depreciation expense	<u>\$ 15,172</u>

#### 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.

FY2006 depreciation for the District was \$33,546. 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 2006 totaled \$38.

Capital assets at September 30, 2006 for the District are summarized as follows:

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

V. CAPITAL ASSETS

Discretely Presented Component Unit

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 37,796	\$ 538	\$ (956)	\$ 37,378
Construction in progress	<u>61,598</u>	<u>32,402</u>	<u>(43,339)</u>	<u>50,661</u>
Total capital assets, not being depreciated	99,394	32,940	(44,295)	88,039
Capital assets, being depreciated:				
Buildings	327,901	3,568	(295)	331,174
Machinery and equipment	<u>211,522</u>	<u>52,467</u>	<u>(21,135)</u>	<u>242,854</u>
Total capital assets being depreciated	<u>539,423</u>	<u>56,035</u>	<u>(21,430)</u>	<u>574,028</u>
Less accumulated depreciation for:				
Buildings	(231,618)	(10,547)	295	(241,870)
Machinery and equipment	<u>(157,550)</u>	<u>(22,999)</u>	<u>21,177</u>	<u>(159,372)</u>
Total accumulated depreciation	<u>(389,168)</u>	<u>(33,546)</u>	<u>21,472</u>	<u>(401,242)</u>
Total capital assets, being depreciated, net	<u>150,255</u>	<u>22,489</u>	<u>42</u>	<u>172,786</u>
Capital assets, net	<u>\$ 249,649</u>	<u>\$ 55,429</u>	<u>\$ (44,253)</u>	<u>\$ 260,825</u>



**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2006**  
**(in thousands of dollars)**

**VI. LONG-TERM DEBT**

**Primary Government**

During FY2006, the County issued long term debt to be used to construct and equip County jail facilities and replace the County's existing Institute of Forensic Science building. The following are general obligation bond issues outstanding at September 30, 2006:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Original Amount of Debt</u>	<u>Bonds Outstanding</u>
Road Refunding Bonds, Series 1993A:					
Current Interest Bonds	5.25	1993	2009	\$ 57,195	\$3,465
Capital Appreciation Bonds	5.55-5.75	1993	2007	1,370	3,431
Permanent Improvement Bonds 1993B	5.25-5.3	1993	2009	51,775	7,455
Road Bonds, Series 1996	5.0-5.5	1996	2013	35,000	1,750
Road Refunding Bonds, Series 1997:					
Current Interest Bonds	3.85-4.75	1997	2009	15,120	4,750
Permanent Improvement Refunding Bonds, Series 1997A	3.85-5.75	1997	2009	20,700	7,315
Certificates of Obligation, Series 1998	3.75-4.0	1998	2007	8,700	1,105
Road Bonds, Series 2000	4.75-5.25	2000	2010	35,000	7,000
Permanent Improvement, Refunding Bonds Series 2000B	4.35-5.5	2000	2008	21,270	3,440
Road Refunding Bonds, Series 2001A:					
Current Interest Bonds	4.0-5.5	2001	2021	73,160	58,495
Capital Appreciation Bonds	4.2-4.35	2001	2007	2,816	1,830
Permanent Improvement Refunding Bonds Series 2001B	4.0-5.0	2001	2012	9,460	5,920
Series 2003 Tax Notes	2.0-4.0	2003	2008	21,600	8,640
Combination Tax and Parking Garage Revenue Certificates of Obligation Series 2004	2.5-5.25	2004	2025	16,145	15,490
Unlimited Tax Refunding Bonds, Series 2005					
Current Interest Bonds	3.0-5.25	2005	2020	21,270	21,005
Capital Appreciation Bonds	3.87-4.05	2005	2012	2,827	2,982
Combination Tax and Parking Garage Revenue Certificates of Obligation Series 2006	4.0-5.00	2006	2016	63,220	63,220
Premium on Debt					4,430
Total					<u>\$221,723</u>

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2006**  
**(in thousands of dollars)**

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

**NEW ISSUANCE**

On April 11, 2006, the County issued Combination Tax and Parking Garage Revenue Certificates of Obligation with a principal amount of \$63,220 to be used to construct and equip County jail facilities and to construct and equip a replacement for the County's existing Institute of Forensic Science building. The bonds were issued at a premium of \$2,196.

*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 rebate amount, which is recorded as a liability in governmental activities on the government-wide financial statements for bonds issued in 1994-2004 was zero at September 30, 2006.

*Changes in Long-Term Debt*

Long-term liability for the year ended September 30, 2006 was as follows:

<b>Governmental Activities:</b>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation	\$188,131	\$66,174	\$ 32,582	\$221,723	\$28,551
Claims and judgments	3,000	-	-	3,000	1,000
Compensated absences	19,113	20,206	17,276	22,043	17,964
Workers compensation	8,321	2,639	4,445	6,515	3,000
Total	<u>\$218,565</u>	<u>\$89,019</u>	<u>\$ 54,303</u>	<u>\$253,281</u>	<u>\$50,515</u>

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

VI. LONG-TERM DEBT (Continued)

*General Obligation Bonds Advance Refundings*

In prior years, the County refunded general obligation bonds by placing amounts in irrevocable trusts. The balance of outstanding refunded bonds on September 30, 2006 was \$93,015. The County is in compliance with all significant restrictions contained in the various bond indentures.

**CAPITAL APPRECIATION BONDS**

Capital appreciation bonds, which accrue and compound interest from their date of delivery to yield, consist of Road Refunding Bonds 1993A series with original maturity of \$262 and a current maturity of \$3,431; 2001A series with an original maturity of \$1,468 and a current maturity of \$1,830; and 2005 Unlimited Tax Refunding Bonds with an original maturity of \$2,827 and a current maturity of \$2,982. The total original principal amount was \$4,556 and the total current maturity amounts to \$9,185. The total amount accreted during the year was \$758.

**CONTRACTUAL MATURITIES**

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

**Governmental Activities**

<b>Years Ending September 30</b>	<b>Principal</b>	<b>Interest</b>
2007	\$30,736	\$11,414
2008	27,915	8,902
2009	19,955	7,583
2010	17,355	6,625
2011	17,294	6,131
2012 - 2016	75,953	18,357
2017 - 2021	22,825	4,548
2022 - 2025	5,260	697
Total	<u>\$217,293</u>	<u>\$64,257</u>

The Debt Service Fund has \$13,420 available to service the general long-term bond retirement. There are a number of limitations and restrictions contained in the various bond indentures. The management of the County believes that it is in compliance with all significant limitations and restrictions.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2006**  
(in thousands of dollars)

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

*Conduit Debt*

The Housing Finance Corporation issues single family revenue bonds to provide financial assistance to qualified homeowners. As of September 30, 2006, \$25 principal in single family revenue bonds was outstanding and expected to be paid off in 2006. The Housing Finance Corporation does not have any obligation for the debt beyond the bond resources.

*Discretely Presented Component Unit*

*Changes in Long-term Debt*

A summary of long-term debt transactions of the District for the year ended September 30, 2006, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital Lease	\$ 620	\$ 447	\$ (396)	\$ 671	\$ 276
Professional/Ge n. Liabilities	4,574	252	(558)	4,268	-
Other Liabilities	<u>2,447</u>	<u>-</u>	<u>(1,809)</u>	<u>638</u>	<u>-</u>
Total	\$ <u>7,641</u>	\$ <u>699</u>	\$ <u>(2,763)</u>	\$ <u>5,577</u>	\$ <u>276</u>

*Contractual Maturities*

Long-term maturities of capital lease obligations at September 30, 2006 are as follows:

<u>Years Ending September 30,</u>	<u>Obligations Under Capital Leases</u>
2007	\$ 298
2008	157
2009	138
2010	92
2011	<u>32</u>
	717
Interest	<u>(46)</u>
Principal due	\$ <u>671</u>

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

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

VII. INTERFUND RECEIVABLES, PAYABLE BALANCES AND TRANSFERS

Primary Government

The composition of interfund balances as of September 30, 2006 is as follows:

<u>Due to/from other funds:</u>		<u>Amount</u>
<b>Receivable Fund</b>	<b>Payable Fund</b>	
General Fund	Grants	\$ 9
General Fund	Major Projects	686
Grants	General Fund	2
Grants	Other Nonmajor Govt. Funds	119
Internal Service	General Fund	3,161
Internal Service	Grants	7
Internal Service	Other Nonmajor Govt. Funds	2
Totals		\$ <u>3,986</u>

The "due to" the General Fund represents a reimbursement from Grant Fund and Major Project for Administrative expenses associated with Public Works. The transfers to the Internal Service Fund from the General Fund and Special Revenue Fund in effect moved the health insurance liability to the Internal Service Fund.

<u>Transfer In:</u>						
	<u>General Fund</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Transfer out:</b>						
General fund	\$ -	\$ 1,386	\$ -	\$ 4,820	\$ 2,000	\$ 8,206
Grants	519	-	-	-	-	519
Major Projects	3,778	-	-	-	-	3,778
Nonmajor Governmental Funds	31,333	1,200	14,786	11	-	47,330
Totals	\$ <u>35,630</u>	\$ <u>2,586</u>	\$ <u>14,786</u>	\$ <u>4,831</u>	\$ <u>2,000</u>	\$ <u>59,833</u>

The Road and Bridge districts, of the non-major funds, provide most of the transfers (\$36,243) from vehicle registration fees, criminal fines and forfeitures and the transfers are made to the General Fund and Major Projects Fund. The transfers to the General Fund and Major Projects support traffic and transportation related expenditures.

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

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

#### PAYABLES

**Primary Government** – Approximately 32% of the \$39,963 balance in accounts payable and other current liabilities at FY2006 year end represent accrued payroll liabilities and about 68% are payables to vendors and contractors.

**Discretely Present Component Unit** – Accounts payable in the statement of net assets includes accounts payable to vendors of \$112,379 as of September 30, 2006, and Health plan reserves for incurred but unreported claims of \$26,143 as of September 30, 2006. Accrued payroll and benefits is made up of the following amounts as of September 30, 2006: accrued payroll of \$35,765; employee health care liability of \$3,486; and other employee benefits of \$11,645.

### 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.

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

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2006**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

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, 2006, the annual pension cost for the TCDRS plan for its employees was \$22,758 and the actual contributions were \$22,758. The annual required contributions were in compliance with the GASB Statement No. 27 parameters based on the actual actuarial valuations as of December 31, 2003, 2004 and 2005, the basis for assessing the adequacy of the financing arrangement beginning with the contribution rates for calendar years 2005 and 2006. The December 31, 2005 actuarial valuation is the most recent valuation.

	<b>Actuarial Valuation Information</b>		
	December 31, 2003	December 31, 2004	December 31, 2005
Actuarial valuation date	December 31, 2003	December 31, 2004	December 31, 2005
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization cost method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization period	18.4 years	16.3 years	23.2 years
Asset valuation method	Long-term appreciation with adjustments	Long-term appreciation with adjustments	Long-term appreciation with adjustments
<b>Actuarial Assumptions:</b>			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.5%	5.5%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

VIII. RETIREMENT COMMITMENTS (Continued)

Annual Pension Cost

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2004	\$18,567	100%	—
September 30, 2005	19,927	100%	—
September 30, 2006	22,758	100%	—

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, 2006, was approximately \$285,265. For the year ended September 30, 2006, the District's total payroll was approximately \$395,481. Membership in the Plan as of January 1, 2006 and 2005, was composed of the following:

Group	Members	
	2006	2005
Retirees and beneficiaries	928	831
Vested terminated employees	2,603	2,503
Active employees:		
Fully vested	3,494	3,416
Nonvested	3,442	3,390

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.



**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2006**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

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.

**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>
December 31, 2003	\$8,991	59.5%	1,020
December 31, 2004	9,854	118.4%	(796)
December 31, 2005	9,896	207.2%	(11,401)

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. Current GASB pronouncements do not require the accrual of this liability or shortfall on the accompanying combined financial statements.

During the years ended September 30, 2006 and 2005, \$14,844 and \$13,601, respectively, of employee contributions were made in accordance with the established contribution requirements described above. The District contributed \$11,490 to the Plan during the year ended September 30, 2005, in accordance with contribution requirements determined by the January 1, 2005, actuarial valuation. The District contributed approximately \$21,920 to the Plan during the year ended September 30, 2006 in accordance with contribution requirements determined by the January 1, 2006 actuarial valuation. The 2006 contributions of \$18,520 were for amortization of the unfunded actuarial accrued liability and represented 6.5% of covered payroll for the year. An additional discretionary contribution of approximately \$6,600 was accrued as of September 30, 2006.

Three-year historical trend pension plan presenting funding progress of defined benefit pension plan is presented on page 78. 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, 2006, 2005, and 2004, respectively, available assets were sufficient to fund 89.5%, 85.4%, and 84.6% of the actuarial accrued liability (AAL). The assets in excess (less than) of AAL in January 1, 2006, 2005 and 2004, represented (13.9)%, (18.6)% and (16.9)% of the annual payroll for employees covered for the District's 2006, 2005 and 2004 Plan fiscal years, respectively.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

VIII. RETIREMENT COMMITMENTS (Continued)

*Defined Contribution Plan*

The District also maintains a voluntary defined contribution plan covering all employees with at least one year of service. The payroll for employees covered by the Plan for the year ended September 30, 2006, was approximately \$331,042; the District's total payroll was approximately \$395,481. 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, 2006 were approximately \$10,772 from the District and \$18,871 from employees, or 5.7% 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:

2007	\$	553
2008		382
2009		355
2010		237
2011		213
2012		<u>101</u>
Total	\$	<u>1,841</u>

Rental expense for all County operating leases was approximately \$666 in FY2006.

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, 2006, future minimum rental payments applicable to the operating leases are as follows:

2007	\$	1,862
2008		1,558
2009		946
2010		321
2011		<u>294</u>
Total	\$	<u>4,981</u>

Rental expense for all operating leases was approximately \$4,289 in FY2006.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

IX. LEASES (Continued)

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 \$1,397 and \$8,887 respectively. The accumulated depreciation on the parking garage is \$7,084 at September 30, 2006.

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

2007	\$	1,484
2008		1,383
2009		613
2010		442
2011		400
2012-2016		711
2017-2021		605
2022-2026		604
2027-2031		604
2032-2036		476
2037-2041		195
2042-2046		196
2047-2051		196
2052-2056		196
2057-2061		196
2062-2066		196
2067-2071		196
2072-2076		196
2077-2081		196
2082-2086		196
2087-2091		16
Total	\$	<u>9,297</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 chosen to be a reimbursing employer under the unemployment compensation program administered by the Texas Employment Commission.

