

ANNUAL COMPREHENSIVE FINANCIAL REPORT
DALLAS COUNTY, TEXAS



REPORT FOR THE YEAR ENDED
SEPTEMBER 30, 2021

DALLAS COUNTY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2021

Prepared by:
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DALLAS COUNTY, TEXAS
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021

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INTRODUCTORY SECTION
(Unaudited)



DALLAS COUNTY
DARRYL D. THOMAS
COUNTY AUDITOR

March 30, 2022

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

State law, V.T.C.A. Local Government Code 114.025 and 115.045, requires issuance of an annual financial report and an annual independent audit of all matters relating to fiscal affairs of the County. Pursuant to those requirements, we hereby release the annual comprehensive financial report of the County of Dallas for the fiscal year ended September 30, 2021.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Accounting requirements for Governmental Accounting Standards Board (GASB) Statement Numbers 84, 90, and 98 were implemented in FY21. These statements are explained in the Notes to the Basic Financial Statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the basic financial statements will be free from material misstatement. Responsibility for internal controls is shared by Commissioners Court, which is the governing body; the County Auditor (appointed by the District Judges); the Office of Budget and Evaluation (appointed by Commissioners Court); and the County Treasurer (an elected position). We believe 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 financial statements were audited by Deloitte & Touche LLP, an independent audit firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County, for fiscal year ended September 30, 2021, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements are fairly presented in conformity with GAAP in all material respects. The independent auditor's report is presented as the first component of the financial section of this report. Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report, provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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

report includes selected financial and demographic information, which is generally presented on a multiyear basis.

PROFILE OF DALLAS COUNTY

The County is located in north central Texas, and is strategically central to the economic region of Texas, Louisiana, Arkansas, Oklahoma, and New Mexico, as well as centrally located within the United States. The County region was opened for settlement by the Mexican colonization laws and was included in an impresario grant before 1836, but actual settlement was delayed until 1841. The first Texas legislature created the County from parts of Robertson and Nacogdoches counties on March 30, 1846, and designated the town of Dallas (a post office since 1844) as a temporary “Seat of Justice.” The act does not state whom the County’s name honors; it probably was George M. Dallas, then vice president of the United States. Two elections were held in 1850 to fix the city of Dallas as the permanent county seat. The County encompasses an area of 900 square miles. Dallas County is the ninth largest county in the U.S. The 2020 census reported population for the County at 2,613,539. The Census Bureau has indicated the population has increased approximately 10.36% since the 2010 census. 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, Section 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 County tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources 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. While there are 254 Texas counties, Dallas County is one of seven with its bonds rated AAA by S&P Global Ratings and Aaa by Moody’s. Dallas County’s bond ratings are a positive reflection of its financial management and the fact that its taxable valuation has increased from \$261.9 billion in 2020 to \$263.2 billion in 2021. The commissioners serve on various boards and committees including the Dallas County Criminal Justice Advisory Board, Bail Bond Task Force, the DWI Task Force, North Texas Behavioral Health Authority (NTBHA), Greater Dallas Homeless Policy Alliance, Public Employee Benefits Cooperative (PEBC), Prostitute Diversion Initiative (PDI) and an alternate for the Regional Transportation Committee, Dallas Convention Visitors Bureau, Dallas Zoological Society, New Friends New Life, Methodist Dallas Medical Center, Dallas County Civil Service Commission, Jail Population Committee, Dallas County Juvenile Board, Jail Sanitation and Maintenance Committee, Dallas County and Housing Finance Corporation, Public Health Advisory, Bioterrorism and Safety, the Texas Conference of Urban Counties, Behavioral Health Leadership Team, and Civil Service Committee.

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

Financial management controls regarding banking and investments are managed by the County Treasurer, an elected position. The Treasurer chairs the County Finance Committee and submits for annual recertification an official investment policy. In accordance with Texas statutes, the County’s investment policy was reviewed with recommended updates. 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, State and local financial statutes.

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

The annual budget serves as the foundation for the County's planning and control. Budget workshops are hosted periodically by the Office of Budget and Evaluation with the final budget approved by the Commissioners Court in accordance with statutory guidelines. Potential loss of State and federal funds is considered in developing the budget. The final budget includes contingency and emergency reserves line items. Encumbrances are carried forward to the subsequent year for all funds. Unencumbered appropriations for the General Fund lapse at fiscal year end. The General Fund unassigned reserves are addressed in budget policies, targeted at 10.5% of budgeted current expenditures expected to be paid currently. However, due to the impact of nonspendable inventory and prepaids the target of 10.5% was not achieved. Ratio at September 30, 2021, was 9.8%, which was an increase over the ratio of 7.30% in the previous year ended September 30, 2020. It should be noted the Commissioners Court may use funds from other funds to meet financial needs or requirements of the General Fund. Those funds include but are not limited to Major Projects, Permanent Improvement and Major Technology. The Commissioners Court has committed funds for major technology projects and major capital development. Any available budget for these committed funds is carried forward annually for those specific purposes. Most appropriated budgets are prepared by fund, function, department, and category. Capital expenditures for general operations are approved on a line item basis but a multiyear capital improvement plan is utilized to track major capital projects. All budget transfers between departments and/or projects must follow statutory approval processes. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. Budgets funded by federal and State financial assistance are authorized individually on application and acceptance of awards by order of the Commissioners Court.