The County started accounting for the workers compensation activity in the self insurance internal service Fund effective October 1, 2004. The County's workers' compensation self-insurance

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

X. RISK MANAGEMENT (Continued)

program provides medical and indemnity payments as required by law for on-the-job related injuries. The liability is recognized in the self insurance internal service fund. 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.

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 2006, a total of \$53,561 was paid in benefits and administrative costs. The medical claims liability includes an estimate of \$1,826 of incurred but not reported claims. The County has stop-loss coverage with its third-party administrator for individual claims in excess of \$350 and aggregate stop-loss of \$30,328. Settlement claims have not exceeded insurance coverage in each of the past three years.

Changes in the medical and workers' compensation claims liability amounts in fiscal years 2006 and 2005 follow:

	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Liability</u>
2006 Medical	\$ 3,345	\$ 40,270	\$ 41,499	\$ 2,116
2005 Medical	2,154	35,394	34,203	3,345
2006 Workers' Compensation	8,321	2,639	4,445	6,515
2005 Workers' Compensation	5,252	5,625	2,556	8,321

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2006**  
**(in thousands of dollars)**

**X. RISK MANAGEMENT (Continued)**

**Discretely Presented Component Unit**

The liabilities described below as of September 30, 2006 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 2005 and 2004 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				
2006	\$ 4,574	\$ 252	\$ (558)	\$ 4,268
2005	6,882	\$ (570)	\$ 1,738	\$ 4,574
Employee health care liability:				
2006	\$ 4,000	\$ 31,618	\$ (32,132)	\$ 3,486
2005	4,003	\$ 27,358	\$ 27,361	\$ 4,000
Workers' compensation liability:				
2006	\$ 3,885	\$ 1,070	\$ (1,417)	\$ 3,538
2005	2,483	\$ 2,901	\$ 1,499	\$ 3,885

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2006  
(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 \$3,000 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 or operations 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 FY2006 year end totaled \$4,268.

### XII. NEW ACCOUNTING PRONOUNCEMENTS

**GASB 45: Other Post Employment Benefits** - The Governmental Accounting Standards Board ("GASB") issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective in fiscal year 2008, which establishes standards for the measurement, recognition, and display of other post employment benefits expense/expenditures, related liabilities and note disclosures in the financial statements.

**GASB 47: Accounting for Termination Benefits** - The GASB issued Statement No. 47, *Accounting for Termination Benefits*. This is effective for the County in two parts: (1) for those benefits that relate to other post-employment benefits, the County is to implement at the same time as GASB 45 and (2) for other termination benefits, the effective date was fiscal 2006. This statement defines the accounting for voluntary and involuntary termination benefits (i.e. early retirement incentives). For voluntary termination benefits, an accrual of these costs is warranted when the termination terms have been accepted by the employee and the costs can be estimated. For involuntary termination occurrences, the liability should be recorded when the termination costs, such as severance, can be estimated and a plan for involuntary termination has been approved by the County. The plan for involuntary termination should include the number and classes of employees affected, employee location, date of proposed termination, and types of benefits that are expected to be paid to terminated employees.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2006  
(in thousands of dollars)

XIII. NEW ACCOUNTING PRONOUNCEMENTS (Continued)

**GASB 48: Sales and Pledges of Receivables and Future Revenues** - The GASB issued Statement No. 48 ("GASB 48"), "*Sales and Pledges of Receivables and Future Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*". This Statement is effective for the County beginning in fiscal year 2008. This Statement establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing. The Statement also requires enhanced disclosures pertaining to future revenues that have been pledged or sold, provides guidance on sales of receivables and future revenues within the same financial reporting entity, and provides guidance on recognizing other assets and liabilities arising from the sale of specific receivables or future revenues.

**GASB 49: Pollution Remediation Obligations** - The GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which identifies the circumstances under which a governmental entity is required to report a liability related to pollution remediation. This statement is effective for the County beginning in the fiscal year ended September 30, 2009. A government is required to estimate expected outlays for pollution remediation using an "expected cash flows" measurement technique if it knows a site is polluted and if any of the predefined recognition triggers occur. Information about pollution obligations associated with clean up efforts should also be disclosed in the notes to the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**



**DALLAS COUNTY, TEXAS**  
 Required Supplementary Information  
 General Fund (Unaudited)  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended September 30, 2006  
 (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	\$ 217,604	\$ 217,604	\$ 217,356	\$ (248)
Licenses and permits	427	427	440	13
Fines and forfeitures	15,418	15,418	16,339	921
Investments	5,951	5,951	9,376	3,425
Rentals	3,970	3,970	3,795	(175)
Intergovernmental revenues	2,441	2,441	1,287	(1,154)
Charges for current services	102,742	102,742	106,623	3,881
Miscellaneous	7,443	7,443	9,739	2,296
Total revenues	<u>355,996</u>	<u>355,996</u>	<u>364,955</u>	<u>8,959</u>
<b>EXPENDITURES:</b>				
General government:				
Salaries	35,658	34,053	32,366	1,687
Allowances	40	66	64	2
Operating	36,420	40,135	34,227	5,908
Property	3,492	3,587	2,779	808
Total general government	<u>75,610</u>	<u>77,841</u>	<u>69,436</u>	<u>8,405</u>
Judicial:				
Salaries	79,449	83,757	80,966	2,791
Allowances	39	57	52	5
Operating	25,879	28,982	25,428	3,554
Property	4	78	26	52
Total judicial	<u>105,371</u>	<u>112,874</u>	<u>106,472</u>	<u>6,402</u>
Public Safety:				
Salaries	152,218	166,305	162,213	4,092
Allowances	209	257	223	34
Operating	22,963	26,271	24,596	1,675
Property	812	983	315	668
Total public safety	<u>176,202</u>	<u>193,816</u>	<u>187,347</u>	<u>6,469</u>
Health:				
Salaries	6,187	6,523	6,250	273
Allowances	45	57	53	4
Operating	13,603	14,014	13,294	720
Property	8	22	22	-
Total health	<u>19,843</u>	<u>20,616</u>	<u>19,619</u>	<u>997</u>
Libraries:				
Salaries	-	-	-	-
Operating	11	11	-	11
Property	-	-	-	-
Total libraries	<u>11</u>	<u>11</u>	<u>-</u>	<u>11</u>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended September 30, 2006  
 (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>		
Public Welfare:				
Salaries	\$ 6,422	\$ 6,604	\$ 6,379	\$ 225
Allowances	59	71	70	1
Operating	2,734	2,793	2,442	351
Property	-	-	-	-
Total welfare	<u>9,215</u>	<u>9,468</u>	<u>8,891</u>	<u>577</u>
Reserves	<u>43,792</u>	<u>15,418</u>	<u>-</u>	<u>15,418</u>
Total expenditures	<u>430,044</u>	<u>430,044</u>	<u>391,765</u>	<u>38,279</u>
Excess ( Deficiency) of revenues over ( under) expenditures	<u>(74,048)</u>	<u>(74,048)</u>	<u>(26,810)</u>	<u>47,238</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	35,629	35,629	35,630	1
Operating transfers out	<u>(8,205)</u>	<u>(8,205)</u>	<u>(8,206)</u>	<u>(1)</u>
Total other financing sources and uses	<u>27,424</u>	<u>27,424</u>	<u>27,424</u>	<u>-</u>
Net change in fund balances	(46,624)	(46,624)	614	47,238
Fund balances - beginning	<u>55,782</u>	<u>55,782</u>	<u>55,782</u>	<u>-</u>
Fund balances - ending	<u>\$ 9,158</u>	<u>\$ 9,158</u>	<u>\$ 56,396</u>	<u>\$ 47,238</u>

**DALLAS COUNTY, TEXAS**  
 Required Supplementary Information  
 Major Projects Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual (Unaudited)  
 For the Year Ended September 30, 2006  
 ( 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	\$ 21,757	\$ 21,757	\$ 21,691	\$ (66)
Investments and rentals	1,899	1,899	3,302	1,403
Miscellaneous	2,001	2,001	2,415	414
Total revenues	<u>25,657</u>	<u>25,657</u>	<u>27,408</u>	<u>1,751</u>
<b>EXPENDITURES</b>				
Capital outlay	82,583	82,583	17,470	65,113
Highways and streets	10,000	10,000	9,973	27
Total expenditures	<u>92,583</u>	<u>92,583</u>	<u>27,443</u>	<u>65,140</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(66,926)</u>	<u>(66,926)</u>	<u>(35)</u>	<u>66,891</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	14,786	14,786	14,786	—
Transfers out	(3,778)	(3,778)	(3,778)	—
Sale of property	—	—	—	—
Total other financing sources and uses	<u>11,008</u>	<u>11,008</u>	<u>11,008</u>	<u>—</u>
Net change in fund balances	<u>(55,918)</u>	<u>(55,918)</u>	<u>10,973</u>	<u>66,891</u>
Fund balances - beginning	<u>73,924</u>	<u>73,924</u>	<u>73,924</u>	<u>—</u>
Fund balances - ending	<u>\$ 18,006</u>	<u>\$ 18,006</u>	<u>\$ 84,897</u>	<u>\$ 66,891</u>

**DALLAS COUNTY, TEXAS**

Required Supplementary Information

Grants Special Revenue Fund

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

For the Year Ended September 30, 2006

(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	\$ 111,275	\$ 103,465	(7,810)
<b>EXPENDITURES</b>			
Judicial:	2,916	2,932	(16)
Public safety:	5,508	5,363	145
Health:	26,676	25,865	811
Public welfare:	63,180	61,370	1,810
Education:	<u>9,720</u>	<u>9,512</u>	<u>208</u>
Total expenditures	<u>108,000</u>	<u>105,042</u>	<u>2,958</u>
Excess (deficiency) of revenues over (under) expenditure	<u>3,275</u>	<u>(1,577)</u>	<u>(4,852)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	4,831	4,831	—
Transfers out	<u>(519)</u>	<u>(519)</u>	—
Other financing sources and uses	<u>4,312</u>	<u>4,312</u>	—
Net change in fund balances	7,587	2,735	(4,852)
Fund balances - beginning	6,780	6,780	—
Fund balances - ending	<u>\$ 14,367</u>	<u>\$ 9,515</u>	<u>(4,852)</u>

## DALLAS COUNTY, TEXAS

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

September 30, 2006

**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 prepared on a basis consistent with GAAP: General Fund, Debt Service Fund and Special Revenue Funds (except for the District Attorney funds). 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. Certain appropriation transfers may be made between categories or departments only with the approval of the Commissioners Court. Other transfers (e.g. court costs) may be authorized by the Budget director. Transfers that were made during fiscal year 2006 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

(Continued)

**DALLAS COUNTY, TEXAS**

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

**September 30, 2006**

public inspection in the office of the Dallas County Auditor, 509 Main Street, Room 407, Dallas, Texas 75202-3504.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance since they do not constitute expenditures or liabilities.

**DALLAS COUNTY, TEXAS**

Required Supplementary Information (Unaudited)

Infrastructure Assets Under Modified Approach  
September 30, 2006

(in thousands of dollars)

**ROADS**

A federal highway administration pavement condition rating (PCR) was utilized to assess the condition of the 136.77 lane miles of County roads. District 1 does not have any County roads. 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:

Condition	Rating
Excellent	4
Good	3
Fair	2
Poor	1

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

Road and Bridge	<u>2006</u>		<u>2005</u>		<u>2004</u>		<u>2003</u>		<u>2002</u>	
District 1	-	%	-	%	-	%	-	%	-	%
District 2	97.5		98.5		100.0		99.4		99.4	
District 3	94.4		95.8		97.1		96.8		95.9	
District 4	100.0		100.0		100.0		100.0		100.0	
Overall System	<u>95.0</u>		<u>96.2</u>		<u>99.03</u>		<u>98.2</u>		<u>98.4</u>	

**Comparison of Estimated to Actual Maintenance Costs**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Estimated	\$1,026	\$1,100	\$1,100	\$1,100	\$2,020
Actual	1,149	1,038	1,340	1,543	2,989

**DALLAS COUNTY, TEXAS**

Required Supplementary Information (Unaudited)

Infrastructure Assets Under Modified Approach  
September 30, 2006

(in thousands of dollars)

		<b>Bridges</b>					
	<b>Rating</b>	<b>Number</b>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
			<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Very good	6.0-9.0	38	93	86	76	86	86
Good	4.0-5.9	3	7	14	24	14	14
Fair	3.0-3.9	-	-	-	-	-	-
Poor	0.0-2.9	-	-	-	-	-	-
Total		<u>41</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The condition of the County's bridges is determined using the State of Texas Bridge Inventory Inspection System (BRINSAP). A numerical condition range 0.0 (beyond repair) to 9.0 (excellent condition) is used to assess each of seven elements of the structure. These include deck, superstructure, substructure, channel, culvert, approaches, and miscellaneous items. There are currently 41 records in the Public Works Bridge inventory. Two bridges previously assigned to Dallas County have been accepted by the City of Glenn Heights. This year's report reflects the replacement of four of the Counties structures which opened late in the summer of 2006. These bridges are due for their first BRINSAP inspection in 2008 but in their new condition are assessed at 9.0. The County's policy is to maintain bridges at the 4.0-5.9 level. Consistent with County policy, the above chart shows that over 90% of the County's bridges are in very good or better condition and the rest are in good condition.

**Comparison of Estimated to Actual Maintenance Costs**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Estimated *	\$1,000	\$18	\$12	\$12	\$12
Actual	202	15	12	10	9

\* County's budget was conservative in anticipation of the replacement of the four bridges.



DALLAS COUNTY, TEXAS

Required Supplementary Information (Unaudited)

Primary Government

Schedule of Funding Progress  
for the Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {((b-a)/c)}
December 31, 2003	\$ 624,928	\$ 697,478	\$ (71,550)	89.60%	\$ 222,117	(32.66) %
December 31, 2004	665,566	742,257	(76,691)	89.67	234,913	(32.65)
December 31, 2005	715,013	791,643	(76,629)	90.32	245,948	(31.16)

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, 2004  
 (in thousands of dollars)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {((b-a)/c)}
January 1, 2004	\$ 265,844	\$ 314,351	\$ (48,507)	84.6 %	\$ 287,047	(16.9) %
January 1, 2005	296,908	347,772	(50,865)	85.4	273,285	(18.6)
January 1, 2006	338,161	377,881	(39,720)	89.5	285,265	(13.9)

## **SUPPLEMENTARY INFORMATION**

**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.

Payroll Fund - a clearing fund used to account for transfers of salary expense from budgetary funds and the issuance of paychecks to individual employees.

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. Starting in FY2006, Child Support revenues and expenses are accounted for within the General Fund. Fund balance will be transferred to the General Fund in the next fiscal year.

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**

**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 and Revenue:**

Tax and Parking Garage Revenue, Series 2006 – used to acquire, construct, and equip County jail facilities as a replacement for the Kays Jail facilities and the County's existing Institute of Forensic Sciences building.

Tax Refunding Bonds, Series 2005 – used to partially refund Tax Road Bonds, Series 1996 and Tax Road Bonds, Series 2000.

Tax and Revenue, Series 2004 - used to construct and equip the underground Historical Plaza Parking Garage and to expand the County's underground parking adjacent to the George Allen Building.

Certifications of Obligation Fund - used to finance certain equipment purchases and capital improvements to County facilities.

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

Road Bond Funds - used to account for proceeds from bonds issued for the purchase of right-of-way and for the subsequent construction and maintenance of roads and bridges throughout the County.

DALLAS COUNTY, TEXAS

Combining Balance Sheet  
Nonmajor Governmental Funds

September 30, 2006  
(in thousands of dollars)

Special Revenue

	<u>Road and Bridge</u>	<u>Permanent Improvement</u>	<u>Law Library</u>	<u>Payroll Fund</u>
<b>ASSETS</b>				
Cash and investments	\$ 12,536	\$ 1,858	\$ 699	\$ 5
Receivables:				
Taxes - current	—	2,876	—	—
Less allowance for uncollectibles	—	(243)	—	—
Net taxes receivable	—	2,633	—	—
Accounts	254,742	—	1,655	—
Less allowance for uncollectibles	(248,900)	—	(1,585)	—
Net accounts receivable	5,842	—	70	—
Inventories	753	—	—	—
Prepayments and Advances	53	—	—	—
Total assets	<u>\$ 19,184</u>	<u>\$ 4,491</u>	<u>\$ 769</u>	<u>\$ 5</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 731	\$ 196	\$ 31	\$ —
Due to other funds	—	—	2	—
Due to other governmental units	3,924	—	—	5
Deferred revenue	4,828	2,624	41	—
Total liabilities	9,483	2,820	74	5
<b>FUND BALANCES</b>				
Reserved for encumbrances	215	607	92	—
Reserved for inventory of supplies	753	—	—	—
Reserved for prepayments and advances	53	—	—	—
Unreserved	8,680	1,064	603	—
Total fund balances	<u>9,701</u>	<u>1,671</u>	<u>695</u>	<u>—</u>
Total liabilities and fund balances	<u>\$ 19,184</u>	<u>\$ 4,491</u>	<u>\$ 769</u>	<u>\$ 5</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Continued

September 30, 2006  
(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	\$ 8,355	\$ 189	\$ 426	\$ 714	\$ 1,801
Receivables:					
Taxes - current	19,128	—	—	—	—
Less allowance for uncollectibles	(894)	—	—	—	—
Net taxes receivable	18,234	—	—	—	—
Accounts	—	—	—	—	—
Less allowance for uncollectibles	—	—	—	—	—
Net accounts receivable	—	—	—	—	—
Inventories	—	—	—	—	—
Prepayments and Advances	—	—	—	—	—
Total assets	\$ 26,589	\$ 189	\$ 426	\$ 714	\$ 1,801
<b>LIABILITIES</b>					
Accounts payable	\$ 1,376	\$ —	\$ —	\$ —	\$ —
Due to other funds	119	—	—	—	—
Due to other governmental units	—	—	—	—	—
Deferred revenue	18,209	—	—	—	—
Total liabilities	19,704	—	—	—	—
<b>FUND BALANCES</b>					
Reserved for encumbrances	767	—	—	—	—
Reserved for inventory of supplies	—	—	—	—	—
Reserved for prepayments and advances	—	—	—	—	—
Unreserved	6,118	189	426	714	1,801
Total fund balances	6,885	189	426	714	1,801
Total liabilities and fund balances	\$ 26,589	\$ 189	\$ 426	\$ 714	\$ 1,801

(Continued)

**DALLAS COUNTY, TEXAS**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds - Continued

September 30, 2006  
 (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	\$ 47	\$ 13	\$ 193	\$ 183	\$ 366	\$ 657	\$ 28,042
Receivables:							
Taxes - current	---	---	---	---	---	---	22,004
Less allowance for uncollectibles	---	---	---	---	---	---	(1,137)
Net taxes receivable	---	---	---	---	---	---	20,867
Accounts	---	---	69	---	1,183	737	258,386
Less allowance for uncollectibles	---	---	---	---	(1,150)	(709)	(252,344)
Net accounts receivable	---	---	69	---	33	28	6,042
Due from other funds	---	---	---	---	---	---	---
Due from other governmental units	---	---	---	---	---	---	---
Inventories	---	---	---	---	---	---	753
Prepayments and Advances	---	---	---	---	---	---	53
Total assets	<u>\$ 47</u>	<u>\$ 13</u>	<u>\$ 262</u>	<u>\$ 183</u>	<u>\$ 399</u>	<u>\$ 685</u>	<u>\$ 55,757</u>
<b>LIABILITIES</b>							
Accounts payable	\$ ---	\$ ---	\$ 22	\$ ---	\$ 5	\$ 17	\$ 2,378
Due to other funds	---	---	---	---	---	---	121
Due to other governmental units	---	---	---	---	---	---	3,929
Deferred revenue	---	---	---	---	30	19	25,751
Total liabilities	---	---	22	---	35	36	32,179
<b>FUND BALANCES</b>							
Reserved for encumbrances	---	---	---	---	---	---	1,681
Reserved for inventory of supplies	---	---	---	---	---	---	753
Reserved for prepayments and advances	---	---	---	---	---	---	53
Unreserved	47	13	240	183	364	649	21,091
Total fund balances	<u>47</u>	<u>13</u>	<u>240</u>	<u>183</u>	<u>364</u>	<u>649</u>	<u>23,578</u>
Total liabilities and fund balances							
balances	<u>\$ 47</u>	<u>\$ 13</u>	<u>\$ 262</u>	<u>\$ 183</u>	<u>\$ 399</u>	<u>\$ 685</u>	<u>\$ 55,757</u>

(Continued)



**DALLAS COUNTY**  
Combining Balance Sheet  
Nonmajor Governmental Funds - Continued

September 30, 2006  
(in thousand of dollars)

**Capital Projects**

	<u>Tax and Revenue</u>	<u>Tax and Parking</u>	<u>Certificates of Obligation</u>	<u>Permanent Improvement</u>	<u>Road</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and investments	\$ 2,155	55,009	\$ 565	\$ 1,282	\$ 34,135	\$ 93,146
Due from other funds	—	—	—	—	—	—
Due from other governmental units	—	—	—	—	7,530	7,530
Inventories	—	—	—	—	—	—
Total assets	<u>\$ 2,155</u>	<u>55,009</u>	<u>\$ 565</u>	<u>\$ 1,282</u>	<u>\$ 41,665</u>	<u>\$ 100,676</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,960	—	\$ —	\$ —	\$ 650	\$ 2,610
Due to other funds	—	—	—	—	—	—
Due to other governmental units	—	—	—	—	878	878
Total liabilities	<u>1,960</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,528</u>	<u>3,488</u>
<b>FUND BALANCES</b>						
Reserved for encumbrances	195	387	187	124	14,873	15,766
Unreserved	—	54,622	378	1,158	25,264	81,422
Total fund balances	<u>195</u>	<u>55,009</u>	<u>565</u>	<u>1,282</u>	<u>40,137</u>	<u>97,188</u>
Total liabilities and fund balances	<u>\$ 2,155</u>	<u>55,009</u>	<u>\$ 565</u>	<u>\$ 1,282</u>	<u>\$ 41,665</u>	<u>\$ 100,676</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - Continued**

September 30, 2006  
(in thousands of dollars)

	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 121,188
Receivables:	
Taxes - current	22,004
Less allowance for uncollectibles	<u>(1,137)</u>
Net taxes receivable	<u>20,867</u>
Accounts	258,386
Less allowance for uncollectibles	<u>(252,344)</u>
Net accounts receivable	6,042
Due from other funds	—
Due from other governmental units	7,530
Inventories	753
Prepayments and Advances	<u>53</u>
Total assets	<u>\$ 156,433</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 4,988
Due to other funds	121
Due to other governmental units	4,807
Deferred revenue	<u>25,751</u>
Total liabilities	35,667
<b>FUND BALANCES</b>	
Reserved for encumbrances	17,447
Reserved for inventory of supplies	753
Reserved for prepayments and advances	53
Unreserved	<u>102,513</u>
Total fund balances	<u>120,766</u>
Total liabilities and fund balances	<u>\$ 156,433</u>

**DALLAS COUNTY, TEXAS**

Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds

For the Year Ended September 30, 2006  
(in thousands of dollars)

**Special Revenue**

	<u>Road and Bridge</u>	<u>Permanent Improvement</u>	<u>Law Library</u>
<b>REVENUES</b>			
Taxes	\$ —	\$ 2,415	\$ —
Highway license fees	32,264	—	—
Fines and forfeitures	9,721	—	—
Investments and rentals	534	—	31
Intergovernmental revenues	—	—	—
Charges for current services	3,838	—	881
Miscellaneous	50	—	—
	<u>46,407</u>	<u>2,415</u>	<u>912</u>
<b>EXPENDITURES</b>			
Current:			
General government	—	1,769	—
Judicial	—	—	920
Public safety	—	—	—
Highways and streets	12,067	—	—
Total expenditures	<u>12,067</u>	<u>1,769</u>	<u>920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,340</u>	<u>646</u>	<u>(8)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	—	—	—
Transfers out	(36,243)	—	—
Total other financing sources (uses)	<u>(36,243)</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(1,903)	646	(8)
Fund balances - beginning	11,604	1,025	703
Fund balances - ending	\$ <u><u>9,701</u></u>	\$ <u><u>1,671</u></u>	\$ <u><u>695</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, 2006  
(in thousands of dollars)

Special Revenue - Continued

	Major Technology	District Attorney		District Attorney Forfeiture	
		HIDTA Federal	Special	Federal	State
<b>REVENUES</b>					
Taxes	\$ 6,710	\$ —	\$ —	\$ —	\$ —
Highway license fees	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Investments and rentals	361	8	—	20	81
Intergovernmental revenues	—	—	—	—	—
Charges for current services	—	—	—	—	—
Miscellaneous	19	—	438	306	395
Total revenues	7,090	8	438	326	476
<b>EXPENDITURES</b>					
Current:					
General government	8,787	—	—	—	—
Judicial	—	—	1,025	28	482
Public safety	—	—	—	—	—
Highways and streets	—	—	—	—	—
Total expenditures	8,787	—	1,025	28	482
Excess (deficiency) of revenues over (under) expenditures	(1,697)	8	(587)	298	(6)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,000	—	—	—	—
Transfers out	(603)	—	—	—	—
Total other financing sources (uses)	1,397	—	—	—	—
Net change in fund balances	(300)	8	(587)	298	(6)
Fund balances - beginning	7,185	181	1,013	416	1,807
Fund balances - ending	\$ 6,885	\$ 189	\$ 426	\$ 714	\$ 1,801

(Continued)

DALLAS COUNTY, TEXAS

Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds - Continued

For the Year Ended September 30, 2006  
(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>REVENUES</b>							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	9,125
Highway license fees	—	—	—	—	—	—	32,264
Fines and forfeitures	—	—	—	—	—	—	9,721
Investments and rentals	2	1	22	—	8	31	1,099
Intergovernmental revenues	—	—	—	—	—	—	—
Charges for current services	—	—	2,795	—	811	291	8,616
Miscellaneous	6	—	—	8	—	—	1,222
Total revenues	8	1	2,817	8	819	322	62,047
<b>EXPENDITURES</b>							
Current:							
General government	—	1	2,369	—	—	—	12,926
Judicial	—	—	—	—	364	262	3,081
Public safety	—	—	—	—	—	—	—
Highways and streets	—	—	—	—	—	—	12,067
Total expenditures	—	1	2,369	—	364	262	28,074
Excess (deficiency) of revenues over (under) expenditures	8	—	448	8	455	60	33,973
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	—	—	—	—	—	—	2,000
Transfers out	—	—	(212)	—	(150)	(122)	(37,330)
Total other financing sources and (uses)	—	—	(212)	—	(150)	(122)	(35,330)
Net change in fund balances	8	—	236	8	305	(62)	(1,357)
Fund balances - beginning	39	13	4	175	59	711	24,935
Fund balances - ending	\$ 47	\$ 13	\$ 240	\$ 183	\$ 364	\$ 649	\$ 23,578

(Continued)

DALLAS COUNTY, TEXAS

Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds - Continues

For the Year Ended September 30, 2006  
(in thousands of dollars)

**Capital Projects**

	<u>Tax and Revenue</u>	<u>Tax and Parking</u>	<u>Certificates of Obligation</u>	<u>Permanent Improvement</u>	<u>Roads</u>	<u>Total</u>
<b>REVENUES</b>						
Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Highway license fees	---	---	---	---	---	---
Fines and forfeitures	---	---	---	---	---	---
Investments and rentals	---	---	---	---	---	---
Intergovernmental revenues	---	---	---	---	---	---
Charges for current services	---	---	---	---	---	---
Miscellaneous	---	---	---	---	2,845	2,845
Total revenues	---	---	---	---	2,845	2,845
<b>EXPENDITURES</b>						
Current:						
General government	---	---	---	---	---	---
Judicial	---	---	---	---	---	---
Public safety	---	---	---	---	---	---
Highways and streets	---	---	---	---	---	---
Health	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---
Education	---	---	---	---	---	---
Capital Outlay	9,449	407	329	(19)	7,112	17,278
Total expenditures	9,449	407	329	(19)	7,112	17,278
Excess (deficiency) of revenues over (under) expenditures	(9,449)	(407)	(329)	19	(4,267)	(14,433)
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of bonded debt	---	63,220	---	---	---	63,220
Premium on bonded debt	---	2,196	---	---	---	2,196
Transfers in	---	---	---	---	---	---
Transfers out	---	(10,000)	---	---	---	(10,000)
Total other financing sources (uses)	---	55,416	---	---	---	55,416
Net change in fund balances	(9,449)	55,009	(329)	19	(4,267)	40,983
Fund balances - beginning	9,644	---	894	1,263	44,404	56,205
Fund balances - ending	\$ 195	\$ 55,009	\$ 565	\$ 1,282	\$ 40,137	\$ 97,188

(Continued)

**DALLAS COUNTY, TEXAS**

Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds- Continued

For the Year Ended September 30, 2006  
(in thousands of dollars)

	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>	
Taxes	\$ 9,125
Highway license fees	32,264
Fines and forfeitures	9,721
Investments and rentals	1,099
Intergovernmental revenues	—
Charges for current services	8,616
Miscellaneous	<u>4,067</u>
Total revenues	<u>64,892</u>
<b>EXPENDITURES</b>	
Current:	
General government	12,926
Judicial	3,081
Public safety	—
Highways and streets	12,067
Capital Outlay	<u>17,278</u>
Total expenditures	<u>45,352</u>
Excess (deficiency) of revenues over (under) expenditure	<u>19,540</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Issuance of bonded debt	63,220
Premium on bonded debt	2,196
Transfers in	2,000
Transfers out	<u>(47,330)</u>
Total other financing sources and (uses)	<u>20,086</u>
Net change in fund balances	39,626
Fund balances - beginning	<u>81,140</u>
Fund balances - ending	<u>\$ 120,766</u>

**DALLAS COUNTY, TEXAS**  
Debt Service Fund - County-Wide Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
For the Year Ended September 30, 2006  
(in thousands of dollars)

	Final Budget Amount	Actual Amount	Variance Positive (Negative)
<b>REVENUES</b>			
Ad valorem taxes	\$ 38,641	\$ 38,620	\$ (21)
Investments and rentals	2,400	5,279	2,879
Intergovernmental revenues	-	56	56
Total revenues	<u>41,041</u>	<u>43,955</u>	<u>2,914</u>
<b>EXPENDITURES</b>			
Principal retirement	32,180	32,180	-
Interest	8,310	8,310	-
Total expenditures	<u>40,490</u>	<u>40,490</u>	<u>-</u>
Excess (deficiency) of revenues over ( under) expenditures	<u>551</u>	<u>3,465</u>	<u>2,914</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	2,586	2,586	-
Transfers Out	-	-	-
Total other financing sources (uses)	<u>2,586</u>	<u>2,586</u>	<u>-</u>
Net change in fund balance	3,137	6,051	2,914
Fund balances - beginning	<u>7,369</u>	<u>7,369</u>	<u>-</u>
Fund balances - ending	<u>\$ 10,506</u>	<u>\$ 13,420</u>	<u>\$ 2,914</u>





**DALLAS COUNTY, TEXAS**

Road and Bridge Special Revenue Fund

Schedules of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

For the Year Ended September 30, 2006

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Highway license fees	\$ 31,768	\$ 32,264	\$ 496
Fines and forfeitures	9,684	9,721	37
Investments and rentals	338	534	196
Intergovernmental revenues	24	—	(24)
Charges for current services	3,310	3,838	528
Miscellaneous	<u>75</u>	<u>50</u>	<u>(25)</u>
Total revenues	<u>45,199</u>	<u>46,407</u>	<u>1,208</u>
<b>EXPENDITURES</b>			
Highways and streets:			
Salaries	6,959	6,188	771
Allowances	41	41	—
Operating	5,889	4,722	1,167
Property	<u>1,976</u>	<u>1,116</u>	<u>860</u>
Sub-total	14,865	12,067	2,798
Reserves	<u>4,270</u>	<u>—</u>	<u>4,270</u>
Total expenditures	<u>19,135</u>	<u>12,067</u>	<u>7,068</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,064</u>	<u>34,340</u>	<u>8,276</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(36,243)</u>	<u>(36,243)</u>	<u>—</u>
Total other financing sources and uses	<u>(36,243)</u>	<u>(36,243)</u>	<u>—</u>
Net change in fund balances	(10,179)	(1,903)	8,276
Fund balances - beginning	<u>11,604</u>	<u>11,604</u>	<u>—</u>
Fund balances - ending	<u>\$ 1,425</u>	<u>\$ 9,701</u>	<u>\$ 8,276</u>

**DALLAS COUNTY, TEXAS**

Permanent Improvement Special Revenue Fund  
Schedules of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual

For the Year Ended September 30, 2006

(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>			
Ad valorem taxes	\$ 2,416	\$ 2,415	\$ (1)
Total revenues	<u>2,416</u>	<u>2,415</u>	<u>(1)</u>
<b>EXPENDITURES</b>			
General government:			
Property	<u>2,132</u>	<u>1,769</u>	<u>363</u>
Total expenditures	<u>2,132</u>	<u>1,769</u>	<u>363</u>
Excess (deficiency) of revenues over (under) expenditures	284	646	362
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources and uses	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	284	646	362
Fund balances - beginning	<u>1,025</u>	<u>1,025</u>	<u>—</u>
Fund balances - ending	<u>\$ 1,309</u>	<u>\$ 1,671</u>	<u>\$ 362</u>

DALLAS COUNTY, TEXAS

Law Library Special Revenue Fund  
Schedules of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual

For the Year Ended September 30, 2006

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investments and rentals	\$ 20	\$ 31	\$ 11
Charges for current services	924	881	(43)
Total revenues	<u>944</u>	<u>912</u>	<u>(32)</u>
<b>EXPENDITURES</b>			
Judicial:			
Salaries	428	429	(1)
Operating	541	491	50
Property	2	—	2
Sub-total	<u>971</u>	<u>920</u>	<u>51</u>
Reserves	514	—	514
Total expenditures	<u>1,485</u>	<u>920</u>	<u>565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(541)</u>	<u>(8)</u>	<u>533</u>
Transfers out	—	—	—
Total other financing sources and uses	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(541)	(8)	533
Fund balances - beginning	<u>703</u>	<u>703</u>	<u>—</u>
Fund balances - ending	<u>\$ 162</u>	<u>\$ 695</u>	<u>\$ 533</u>

**DALLAS COUNTY, TEXAS**

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

For the Year Ended September 30, 2006

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 6,711	\$ 6,710	\$ (1)
Investments and rentals	233	361	128
Miscellaneous	<u>1,630</u>	<u>19</u>	<u>(1,611)</u>
Total revenues	<u>8,574</u>	<u>7,090</u>	<u>(1,484)</u>
<b>EXPENDITURES</b>			
General government:			
Property	<u>9,525</u>	<u>8,787</u>	<u>738</u>
Total expenditures	<u>9,525</u>	<u>8,787</u>	<u>738</u>
Excess (deficiency) of revenues over (under) expenditures	(951)	(1,697)	(746)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,000	2,000	—
Transfers out	<u>(603)</u>	<u>(603)</u>	<u>—</u>
Total other financing sources and uses	1,397	1,397	—
Net change in fund balances	446	(300)	(746)
Fund balances - beginning	<u>7,185</u>	<u>7,185</u>	<u>—</u>
Fund balances - ending	<u>\$ 7,631</u>	<u>\$ 6,885</u>	<u>\$ (746)</u>

**DALLAS COUNTY, TEXAS**

Historical Commission Special Revenue Fund  
Schedules of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual

For the Year Ended September 30, 2006

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investments and rentals	\$ —	\$ 1	\$ 1
Miscellaneous	—	—	—
Total revenues	<u>—</u>	<u>1</u>	<u>1</u>
<b>EXPENDITURES</b>			
General government:			
Operating	<u>10</u>	<u>1</u>	<u>9</u>
Total expenditures	<u>10</u>	<u>1</u>	<u>9</u>
Excess (deficiency) of revenues over (under) expenditures	(10)	—	10
Fund balances - beginning	<u>13</u>	<u>13</u>	<u>—</u>
Fund balances - ending	<u>\$ 3</u>	<u>\$ 13</u>	<u>\$ 10</u>

**DALLAS COUNTY, TEXAS**

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

For the Year Ended September 30, 2006

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investments and rentals	\$ 10	\$ 22	\$ 12
Charges for current services	2,665	2,795	130
	<u>2,675</u>	<u>2,817</u>	<u>142</u>
Total revenues			
<b>EXPENDITURES</b>			
General government:			
Operating	2,374	2,369	5
	<u>2,374</u>	<u>2,369</u>	<u>5</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>301</u>	<u>448</u>	<u>147</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	—	—	—
Transfers out	<u>(212)</u>	<u>(212)</u>	<u>—</u>
Total other financing sources and uses	<u>(212)</u>	<u>(212)</u>	<u>—</u>
Net change in fund balances	89	236	147
Fund balances - beginning	<u>4</u>	<u>4</u>	<u>—</u>
Fund balances - ending	<u>\$ 93</u>	<u>\$ 240</u>	<u>\$ 147</u>

DALLAS COUNTY, TEXAS

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

For the Year Ended September 30, 2006

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investments and rentals	\$ ---	\$ ---	\$ ---
Charges for current services	---	---	---
Miscellaneous	<u>8</u>	<u>8</u>	<u>---</u>
Total revenues	<u>8</u>	<u>8</u>	<u>---</u>
<b>EXPENDITURES</b>			
Judicial:			
Salaries	---	---	---
Allowances	---	---	---
Operating	<u>---</u>	<u>---</u>	<u>---</u>
Total judicial	<u>---</u>	<u>---</u>	<u>---</u>
Public safety:			
Salaries	---	---	---
Operating	<u>---</u>	<u>---</u>	<u>---</u>
Total public safety	<u>---</u>	<u>---</u>	<u>---</u>
Total expenditures	---	---	---
Excess (deficiency) of revenues over (under) expenditures	<u>8</u>	<u>8</u>	<u>---</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>---</u>	<u>---</u>	<u>---</u>
Other financing sources and uses	<u>---</u>	<u>---</u>	<u>---</u>
Net change in fund balances	8	8	---
Fund balances - beginning	<u>175</u>	<u>175</u>	<u>---</u>
Fund balances - ending	<u>\$ 183</u>	<u>\$ 183</u>	<u>\$ ---</u>



**DALLAS COUNTY, TEXAS**

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

For the Year Ended September 30, 2006

(in thousands of dollars)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investments and rentals	\$ 2	\$ 8	\$ 6
Charges for current services	<u>682</u>	<u>811</u>	<u>129</u>
Total revenues	<u>684</u>	<u>819</u>	<u>135</u>
<b>EXPENDITURES</b>			
Judicial:			
Salaries	73	73	—
Operating	<u>292</u>	<u>291</u>	<u>1</u>
Total expenditures	365	364	1
Excess (deficiency) of revenues over (under) expenditures	<u>319</u>	<u>455</u>	<u>136</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(150)</u>	<u>(150)</u>	<u>—</u>
Total other financing sources and uses	<u>(150)</u>	<u>(150)</u>	<u>—</u>
Net change in fund balances	169	305	136
Fund balances - beginning	<u>59</u>	<u>59</u>	<u>—</u>
Fund balances - ending	<u>\$ 228</u>	<u>\$ 364</u>	<u>\$ 136</u>

**DALLAS COUNTY, TEXAS**

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

For the Year Ended September 30, 2006

(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	\$ 20	\$ 31	\$ 11
Charges for current services	<u>336</u>	<u>291</u>	<u>(45)</u>
Total revenues	<u>356</u>	<u>322</u>	<u>(34)</u>
<b>EXPENDITURES</b>			
Judicial - operating	423	261	162
Property	<u>137</u>	<u>1</u>	<u>136</u>
Total expenditures	560	262	298
Excess (deficiency) of revenues over (under) expenditures	<u>(204)</u>	<u>60</u>	<u>264</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(122)</u>	<u>(122)</u>	<u>—</u>
Total other financing sources and uses	<u>(122)</u>	<u>(122)</u>	<u>—</u>
Net change in fund balances	(326)	(62)	264
Fund balances - beginning	<u>711</u>	<u>711</u>	<u>—</u>
Fund balances - ending	<u>\$ 385</u>	<u>\$ 649</u>	<u>\$ 264</u>



**DALLAS COUNTY, TEXAS**  
**FIDUCIARY – AGENCY FUNDS**

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

Escrow Fund - used to account for miscellaneous amounts temporarily held for other individuals or entities outside control of commissioners court.

Juvenile Probation Commission Fund – advance funding from State to satisfy special conditions of grant award.

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

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

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

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

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

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

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

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

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

Police Agency Forfeiture Funds - used to account for seized monies awaiting Judicial determination for local police agencies.

Attorney General Forfeiture Funds. - used to account for seized monies awaiting Judicial determination for the Attorney General.

Gambling Forfeiture Funds - used to account for seized monies for gambling awaiting Judicial determination for the Department of Public Safety.

Narcotics Forfeiture Funds - used to account for seized monies for narcotics awaiting Judicial determination for the Department of Public Safety.

**DALLAS COUNTY, TEXAS**

Combining Statement of Fiduciary Assets and Liabilities -  
Agency Fund

September 30, 2006  
(in thousands of dollars)

	<u>Administrative Fund Escrow</u>	<u>Grant Fund Juvenile Probation Commission</u>
<b>Assets:</b>		
Cash and investments	\$ 27,582	\$ 83
Accrued interest	—	—
Restricted assets	<u>8,431</u>	<u>—</u>
Total assets	<u>\$ 36,013</u>	<u>\$ 83</u>
<b>Liabilities:</b>		
Accounts payable:	<u>\$ 36,013</u>	<u>\$ 83</u>
Total liabilities	<u>\$ 36,013</u>	<u>\$ 83</u>

(Continued)

**Fee Office Funds**

<u>State Report</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>
\$ 4,529	\$ 26,645	\$ 17,001	\$ 1,128
---	---	---	---
<u>\$ 4,529</u>	<u>\$ 26,645</u>	<u>\$ 17,001</u>	<u>\$ 1,128</u>
<u>\$ 4,529</u>	<u>\$ 26,645</u>	<u>\$ 17,001</u>	<u>\$ 1,128</u>

(Continued)

DALLAS COUNTY, TEXAS

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

September 30, 2006  
(in thousands of dollars)

	<u>Fee Office Funds</u>			<u>Housing</u>
	<u>Community</u>	<u>Justices</u>	<u>Constables</u>	<u>Finance</u>
	<u>Supervision</u>	<u>of the</u>		<u>Corporation</u>
	<u>and</u>	<u>Peace</u>		<u>1993</u>
	<u>Corrections</u>			<u>Refunding</u>
<b>Assets:</b>				
Cash and investments	\$ 12,044	\$ 2,661	\$ 156	\$ 418
Accrued interest	13	—	—	—
Restricted assets	—	—	—	—
Total assets	<u>\$ 12,057</u>	<u>\$ 2,661</u>	<u>\$ 156</u>	<u>\$ 418</u>
<b>Liabilities:</b>				
Accounts payable	<u>\$ 12,057</u>	<u>\$ 2,661</u>	<u>\$ 156</u>	<u>\$ 418</u>
Total liabilities	<u>\$ 12,057</u>	<u>\$ 2,661</u>	<u>\$ 156</u>	<u>\$ 418</u>

(Continued)

<u>Departmental Special Funds</u>				
Juvenile Department Child Support	Housing Finance Corporation - 1994 Refunding	Community Supervision and Corrections Special	Youth Village	Tax Assessor - Collector
\$ 428	\$ 1,191	\$ 1,241	\$ 1	\$ 54,107
—	—	—	—	—
—	—	—	—	—
<u>\$ 428</u>	<u>\$ 1,191</u>	<u>\$ 1,241</u>	<u>\$ 1</u>	<u>\$ 54,107</u>
<u>\$ 428</u>	<u>\$ 1,191</u>	<u>\$ 1,241</u>	<u>\$ 1</u>	<u>\$ 54,107</u>
<u>\$ 428</u>	<u>\$ 1,191</u>	<u>\$ 1,241</u>	<u>\$ 1</u>	<u>\$ 54,107</u>

(Continued)



**DALLAS COUNTY, TEXAS**

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

September 30, 2006  
(in thousands of dollars)

District Attorney Forfeiture Funds

	<u>Police Agencies</u>	<u>Attorney General</u>	<u>Gambling</u>	<u>Narcotics</u>	<u>Total 2006</u>
<b>Assets:</b>					
Cash and investments	\$ 28	\$ 6	\$ 45	\$ 128	\$ 149,422
Accrued interest	—	—	—	—	13
Restricted assets	—	—	—	—	8,431
Total assets	<u>\$ 28</u>	<u>\$ 6</u>	<u>\$ 45</u>	<u>\$ 128</u>	<u>\$ 157,866</u>
<b>Liabilities:</b>					
Accounts payable	<u>\$ 28</u>	<u>\$ 6</u>	<u>\$ 45</u>	<u>\$ 128</u>	<u>\$ 157,866</u>
Total liabilities	<u>\$ 28</u>	<u>\$ 6</u>	<u>\$ 45</u>	<u>\$ 128</u>	<u>\$ 157,866</u>

**DALLAS COUNTY, TEXAS**

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

Fiscal Year Ended September 30, 2006

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<hr/> <u>Administrative Fund - Escrow</u> <hr/>				
Assets:				
Cash and investments	\$ 23,305	\$ 41,036	\$ 36,759	\$ 27,582
Restricted assets	<u>8,287</u>	<u>431</u>	<u>287</u>	<u>8,431</u>
Total assets	\$ <u>31,592</u>	\$ <u>41,467</u>	\$ <u>37,046</u>	\$ <u>36,013</u>
Liabilities:				
Accounts payable - administrative	\$ <u>31,592</u>	\$ <u>41,467</u>	\$ <u>37,046</u>	\$ <u>36,013</u>
Total liabilities	\$ <u>31,592</u>	\$ <u>41,467</u>	\$ <u>37,046</u>	\$ <u>36,013</u>
<hr/> <u>Grant Fund -</u> <u>Juvenile Probation Commission</u> <hr/>				
Assets:				
Cash and investments	\$ 79	\$ 1,514	\$ 1,510	\$ 83
Total assets	\$ <u>79</u>	\$ <u>1,514</u>	\$ <u>1,510</u>	\$ <u>83</u>
Liabilities:				
Accounts payable - grants	\$ <u>79</u>	\$ <u>1,603</u>	\$ <u>1,599</u>	\$ <u>83</u>
Total liabilities	\$ <u>79</u>	\$ <u>1,603</u>	\$ <u>1,599</u>	\$ <u>83</u>

**DALLAS COUNTY, TEXAS**

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

Fiscal Year Ended September 30, 2006

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<hr/> <u>Fee Office Fund - State Reports</u> <hr/>				
Assets:				
Cash and investments	\$ <u>3,677</u>	\$ <u>381,384</u>	\$ <u>380,532</u>	\$ <u>4,529</u>
Total assets	\$ <u><u>3,677</u></u>	\$ <u><u>381,384</u></u>	\$ <u><u>380,532</u></u>	\$ <u><u>4,529</u></u>
Liabilities:				
Fee office accounts payable	\$ <u>3,677</u>	\$ <u>35,221</u>	\$ <u>34,369</u>	\$ <u>4,529</u>
Total liabilities	\$ <u><u>3,677</u></u>	\$ <u><u>35,221</u></u>	\$ <u><u>34,369</u></u>	\$ <u><u>4,529</u></u>
 <hr/> <u>Fee Office Fund - County Clerk</u> <hr/>				
Assets:				
Cash and investments	\$ <u>24,731</u>	\$ <u>885,709</u>	\$ <u>883,795</u>	\$ <u>26,645</u>
Total assets	\$ <u><u>24,731</u></u>	\$ <u><u>885,709</u></u>	\$ <u><u>883,795</u></u>	\$ <u><u>26,645</u></u>
Liabilities:				
Fee office accounts payable	\$ <u>24,731</u>	\$ <u>44,758</u>	\$ <u>42,844</u>	\$ <u>26,645</u>
Total liabilities	\$ <u><u>24,731</u></u>	\$ <u><u>44,758</u></u>	\$ <u><u>42,844</u></u>	\$ <u><u>26,645</u></u>

**DALLAS COUNTY, TEXAS**

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

Fiscal Year Ended September 30, 2006

(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<hr/> <u>Fee Office Fund - District Clerk</u> <hr/>				
Assets:				
Cash and investments	\$ <u>15,130</u>	\$ <u>80,994</u>	\$ <u>79,123</u>	\$ <u>17,001</u>
Total assets	\$ <u><u>15,130</u></u>	\$ <u><u>80,994</u></u>	\$ <u><u>79,123</u></u>	\$ <u><u>17,001</u></u>
Liabilities:				
Fee office accounts payable	\$ <u>15,130</u>	\$ <u>79,633</u>	\$ <u>77,762</u>	\$ <u>17,001</u>
Total liabilities	\$ <u><u>15,130</u></u>	\$ <u><u>79,633</u></u>	\$ <u><u>77,762</u></u>	\$ <u><u>17,001</u></u>
 <hr/> <u>Fee Office Fund - Sheriff</u> <hr/>				
Assets:				
Cash and investments	\$ <u>1,207</u>	\$ <u>33,829</u>	\$ <u>33,908</u>	\$ <u>1,128</u>
Total assets	\$ <u><u>1,207</u></u>	\$ <u><u>33,829</u></u>	\$ <u><u>33,908</u></u>	\$ <u><u>1,128</u></u>
Liabilities:				
Fee office accounts payable	\$ <u>1,207</u>	\$ <u>33,912</u>	\$ <u>33,991</u>	\$ <u>1,128</u>
Total liabilities	\$ <u><u>1,207</u></u>	\$ <u><u>33,912</u></u>	\$ <u><u>33,991</u></u>	\$ <u><u>1,128</u></u>

**DALLAS COUNTY, TEXAS**

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

Fiscal Year Ended September 30, 2006  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<u>Fee Office Fund -</u> <u>Community Supervision and Corrections</u>				
Assets:				
Cash and investments	\$ 10,703	\$ 39,207	\$ 37,866	\$ 12,044
Accrued interest receivable	<u>5</u>	<u>13</u>	<u>5</u>	<u>13</u>
Total assets	<u>\$ 10,708</u>	<u>\$ 39,220</u>	<u>\$ 37,871</u>	<u>\$ 12,057</u>
Liabilities:				
Fee office accounts payable	<u>\$ 10,708</u>	<u>\$ 39,220</u>	<u>\$ 37,871</u>	<u>\$ 12,057</u>
Total liabilities	<u>\$ 10,708</u>	<u>\$ 39,220</u>	<u>\$ 37,871</u>	<u>\$ 12,057</u>
<u>Fee Office Fund -</u> <u>Justices of the Peace</u>				
Assets:				
Cash and investments	<u>\$ 2,387</u>	<u>\$ 991</u>	<u>\$ 717</u>	<u>\$ 2,661</u>
Total assets	<u>\$ 2,387</u>	<u>\$ 991</u>	<u>\$ 717</u>	<u>\$ 2,661</u>
Liabilities:				
Fee office accounts payable	<u>\$ 2,387</u>	<u>\$ 990</u>	<u>\$ 716</u>	<u>\$ 2,661</u>
Total liabilities	<u>\$ 2,387</u>	<u>\$ 990</u>	<u>\$ 716</u>	<u>\$ 2,661</u>

DALLAS COUNTY, TEXAS

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

Fiscal Year Ended September 30, 2006  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<hr/>				
Fee Office Fund - Constables				
<hr/>				
Assets:				
Cash and investments	\$ 124	\$ 2,320	\$ 2,288	\$ 156
Total assets	<u>\$ 124</u>	<u>\$ 2,320</u>	<u>\$ 2,288</u>	<u>\$ 156</u>
Liabilities:				
Fee office accounts payable	\$ 124	\$ 2,433	\$ 2,401	\$ 156
Total liabilities	<u>\$ 124</u>	<u>\$ 2,433</u>	<u>\$ 2,401</u>	<u>\$ 156</u>
Departmental Special Fund - Housing Finance Corporation - 1993 Refunding				
<hr/>				
Assets				
Cash and investments	\$ 90	\$ 419	\$ 91	\$ 418
Total assets	<u>\$ 90</u>	<u>\$ 419</u>	<u>\$ 91</u>	<u>\$ 418</u>
Liabilities:				
Accounts payable - departmental special	\$ 90	\$ 530	\$ 202	\$ 418
Total liabilities	<u>\$ 90</u>	<u>\$ 530</u>	<u>\$ 202</u>	<u>\$ 418</u>

**DALLAS COUNTY, TEXAS**

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

Fiscal Year Ended September 30, 2006  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
Departmental Special Fund - Juvenile Department Child Support				
Assets:				
Cash and investments	\$ 402	\$ 7,610	\$ 7,584	\$ 428
Total assets	<u>\$ 402</u>	<u>\$ 7,610</u>	<u>\$ 7,584</u>	<u>\$ 428</u>
Liabilities:				
Accounts payable - departmental special	\$ 402	\$ 7,600	\$ 7,574	\$ 428
Total liabilities	<u>\$ 402</u>	<u>\$ 7,600</u>	<u>\$ 7,574</u>	<u>\$ 428</u>
Departmental Special Fund - Housing Finance Corporation - 1994 Refunding				
Assets				
Cash and investments	\$ 1,566	\$ 125	\$ 500	\$ 1,191
Accrued interest receivable	—	—	—	—
Total assets	<u>\$ 1,566</u>	<u>\$ 125</u>	<u>\$ 500</u>	<u>\$ 1,191</u>
Liabilities:				
Accounts payable - departmental special	\$ 1,566	\$ 125	\$ 500	\$ 1,191
Total liabilities	<u>\$ 1,566</u>	<u>\$ 125</u>	<u>\$ 500</u>	<u>\$ 1,191</u>

DALLAS COUNTY, TEXAS

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

Fiscal Year Ended September 30, 2006  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<u>Departmental Special Fund -</u>				
<u>Community Supervision and</u>				
<u>Corrections Special</u>				
Assets:				
Cash and investments	\$ 1,153	\$ 4,713	\$ 4,625	\$ 1,241
Total assets	<u>\$ 1,153</u>	<u>\$ 4,713</u>	<u>\$ 4,625</u>	<u>\$ 1,241</u>
Liabilities:				
Accounts payable - departmental special	\$ 1,153	\$ 4,774	\$ 4,686	\$ 1,241
Total liabilities	<u>\$ 1,153</u>	<u>\$ 4,774</u>	<u>\$ 4,686</u>	<u>\$ 1,241</u>
<u>Departmental Special Fund - Youth Village</u>				
Assets:				
Cash and investments	\$ 2	\$ —	\$ 1	\$ 1
Total assets	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 1</u>
Liabilities:				
Accounts payable - departmental special	\$ 2	\$ —	\$ 1	\$ 1
Total liabilities	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 1</u>



DALLAS COUNTY, TEXAS

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

Fiscal Year Ended September 30, 2006  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<u>Departmental Special Fund -</u> <u>Tax Assessor and Collector</u>				
Assets:				
Cash and investments	\$ 42,887	\$ 401,777	\$ 390,557	\$ 54,107
Accounts receivable	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets	<u>\$ 42,887</u>	<u>\$ 401,777</u>	<u>\$ 390,557</u>	<u>\$ 54,107</u>
Liabilities:				
Accounts payable - departmental special	\$ 42,887	\$ 354,212	\$ 342,992	\$ 54,107
Total liabilities	<u>\$ 42,887</u>	<u>\$ 354,212</u>	<u>\$ 342,992</u>	<u>\$ 54,107</u>
<u>District Attorney Forfeiture Funds -</u> <u>Police Agencies</u>				
Assets:				
Cash and investments	\$ 27	\$ 965	\$ 964	\$ 28
Total assets	<u>\$ 27</u>	<u>\$ 965</u>	<u>\$ 964</u>	<u>\$ 28</u>
Liabilities:				
Accounts payable	\$ 27	\$ 247	\$ 246	\$ 28
Total liabilities	<u>\$ 27</u>	<u>\$ 247</u>	<u>\$ 246</u>	<u>\$ 28</u>

DALLAS COUNTY, TEXAS

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

Fiscal Year Ended September 30, 2006  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<u>District Attorney Forfeiture Funds -</u> <u>Attorney General</u>				
Assets:				
Cash and investments	\$ 6	\$ —	\$ —	\$ 6
Total assets	<u>\$ 6</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6</u>
Liabilities:				
Accounts payable	\$ 6	\$ —	\$ —	\$ 6
Total liabilities	<u>\$ 6</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6</u>
 <u>District Attorney Forfeiture Funds -</u> <u>Gambling</u>				
Assets:				
Cash and investments	\$ 43	\$ 1,002	\$ 1,000	\$ 45
Total assets	<u>\$ 43</u>	<u>\$ 1,002</u>	<u>\$ 1,000</u>	<u>\$ 45</u>
Liabilities:				
Accounts payable	\$ 43	\$ 2	\$ —	\$ 45
Total liabilities	<u>\$ 43</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 45</u>

**DALLAS COUNTY, TEXAS**

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

For the Year Ended September 30, 2006  
(in thousands of dollars)

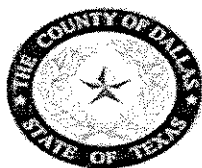
	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<u>District Attorney Forfeiture Funds - Narcotics</u>				
Assets:				
Cash and investments	\$ 70	\$ 72	\$ 14	\$ 128
Total assets	<u>\$ 70</u>	<u>\$ 72</u>	<u>\$ 14</u>	<u>\$ 128</u>
Liabilities:				
Accounts payable	\$ 70	\$ 72	\$ 14	\$ 128
Total liabilities	<u>\$ 70</u>	<u>\$ 72</u>	<u>\$ —</u>	<u>\$ 128</u>

**DALLAS COUNTY, TEXAS**

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

For the Year Ended September 30, 2006  
(in thousands of dollars)

	<u>Balance</u> <u>October 1,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
<b>Assets:</b>				
Cash and investments	\$ 127,589	\$ 1,883,667	\$ 1,861,834	\$ 149,422
Accounts receivable	—	—	—	—
Accrued interest	5	13	5	13
Restricted assets	8,287	431	287	8,431
Total assets	<u>\$ 135,881</u>	<u>\$ 1,884,111</u>	<u>\$ 1,862,126</u>	<u>\$ 157,866</u>
<b>Liabilities:</b>				
Accounts payable	<u>\$ 135,881</u>	<u>\$ 646,799</u>	<u>\$ 624,814</u>	<u>\$ 157,866</u>
Total liabilities	<u>\$ 135,881</u>	<u>\$ 646,799</u>	<u>\$ 624,814</u>	<u>\$ 157,866</u>



## STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information to enhance the understanding of the information in the financial statements, note disclosures, and required supplementary information and what the data indicates about the County's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	124
These schedules contain trend information to aid in understanding how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	129
These schedules contain information to aid in assessing the County's most significant local revenue source - property tax.	
<b>Debt Capacity</b>	135
These schedules present information to aid in assessing the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	142
These schedules offer demographic and economic indicators to aid in understanding the environment within which the County's financial activities take place.	
<b>Operating Information</b>	144
These schedules contain service and infrastructure data to aid in understanding how the information in the government's financial report relates to the services the County provides and the activities it performs.	

DALLAS COUNTY, TEXAS  
 Net Assets by Component  
 Last Five Fiscal Years  
 (accrual basis of accounting)  
 (in thousands of dollars)  
 (Unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related debt	\$ 285,000	\$ 298,000	\$ 334,983	\$ 318,404	\$ 343,757
Restricted	31,395	27,618	24,123	16,584	21,548
Unrestricted	(74,655)	(56,351)	(31,472)	69,644	91,806
Total governmental activities net assets	<u>\$ 241,740</u>	<u>\$ 269,267</u>	<u>\$ 327,634</u>	<u>\$ 404,632</u>	<u>\$ 457,111</u>

Source: Dallas County Financial Records





Table 3

DALLAS COUNTY, TEXAS  
 Governmental Activities Tax Revenues by Source  
 Last Five Fiscal Years  
 (accrual basis of accounting)  
 (in thousands of dollars)  
 (unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
Property Taxes	\$ 236,929	\$ 242,408	\$ 255,324	\$ 267,462	\$ 284,946
Alcoholic beverage / other taxes	9,732	9,778	10,120	10,695	11,129
Total Taxes	<u>\$ 246,661</u>	<u>\$ 252,186</u>	<u>\$ 265,444</u>	<u>\$ 278,157</u>	<u>\$ 296,075</u>

Source: Dallas County Financial Records

DALLAS COUNTY, TEXAS  
Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(in thousands of dollars)  
(unaudited)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 9,920	\$ 12,027	\$ 12,594	\$ 11,876	\$ 12,284	\$ 12,065	\$ 11,637	\$ 13,926	\$ 16,925	\$ 12,050
Unreserved	45,726	46,444	40,478	31,321	30,821	35,245	24,577	41,195	38,857	44,346
Total general fund	\$ 55,646	\$ 58,471	\$ 53,072	\$ 43,197	\$ 43,105	\$ 47,310	\$ 36,214	\$ 55,121	\$ 55,782	\$ 56,396
All governmental funds										
Reserved	\$ 18,945	\$ 20,867	\$ 22,396	\$ 12,635	\$ 18,700	\$ 26,345	\$ 33,404	\$ 48,856	\$ 39,364	\$ 40,519
Unreserved reported in:										
Debt Service	20,828	21,397	19,693	17,047	17,567	14,461	12,181	5,484	7,369	13,420
Major Projects	76,255	62,349	41,498	62,202	76,934	33,267	31,056	12,440	53,696	65,709
Grants Funds	-	-	-	-	-	-	1,054	4,950	6,780	6,437
Special Revenue	23,909	27,279	30,817	38,630	53,458	84,921	102,188	93,455	62,004	102,513
Total all other governmental fund:	\$ 139,937	\$ 131,892	\$ 114,404	\$ 130,514	\$ 166,659	\$ 158,994	\$ 179,883	\$ 165,185	\$ 169,213	\$ 228,598

Source: Dallas County Financial Records

**DALLAS COUNTY, TEXAS**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**  
**(in thousands of dollars)**  
**(unaudited)**

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues</b>										
Property taxes	\$ 174,519	\$ 179,592	\$ 189,660	\$ 203,738	\$ 219,273	\$ 236,929	\$ 242,408	\$ 255,324	\$ 262,124	\$ 286,792
Licenses, fees and permits	28,451	31,618	31,918	34,753	36,245	36,497	33,564	33,776	33,458	32,704
Fines and forfeitures	12,857	16,346	18,773	17,124	19,638	18,683	19,931	22,837	24,404	26,060
Investments and rentals	19,991	19,686	18,068	20,153	19,750	12,122	9,924	9,605	14,856	22,851
Intergovernmental revenues	40,733	49,794	55,572	62,586	75,294	84,702	88,704	101,494	94,575	104,752
Charges for current services	76,444	85,247	89,162	100,471	99,065	106,583	100,308	95,172	100,209	115,239
Miscellaneous revenues	6,825	8,695	11,109	12,586	13,884	11,229	10,865	13,545	13,023	16,277
<b>Total revenues</b>	<b>359,820</b>	<b>390,978</b>	<b>414,262</b>	<b>451,411</b>	<b>483,149</b>	<b>506,745</b>	<b>505,704</b>	<b>531,753</b>	<b>542,649</b>	<b>604,675</b>
<b>Expenditures</b>										
General government and judicial	\$ 133,626	\$ 141,293	\$ 149,444	\$ 157,259	\$ 161,371	\$ 168,915	\$ 169,363	\$ 170,880	\$ 179,375	\$ 194,847
Public safety	113,265	121,382	133,848	144,292	142,566	160,781	165,571	165,390	169,831	192,710
Streets and highways	8,871	8,937	11,183	18,139	20,355	11,673	10,161	13,666	20,059	22,040
Health	27,412	28,484	35,990	41,043	43,010	47,202	39,713	40,659	43,895	45,484
Welfare	19,276	26,240	36,470	45,110	54,093	51,434	58,536	60,113	60,225	70,261
Libraries	53	57	45	47	41	40	40	49	19	-
Education	-	-	-	-	-	5,569	5,604	6,455	8,061	9,512
Capital outlay	17,315	20,268	26,233	24,049	18,202	17,102	24,794	41,188	48,869	34,748
Debt Service										
Principal	41,005	41,785	37,895	37,200	35,930	34,140	32,795	35,225	34,940	32,180
Interest	17,438	15,624	14,675	12,962	12,971	13,225	11,404	10,645	9,265	8,310
<b>Total expenditures</b>	<b>\$ 378,261</b>	<b>\$ 404,070</b>	<b>\$ 445,783</b>	<b>\$ 480,101</b>	<b>\$ 488,539</b>	<b>\$ 510,081</b>	<b>\$ 517,981</b>	<b>\$ 544,270</b>	<b>\$ 574,539</b>	<b>\$ 610,092</b>
Excess of revenues over (under) expenditures	(18,441)	(13,092)	(31,521)	(28,690)	(5,390)	(3,336)	(12,277)	(12,517)	(31,890)	(5,417)
<b>Other financing sources (uses)</b>										
Transfers in	\$ 38,150	\$ 40,682	\$ 35,160	\$ 49,902	\$ 56,917	\$ 50,001	\$ 49,544	\$ 67,357	\$ 60,473	\$ 59,833
Transfers out	(38,150)	(40,682)	(35,160)	(49,902)	(56,917)	(50,001)	(49,544)	(67,357)	(60,473)	(59,833)
Proceeds from refunding bonds	37,599	-	-	-	74,884	-	-	-	24,096	-
Proceeds from sale of bonds	38,600	8,000	8,700	35,000	39,524	-	22,070	16,145	36,535	63,220
Premium on bonds issued	-	-	-	-	-	-	-	509	1,933	2,196
Accrued interest on revenue bonds	-	-	-	-	-	-	-	72	-	-
Payments to refunded bond escrow agent	(37,379)	-	-	-	(73,946)	-	-	-	(25,985)	-
Other	(738)	(23)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>38,082</b>	<b>7,977</b>	<b>8,700</b>	<b>35,000</b>	<b>40,462</b>	<b>-</b>	<b>22,070</b>	<b>16,726</b>	<b>36,579</b>	<b>65,416</b>
<b>Net change in fund balance</b>	<b>\$ 19,641</b>	<b>\$ (5,115)</b>	<b>\$ (22,821)</b>	<b>\$ 6,310</b>	<b>\$ 35,072</b>	<b>\$ (3,336)</b>	<b>\$ 9,793</b>	<b>\$ 4,209</b>	<b>\$ 4,689</b>	<b>\$ 59,999</b>
Debt service as a percentage of noncapital expenditures	16.2%	15.0%	12.5%	11.0%	10.4%	9.6%	9.0%	9.1%	8.4%	7.1%

**DALLAS COUNTY, TEXAS**  
**General Governmental Tax Revenues by Source**  
**Last Five Fiscal Years**  
**(modified accrual basis of accounting)**  
**(in thousands of dollars)**  
**(Unaudited)**

	Fiscal Year				
	2002	2003	2004	2005	2006
Property Tax	\$ 236,929	\$ 242,408	\$ 255,324	\$ 262,124	\$ 286,792
Alcoholic beverage / other taxes	9,732	9,778	10,120	10,695	11,129
<b>Total Taxes</b>	<b>\$ 246,661</b>	<b>\$ 252,186</b>	<b>\$ 265,444</b>	<b>\$ 272,819</b>	<b>\$ 297,921</b>

Source: Dallas County Financial Records

Table 6

DALLAS COUNTY, TEXAS  
Assessed Value and Estimated Actual Value of Taxable 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		
1997	\$ 86,336,077	\$ 86,577,918	\$ 21,539,587	\$ 21,539,588	\$ 107,875,664	\$ 108,117,506	99.78	%
1998 *	95,048,536	95,838,013	21,539,793	21,539,793	116,588,329	117,377,806	99.33	%
1999 *	104,784,168	105,215,142	24,414,768	24,414,768	129,198,936	129,629,910	99.67	%
2000 *	113,609,498	114,741,061	25,530,867	25,530,867	139,140,365	140,271,929	99.19	%
2001 *	123,189,433	124,337,500	28,560,279	28,560,279	151,749,712	152,897,779	99.25	%
2002 *	130,890,166	131,328,094	28,898,480	28,898,480	159,788,646	160,226,574	99.73	%
2003 *	132,669,788	133,793,253	27,047,926	27,047,926	159,717,714	160,841,179	99.30	%
2004 *	137,634,909	139,194,180	25,506,283	25,506,283	163,141,192	164,700,463	99.05	%
2005 *	145,616,669	147,709,138	25,613,845	25,613,845	171,230,514	173,322,983	98.79	%
2006 *	158,357,737	161,310,649	25,992,417	25,992,417	184,350,154	187,303,066	98.42	%

\* 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 the greater of 20% or \$5,000 allowance for homestead exemption for all taxpayers. The Dallas County Commissioners Court approved an additional allowance for homestead exemption for taxpayers over 65 years of age. 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 Tax Years  
Tax Rates Per \$100 of Taxable Value  
(unaudited)

Tax Year	General fund Tax Rates (1)	Major Technology Fund	Permanent Improvement Fund	Major Capital Development Fund
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
2004	0.15210	0.00500	0.00180	0.01301
2005	0.16210	0.00500	0.00180	0.01621
2006	0.15450	0.01260	0.00180	0.02525

Tax levies (1)  
(in thousands of dollars)

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
2004	\$	197,148	\$	6,481	\$	2,333	\$	16,863
2005	\$	219,902	\$	6,783	\$	2,442	\$	21,990
2006	\$	226,423	\$	18,466	\$	2,638	\$	37,004

Legal Limitation Note ( 2 )

Original - Texas Constitution, Article 8, Section 9	0.800
Additional authorized by voters - Texas Constitution	0.150
Additional authorized by Texas Constitution Article 9, Section 9	0.750
	<u>1.700</u>
	\$ <u>1.700</u>

Legal limitation includes provision for debt service.

Taxes due: October 1

Taxes delinquent: January 31 year following levy

Tax lien and assessment date: January 1 year of levy

Taxes added to delinquent roll: July 1 year following levy

Delinquent tax penalty and interest:

February of delinquent year - 6% penalty plus 1% interest

March of delinquent year - 7% penalty plus 2% interest

April of delinquent year - 8% penalty plus 3% interest

May of delinquent year - 9% penalty plus 4% interest

June of delinquent year - 10% penalty plus 5% interest

After July 1 of delinquent year - 12% penalty plus 1% interest per month delinquent

Table 7

<u>Debt Service Funds</u>	<u>Total Primary Government</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
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
0.03199	0.20390	0.25400	0.45790
0.02879	0.21390	0.25400	0.46790
0.01975	0.21390	0.25400	0.46790
\$ 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	\$ 260,309 (a)	\$ 324,269	\$ 584,578
\$ 41,465	\$ 264,290 (a)	\$ 329,229	\$ 593,519
\$ 39,056	\$ 290,173 (a)	\$ 344,572	\$ 634,745
\$ 28,944	\$ 313,475 (a)	\$ 372,243	\$ 685,718

(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 exemptions. Tax rates shown are amounts per hundred dollars of net assessed value.

Table 8

DALLAS COUNTY, TEXAS  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(unaudited)  
(Rates are per \$100 property value)

Name	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Dallas County	0.20100	0.19720	0.19600	0.19600	0.19600	0.19600	0.20390	0.20390	0.21390	0.21390
Hospital District	0.18577	0.17990	0.19600	0.25400	0.25400	0.25400	0.25400	0.25400	0.25400	0.25400
Community College District	0.05000	0.05000	0.05000	0.05000	0.06000	0.06000	0.07780	0.08030	0.08160	0.08100
<b>School Districts</b>										
Carrollton-Farmers Branch	1.49610	1.53770	1.61370	1.67370	1.72420	1.72240	1.73580	1.78240	1.82590	1.68300
Cedar Hill	1.76000	1.77900	1.63000	1.63000	1.63000	1.68000	1.70160	1.74130	1.84843	1.74330
Coppell	1.60000	1.60000	1.60000	1.60000	1.65500	1.70500	1.73500	1.73500	1.72900	1.59900
Dallas	1.46053	1.46053	1.46053	1.54753	1.54753	1.58753	1.63950	1.66940	1.68836	1.50264
Desoto	1.69000	1.77000	1.66000	1.66000	1.68000	1.71000	1.71000	1.74000	1.79000	1.76000
Duncanville	1.64000	1.68000	1.64000	1.68000	1.67000	1.75000	1.85500	1.83600	1.86600	1.73600
Ferris	1.53000	1.53000	1.49000	1.49000	1.51000	1.53950	1.53700	1.77190	1.77190	1.57070
Garland	1.48720	1.54450	1.47840	1.40530	1.47170	1.45860	1.55850	1.62140	1.67010	1.54490
Grand Prairie	1.46780	1.50780	1.46680	1.60810	1.66710	1.66710	1.72710	1.75110	1.75860	1.62970
Grapevine	1.53779	1.53779	1.55229	1.55200	1.58200	1.65979	1.70100	1.70105	1.70000	1.57430
Highland Park	1.54010	1.49500	1.60550	1.58300	1.61000	1.61000	1.61000	1.61000	1.53000	1.35570
Irving	1.64840	1.67840	1.66840	1.69500	1.69500	1.77060	1.81500	1.83700	1.81400	1.64400
Lancaster	1.69930	1.73000	1.67579	1.65200	1.67000	1.67000	1.64915	1.85446	1.85446	1.72600
Mesquite	1.53000	1.58000	1.58000	1.58000	1.58000	1.62000	1.67000	1.76000	1.76240	1.66800
Richardson	1.60000	1.62570	1.64860	1.66830	1.79930	1.80810	1.82000	1.82000	1.82000	1.63005
Sunnyvale	1.20500	1.20000	1.21750	1.24670	1.30000	1.34947	1.46600	1.44600	1.66590	1.51905
Wilmer / Hutchins	1.46450	1.64240	1.49910	1.52760	1.55840	1.54820	1.54820	1.58000	1.28540	0.00000
<b>Cities and Towns</b>										
Addison	0.44750	0.40000	0.38460	0.38100	0.38480	0.39990	0.42280	0.47600	0.47600	0.46400
Balch Springs	0.59000	0.62000	0.59999	0.59999	0.62900	0.61700	0.54000	0.52550	0.55571	0.57728
Carrollton	0.60430	0.60430	0.60430	0.64269	0.59930	0.59930	0.59930	0.59930	0.63288	0.63288
Cedar Hill	0.64269	0.64269	0.64269	0.64269	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140
Cockrell Hill	0.70432	0.77183	0.75202	0.77048	0.74507	0.74036	0.77349	0.73379	0.76159	0.76853
Coppell	0.66860	0.64860	0.64860	0.64860	0.64860	0.64860	0.64860	0.64860	0.64860	0.64146
Dallas	0.65160	0.64910	0.66750	0.66750	0.66750	0.69980	0.69980	0.71970	0.74170	0.72920
Desoto	0.61139	0.61139	0.61139	0.61139	0.63639	0.65921	0.65879	0.66689	0.68499	0.69835
Duncanville	0.71800	0.71800	0.71800	0.71800	0.71800	0.71800	0.71800	0.71800	0.71800	0.69600
Farmers Branch	0.44000	0.44000	0.44000	0.44000	0.44000	0.44000	0.46000	0.49450	0.49450	0.49450
Garland	0.63360	0.63360	0.61360	0.63360	0.64110	0.64110	0.64110	0.64110	0.66610	0.67860
Glenn Heights	0.83000	0.80000	0.79240	0.79000	0.72840	0.70990	0.69576	0.65310	0.65310	0.69617
Grand Prairie	0.67999	0.67999	0.67500	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000
Highland Park	0.29700	0.26930	0.25750	0.24620	0.22900	0.22080	0.23000	0.23000	0.23000	0.22500
Hutchins	0.54793	0.54444	0.54412	0.50151	0.48165	0.50882	0.52917	0.53300	0.54000	0.54109
Irving	0.49300	0.49300	0.48800	0.48800	0.48800	0.49800	0.53280	0.54790	0.54790	0.54790
Lancaster	0.55170	0.55170	0.55170	0.67170	0.67170	0.67170	0.67170	0.67170	0.67170	0.67170
Mesquite	0.48148	0.58148	0.54148	0.54148	0.54148	0.54148	0.54148	0.58148	0.60148	0.62000
Richardson	0.44385	0.44385	0.44385	0.44385	0.44385	0.47785	0.47785	0.52516	0.52516	0.57516
Rowlett	0.62000	0.64000	0.64000	0.64000	0.64000	0.64000	0.64000	0.67695	0.74717	0.74717
Sachse	0.67470	0.67470	0.64670	0.62664	0.58882	0.57540	0.56006	0.55832	0.55832	0.55341
Seagoville	0.55176	0.53779	0.53779	0.58000	0.58000	0.65000	0.65000	0.63500	0.63500	0.63500
Sunnyvale	0.35739	0.37997	0.37997	0.37997	0.37997	0.37997	0.37997	0.37997	0.37997	0.37997
University Park	0.45995	0.43537	0.39537	0.37159	0.33999	0.32932	0.32601	0.32539	0.30958	0.29272
Wilmer	0.66000	0.66000	0.66000	0.66000	0.66000	0.66000	0.66000	0.66000	0.66000	0.61000

Note: Rate established for stated tax to fund adopted budget of the following fiscal year.

Source: Financial reports of governmental units which have overlapping debt.  
Dallas Central Appraisal District

Table 9

DALLAS COUNTY, TEXAS  
Principal Property Taxpayers  
September 30, 2006  
(in thousands of dollars)  
(unaudited)

Name of Taxpayer	Type of Property	2006			1997		
		Total Assessed Valuation	Rank	Percent of Dallas County Assessed Valuation (a)	Total Assessed Valuation	Rank	Percent of Dallas County Assessed Valuation
Southwestern Bell/Cingular Telephone Company	Telephone Utility	\$ 1,702,249	1	1.07 %	\$ 1,242,626	2	1.15 %
Texas Utilities Electric Company	Electric Utility	1,381,599	2	0.87	1,083,954	3	1.01
Texas Instruments	Electronics	1,056,013	3	0.67	1,421,230	1	1.32
Crescent Real Estate	Real Estate	773,627	4	0.49	759,632	4	0.71
Verizon / GTE	Telephone Utility	527,007	5	0.33	541,463	5	0.50
Southwest Airlines	Airline	512,039	6	0.32	453,908	6	0.42
Wal-Mart	Retail	485,283	7	0.31	—		
Teachers Insurance	Insurance	368,709	8	0.23	—		
Trammell Crow	Real Estate	367,490	9	0.23	—		
Trizec Renaissance Inc		366,948	10	0.23	—		
Metropolitan	Insurance	—			368,398	7	0.34
Northrop Grumman	Defense/Aeronautics	—			273,030	8	0.25
Columbus Realty Trust	Real Estate	—			272,227	9	0.25
MCI	Telephone Utility	—			238,847	10	0.22
Total		<u>\$ 7,540,964</u>		<u>4.76 %</u>	<u>\$ 6,655,315</u>		<u>6.17 %</u>

(a) Excludes property under protest.

Note: Estimated amounts based on 1997 and 2006 appraisal roll.

Source: Dallas County Tax Assessor-Collector.



Table 10

DALLAS COUNTY, TEXAS  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(in thousands of dollars)  
(unaudited)

Year	Tax Levies	Collections of Current Tax Levy During Fiscal Period (a)	Percentage of Collected During Fiscal Period (a)	Collections of Delinquent Tax During Fiscal Period (b)	Total Collections	Percentage of Total Collections to Tax Levies
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	584,578	566,558	96.92	6,260	572,818	97.99
2004	593,519	576,533	97.14	7,975	584,508	98.48
2005	634,745	619,125	97.54	6,029	625,154	98.49
2006	685,718 (c)					

Notes: (a) Current fiscal period collections are those collected between October 1 of the year levied through June 30 ( date of delinquency ) for the following year.

(b) Prior fiscal period taxes are those delinquent taxes collected for prior years.

(c) Collections on the 2006 tax roll are incomplete until the end of the fiscal tax year, June 30, 2007.

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

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

Source: Dallas County Financial Records.

Taxes due: October 1

Taxes delinquent: February 1 year following levy

Tax lien and assessment date: January 1 year of levy

Taxes added to delinquent roll: 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.

DALLAS COUNTY, TEXAS  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year	General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
1997	\$ 336,793	\$ 336,793	56.33 %	\$ 167
1998	305,536	305,536	47.64	151
1999	278,142	278,142	41.60	136
2000	277,356	277,356	37.31	135
2001	280,623	280,623	34.77	126
2002	247,753	247,753	30.48	110
2003	238,143	238,143	28.48	104
2004	220,640	220,640	24.29	97
2005	188,131	188,131	19.71	81
2006	221,723	221,723	22.51	93

Source: Dallas County Financial Records

DALLAS COUNTY, TEXAS  
Ratios 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	Percentage of Personal Income	Net Bonded Debt Per Capita
1997	2,013,700	\$ 107,875,664,180	\$ 336,793,000	\$ 20,828,000	\$ 315,965,000	0.00293 %	52.85 %	\$ 157
1998	2,023,140	117,377,806,012 *	305,536,000	21,397,000	284,139,000	0.00242 %	44.30 %	140
1999	2,050,865	129,629,910,137 *	278,142,000	19,693,000	258,449,000	0.00199 %	38.65 %	126
2000	2,062,100	140,271,928,741 *	277,356,000	17,047,000	260,309,000	0.00186 %	35.02 %	126
2001	2,218,899	152,897,777,858 *	280,623,000	17,567,000	263,056,000	0.00172 %	32.59 %	118
2002	2,245,398	160,226,575,618 *	247,753,000	14,671,000	233,082,000	0.00145 %	28.61 %	104
2003	2,283,953	160,841,179,676 *	238,143,000	12,327,000	225,816,000	0.00140 %	26.95 %	99
2004	2,284,096	164,700,462,828 *	220,640,000	5,633,000	215,007,000	0.00131 %	23.58 %	94
2005	2,330,050	173,322,982,511 *	188,131,000	7,369,000	180,762,000	0.00104 %	18.68 %	78
2006	2,383,300	187,303,066,523 *	221,723,000	13,420,000	208,303,000	0.00111 %	20.70 %	87

\* 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.

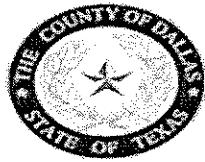


Table 13

DALLAS COUNTY, TEXAS  
 Direct and Overlapping Bonded Debt  
 September 30, 2006  
 (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	9/30/2006	\$ 203,873	100.0%	\$ 203,873
Hospital District	9/30/2006	—	100.0%	—
Water Control and Improvement District No. 6	9/30/2006	6,910	100.0%	6,910
Total Direct		<u>\$ 210,783</u>		<u>\$ 210,783</u>
Overlapping Debt:				
Independent school districts:				
Carrollton-Farmers Branch	8/31/2006	\$ 380,496	81.8%	\$ 311,246
Cedar Hill	8/31/2006	117,429	100.0%	117,429
Coppell	8/31/2006	125,255	100.0%	125,255
Dallas	8/31/2006	2,638,326	100.0%	2,638,326
Desoto	8/31/2006	8,538	100.0%	8,538
Duncanville	8/31/2006	185,874	100.0%	185,874
Ferris	8/31/2006	48,039	8.0%	3,843
Garland	8/31/2006	203,615	100.0%	203,615
Grand Prairie	8/31/2006	260,855	100.0%	260,855
Grapevine	8/31/2006	322,136	1.0%	3,221
Highland Park	8/31/2006	56,615	100.0%	56,615
Irving	8/31/2006	433,981	100.0%	433,981
Lancaster	8/31/2006	239,121	100.0%	239,121
Mesquite	8/31/2006	4,905	100.0%	4,905
Richardson	8/31/2006	380,075	100.0%	380,075
Sunnyvale	8/31/2006	4,877	100.0%	4,877
Total independent school districts		<u>\$ 5,410,137</u>		<u>\$ 4,977,776</u>

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

(Continued)

DALLAS COUNTY, TEXAS  
 Computation of Direct and Overlapping Bonded Debt - Continued  
 September 30, 2006  
 (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	9/30/2006	\$ 63,800	100.0%	\$ 63,800
Balch Springs	9/30/2006	9,690	100.0%	9,690
Carrollton	9/30/2006	179,349	64.7%	116,039
Cedar Hill	9/30/2006	50,265	98.3%	49,410
Coppell	9/30/2006	67,948	98.9%	67,201
Dallas	9/30/2006	1,427,818	97.1%	1,386,411
Desoto	9/30/2006	75,516	100.0%	75,516
Duncanville	9/30/2006	14,547	100.0%	14,547
Farmers Branch	9/30/2006	4,540	100.0%	4,540
Garland	9/30/2006	225,173	100.0%	225,173
Glenn Heights	9/30/2006	452	72.4%	327
Grand Prairie	9/30/2006	124,981	55.9%	69,864
Hutchins	9/30/2006	6,046	100.0%	6,046
Irving	9/30/2006	156,764	100.0%	156,764
Lancaster	9/30/2006	5,716	100.0%	5,716
Mesquite	9/30/2006	78,267	100.0%	78,267
Richardson	9/30/2006	211,013	86.7%	182,948
Rowlett	9/30/2006	164,030	85.8%	140,738
Sachse	9/30/2006	4,896	93.5%	4,578
Seagoville	9/30/2006	2,575	99.6%	2,565
Sunnyvale	9/30/2006	3,645	100.0%	3,645
Wilmer	9/30/2006	133,618	100.0%	133,618
Total cities and towns		\$ 3,010,649		\$ 2,797,403
Total Overlapping		\$ 8,420,786		\$ 7,775,179
Total Direct and Overlapping		\$ 8,631,569		\$ 7,985,962

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

Table 14

**DALLAS COUNTY, TEXAS**  
**Legal Debt Margin - Primary Government**  
 September 30, 2006  
 (in thousands of dollars)  
 (unaudited)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt Limit (Article 3, Section 52 of the Texas Constitution)	\$ 21,584,019	\$ 23,759,565	\$ 26,193,765	\$ 28,399,885	\$ 30,794,940	\$ 32,719,808	\$ 33,164,120	\$ 34,405,411	\$ 36,400,734	\$ 39,585,249
Total net debt applicable to limit	174,633	155,184	138,629	156,953	176,070	160,298	144,941	132,919	91,805	75,736
Legal debt margin	\$ 21,409,386	\$ 23,604,381	\$ 26,055,136	\$ 28,242,932	\$ 30,618,870	\$ 32,559,510	\$ 33,019,179	\$ 34,272,492	\$ 36,308,929	\$ 39,509,513
Total net debt applicable to the limit as a percentage of debt limit	0.81%	0.65%	0.53%	0.55%	0.57%	0.49%	0.44%	0.39%	0.25%	0.19%
Debt Limit (Under Texas General Law)	\$ 5,393,783	\$ 5,828,903	\$ 6,444,533	\$ 6,956,520	\$ 7,587,002	\$ 7,988,886	\$ 7,985,220	\$ 8,156,396	\$ 8,560,839	\$ 9,216,671
Total net debt applicable to limit	141,332	128,955	119,820	103,356	86,986	72,784	80,496	81,214	86,518	128,137
Legal debt margin	\$ 5,252,451	\$ 5,699,948	\$ 6,324,713	\$ 6,853,164	\$ 7,500,016	\$ 7,916,102	\$ 7,904,724	\$ 8,075,182	\$ 8,474,321	\$ 9,088,534
Total net debt applicable to the limit as a percentage of debt limit	2.62%	2.21%	1.86%	1.49%	1.15%	0.91%	1.01%	1.00%	1.01%	1.39%

**Legal Debt Margin Calculation for Fiscal Year 2006**

Assessed valuation of real property*	\$ 158,340,996
Assessed valuation of all taxable property*	184,333,414
Bonds issued under Article 3, Section 52 of the Texas Constitution:	
Debt limit, one-fourth of real property assessed valuation	39,585,249
Amount of debt applied to debt limit:	
Bonded debt	\$ 80,721
Less debt service funds - appropriation for future debt payments	4,985
Total amount of debt applicable to debt limit	75,736
Legal debt margin, bonds issued under Article 3, section 52, of the Texas Constitution	\$ 39,509,513
Bonds issued under Texas General Laws:	
Debt limit, five percent of assessed valuation of all taxable property	
Amount of debt applied to debt limit:	
Bonded debt	\$ 136,572
Less debt service funds - appropriation for future debt payments	8,435
Total amount of debt applicable to debt limit	128,137
Legal debt margin, bonds issued under Texas General Laws	\$ 9,088,534

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

* Assessed value of real property	\$ 158,340,996
Rolling Stock	(16,740)
Adjusted Assessed Value of Real Property	158,340,996
* Assessed value of real property	\$ 184,350,184
Rolling Stock	(16,740)
Adjusted Assessed Value of Real Property	184,333,444

DALLAS COUNTY, TEXAS  
Pledged - Revenue Coverage  
Last Two Years  
(in thousands of dollars)  
(unaudited)

Fiscal Year	Total Resources (1)	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2005	\$ 1,046	-	\$ 1,046	\$ 305	\$ 741	\$ 1,046	1.00
2006	\$ 1,084	\$ -	\$ 1,084	\$ 350	\$ 734	\$ 1,084	1.00

(1) Includes undesignated fund balance at October 1.

Note: Parking garage still under construction. George Allen  
Parking Garage system revenues are available for debt  
service use.



DALLAS COUNTY, TEXAS  
Demographics and Economic Statistics  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year	Population (1)	Personal Income (in thousands of dollars)	Per Capita Personal income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
1997	2,013,700	\$ 597,868	\$ 29,690	29.3	149,535	3.8
1998	2,023,140	641,376	31,702	29.8	152,555	3.4
1999	2,050,865	668,623	32,602	30.3	154,759	3.1
2000	2,062,100	743,325	36,047	30.8	155,427	3.9
2001	2,218,899	807,080	36,373	31.3	157,726	6.0
2002	2,245,398	812,946	36,205	31.8	150,742	7.4
2003	2,283,953	836,315	36,617	31.9	149,597	7.5
2004	2,284,096	908,294	39,766	32.2	148,131	6.5
2005	2,330,050	954,366	40,959	32.6	146,216	5.7
2006	2,383,300	984,803	41,321	32.4	158,700	5.1

## Source:

- 1) U.S. Census Bureau
- 2) Texas Workforce Commission Labor Market Information (LMI) Tracer
- 3) U.S. Census Bureau
- 4) Dallas Independent School District Financial Report
- 5) Texas Workforce Commission Labor Market Information (LMI) Tracer

Table 17

DALLAS COUNTY, TEXAS  
Principal Employers  
September 30, 2006  
(unaudited)

2006					1997			
Company	Product	Employees	Rank	Percentage of Total County Employment	Company	Product	Employees	Percentage of Total County Employment
AMR Corporation (American Airlines)	Airline, Technology and Management Services	22,077	1	0.93 %	AMR Corporation	Airline Technology	27,000	1.34 %
Wal-Mart Stores, Inc.	Retail	21,133	2	0.89	Texas Instruments, Inc.	Electronics	19,000	0.94
Dallas Public Schools	Public Independent School District	20,077	3	0.84	Dallas Public Schools	Public Independent School District	17,169	0.85
Texas Health Resource	Non-profit Health Care	16,289	4	0.68	City of Dallas	Municipality	12,324	0.61
Lockheed Martin Aeronautics Company	Military Aircraft Design and Production	15,900	5	0.67	U.S. Postal Services	Federal Agency	12,000	0.60
Baylor Health Care System	Health Care in Dallas and North Texas	15,200	6	0.64	Baylor Health Care System	Health Care	11,900	0.59
SBC Southwestern Bell	Telecommunications	13,729	7	0.58	Electronic Data Services	Information Technology Services	10,000	0.50
City of Dallas	Municipality	13,203	8	0.55	J.C. Penny Co., Inc.	Retail Sales	10,000	0.50
Verizon Communications	Telecommunications Service Firm	12,500	9	0.52	Kroger Food Stores	Retail Grocery	9,000	0.45
Texas Instruments, Incorporated	Electronics and Semiconductors	10,600	10	0.44	Tom Thumb Food and Pharmacy	Retail Grocery	9,000	0.45
Albertson's	Retail Grocery	10,100	11	0.42	Baylor University Medical Center	Healthcare and Medical Training	8,108	0.40
Brinker International	Restaurants	10,000	12	0.42	Columbia Healthcare	Healthcare Service	8,000	0.40
HCA Healthcare	Health Care	9,896	13	0.42	SBC Telephone Co.	Telephone Utility	7,749	0.38
JPMorgan Chase	Financial Services	8,800	14	0.37	GTE Corporation	Telecommunications	7,400	0.37
J.C. Penney Company, Inc.	Retail	7,900	15	0.33	Minyard Food Stores, Inc.	Retail Grocery	7,000	0.35
Kroger Food Stores	Retail Grocery	7,600	16	0.32	NationsBank	Financial Services	7,000	0.35
Target Corp.	Retail	7,554	17	0.32	Delta Airlines, Inc.	Commercial Airline	6,600	0.33
EDS	Information Technology Services	7,300	18	0.31	Bell Helicopter Textron	Helicopter and Tilt Rotor Design	6,300	0.31
Dallas County	Government	7,285	19	0.31	AT&T Corp.	Global Telecommunications Corporation	6,000	0.30
Bank of America	Financial Services	7,000	20	0.29	Brinker International, Inc.	Restaurant Corporation	6,000	0.30
Dallas County Hospital	Health Care to Dallas County	6,936	21	0.29				
Tom Thumb Food and Pharmacy	Retail Grocery	6,314	22	0.26				
Southwest Airlines	Commercial Airlines	5,543	23	0.23				
Bell Helicopter Textron	Helicopter and Tilt Rotor Design	5,301	24	0.22				
Minyard Food Stores, Inc.	Retail Grocery	5,091	25	0.21				

Source: Dallas Business Journal and Ft. Worth Business Press Book of Lists 2006, City of Dallas and Dallas County Records  
<http://www.ntc-dfw.org/northtexas/corporate/largestemployers.html>  
[www.dallascityhall.org](http://www.dallascityhall.org)  
[www.dallasisd.org](http://www.dallasisd.org)

DALLAS COUNTY, TEXAS  
 Full-time Equivalent County Government Employees by Function  
 Last Ten Fiscal Years  
 (unaudited)

<u>Full-time Equivalent Employees as of September 30</u>										
Function	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government	4,510	4,542	4,891	3,447	3,440	3,934	4,367	4,518	4,821	5,080
Public Safety										
Constable	202	205	217	199	221	222	224	224	257	256
Sheriff	1,700	1,867	1,684	1,820	1,823	1,700	1,692	1,884	1,693	1,828
Truancy*	-	-	-	-	-	-	-	22	22	18
Highways and streets										
Road and Bridge	149	149	149	149	149	150	151	117	117	103
Total	<u>6,561</u>	<u>6,763</u>	<u>6,941</u>	<u>5,615</u>	<u>5,633</u>	<u>6,006</u>	<u>6,434</u>	<u>6,765</u>	<u>6,910</u>	<u>7,285</u>

\*Note: Department effective 2004

Source: Dallas County Financial Records

DALLAS COUNTY, TEXAS  
Operating Indicators by Function  
Last Ten Years  
(unaudited)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Assessor-Collector of Taxes:										
Employees	227	227	229	206	227	233	233	229	229	229
Ad valorem assessment notices issued	744,479	719,795	724,845	729,154	731,051	743,709	750,087	762,082	771,740	780,046
Motor vehicle registrations	2,068,548	2,197,476	2,225,885	2,351,354	1,818,868	1,816,528	1,929,114	1,806,423	1,856,256	1,981,824
Number of entity collection contracts	—	—	—	—	37	39	42	44	48	51
Constables (3):										
Employees	202	205	217	199	221	222	224	224	257	256
Civil process	136,895	136,772	150,784	157,953	165,627	151,020	144,620	127,907	128,722	122,517
County Clerk:										
Employees	183	166	169	191	191	192	192	195	198	201
Marriage licenses	20,923	18,014	18,612	18,482	19,660	17,778	17,209	17,071	17,277	16,535
Civil suits	11,864	12,521	14,201	14,854	13,557	15,774	15,261	15,277	16,882	17,629
Probate cases	9,208	9,234	9,566	9,545	9,331	9,681	8,826	9,515	9,566	10,230
Criminal cases	69,449	74,612	64,260	62,829	61,194	54,694	52,244	63,502	66,691	67,505
District Clerk:										
Employees	239	237	240	243	246	250	250	254	262	266
Civil process cases	50,306	46,062	48,262	51,359	42,601	44,505	44,952	45,710	45,706	42,152
Criminal cases	27,576	28,356	25,943	26,170	26,246	26,114	27,566	29,564	29,907	28,879
Jurors	108,187	113,780	116,252	115,474	123,653	113,489	118,960	100,049	96,219	102,165
Justice of the Peace Courts (1):										
Employees	114	123	140	112	143	143	140	136	149	147
Cases	216,304	239,841	244,800	242,446	185,633	263,529	307,499	314,708	366,492	412,118
Sheriff:										
Employees	1,700	1,692	1,684	1,820	1,823	1,700	1,692	1,684	1,693	1,828
Daily average in county jail	6,663	6,827	7,017	6,776	6,218	6,663	6,827	7,017	7,330	8,037
Persons booked	93,786	95,858	93,757	108,909	99,751	93,786	95,858	93,757	101,080	107,571
Civil process	6,825	6,616	785	5,338	6,083	6,825	6,616	785	841	589
Truancy Courts (2):										
Employees	—	—	—	—	—	—	—	22	22	18
Cases Filed	—	—	—	—	—	—	—	19,061	14,300	20,933
County Treasurer										
Employees	17	18	18	20	20	20	20	18	18	18
Total Receipts	\$ 28,718,820	\$ 26,341,607	\$ 25,877,091	\$ 29,696,957	\$ 39,248,528	\$ 33,736,025	\$ 29,368,183	\$ 27,530,654	\$ 34,833,076	\$ 37,138,554
Investment Earnings	\$ 17,443,000	\$ 17,961,000	\$ 16,483,000	\$ 16,704,000	\$ 16,321,000	\$ 8,379,000	\$ 5,425,000	\$ 5,360,000	\$ 11,396,000	\$ 20,525,000

Note (1): Redistricting of JP in FY2002 reduced number of courts from 14 to 11.  
Incumbents in 3 non-named courts will serve out balance of elected term 12/31/04

(2): Truancy courts became effective April 2004.

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

Sources: Dallas County Financial Records

DALLAS COUNTY, TEXAS  
Capital Assets Statistics by function  
Last Five Fiscal Years  
(unaudited)

Function	2002	2003	2004	2005	2006
General Government					
Number of buildings	22	22	22	22	22
Public Safety					
Number of buildings	10	10	10	10	10
Number of jails	5	5	5	4	4
Number of vehicles	405	485	492	479	593
Highways and streets					
Number of buildings	4	4	4	4	4
Streets (Lane miles)	147	142	137	137	137
Number of bridges	51	51	51	51	41
Health					
Number of buildings	1	1	1	1	1
Public Welfare					
Number of buildings	3	3	3	3	3
Judicial					
Number of buildings	7	7	7	7	7
Number of Juvenile beds	486	486	670	706	750
Number of courts	73	71	71	69	70

Source: Dallas County Financial Records