Another governmental unit is included in the County's reporting entity because the County's governing body appoints the board, approves its tax rate and annual budget. Operational and financial relationship with the County is significant.

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

Local Economy

The Dallas Metropolitan area is headquarters for many Fortune 500 companies representing a diversified economy which includes technology, retail, manufacturing, and services. The ongoing industry in Texas is growing faster than the national average. Public transit options continue to expand significantly, though in several outlying suburbs, it remains limited. The area also reflects art, fashion, and entertainment. It is the site of a district Federal Reserve Bank and Dallas – Fort Worth International Airport. Together with the Fort Worth Metropolitan area, DFW comprises the nation’s fourth largest urban economy. Dallas County, Texas inflation adjusted median household income was \$59,607, which is less than the U.S. median household income of \$62,843 as reported in the latest U.S. Census Bureau data. Persons in poverty as a percentage of population for Dallas County is 13.7% compared to 11.4% for the United States as reported by the U.S. Census Bureau. Dallas County per capita income was \$32,653 compared to U.S. of \$34,103 and Texas of \$31,277. The unemployment rate for Dallas County, Texas was 4.8% at September 30, 2021, which is lower than the national rate of 5.6%. The area enjoys relatively low taxes with no personal or corporate state income tax and maximum state and city sales tax of 8.25%.

Dallas home prices increased 25.0% in September from a year earlier, according to S&P Case-Shiller Home Price Index. Construction starts for apartment buildings, offices, and warehouse locations are strong. Research indicates the number of Dallas area homes posted for foreclosure continues to decline. Economic declines noted for the top 10 employers and taxpayers were noted in insurance, telecom, and real estate. The combined assessed valuation of the 10 largest taxpayers total 2.15% of the County’s total 2021 total assessed valuation. A schedule listing the 10 largest taxpayers can be found in statistical sections of this report.

County business planning continues to address performance and reliability of jail operations and transportation systems and maintains commitment to e-government. Budget initiatives reflect ongoing focus for public safety, transportation funding, and inmate health/security. Significant budgetary challenges are housing needs for the homeless, insurance/hospital options for employees, and inmate housing/care. Technology planning is focused on development of an automated courts system. The County and surrounding cities are focusing on transportation and infrastructure. Walking trails are championed for alternate transportation as well as community use areas.

The County adopted an “Administrative Plan,” which sets priorities to guide decision making and planning for the next five years. Also, the County utilizes a five year Capital Improvement Plan as a significant budget tool. The Capital Improvement Plan consists of those items whose long useful lives distinguish them from recurring operational items. The Major Projects Fund also referred to as the Major Capital Development Fund (MCDF)/(Major Projects Fund), provides a funding mechanism as an alternative to debt financing for major projects. The MCDF receives property tax funding and is used to fund large capital projects similar in nature to projects funded by the County through bonds. The MCDF has four categories of projects: transportation, parks and open space, and buildings, plus an energy conservation initiative for utility costs. Revenue projections are expected to replenish reserves for future use. In accordance with the Major Capital Plan, a percentage of assessed taxes are devoted to large scale capital projects. A total of 4.947 cents per hundred tax rate is committed to combined Debt Service and MCDF in fiscal 2021 and 3.9677 cents per hundred for fiscal 2022.

The Major Technology Fund receives dedicated property taxes and is used to fund long-term objectives related to computer technology. A dedicated tax rate of 1.933 cents per \$100 valuation was relatively consistent for several years. This rate was decreased to 1.803 cents for fiscal 2022. Funded projects include statewide initiatives to develop technology programs, Microsoft licensing and various business management systems.

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

Risk management and self insurance with stop loss policies for medical, workers' compensation, and property continue to be effective. Various actuarial studies are periodically performed to aid in financial planning. Cost increases incurred by the County for medical claims are significantly less than industry averages. Cost sharing formulas for establishing premiums are reviewed annually. Focus remains on providing high level care for employees with reasonable rates and offering a Health Savings Account (HSA).

The County Building Improvement Fund was funded in August 2016 with bonds with total proceeds in excess of \$200 million. The purpose of this Fund is to improve and restore several County buildings, most notably the Dallas County Records Complex and Old Red Courthouse. In September 2021, the Dallas County Records Complex was reoccupied.

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 annual financial report (ACFR) for the fiscal year ended September 30, 2020. 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 ACFR, whose contents conform to program standards. The ACFR 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 40 consecutive years (fiscal years ended 1981 through 2020). 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 ACFR on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the County Auditor's Office. We express our appreciation to all the members of the office who assisted in and contributed to its preparation. Additionally, credit must be given to the County Treasurer, Directors of the Office of Budget and Evaluation, Human Resources, Purchasing, and Public Works for verification and review of key elements of the financial report.

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

Respectfully submitted,



Darryl D. Thomas
Office of County Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Dallas County
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

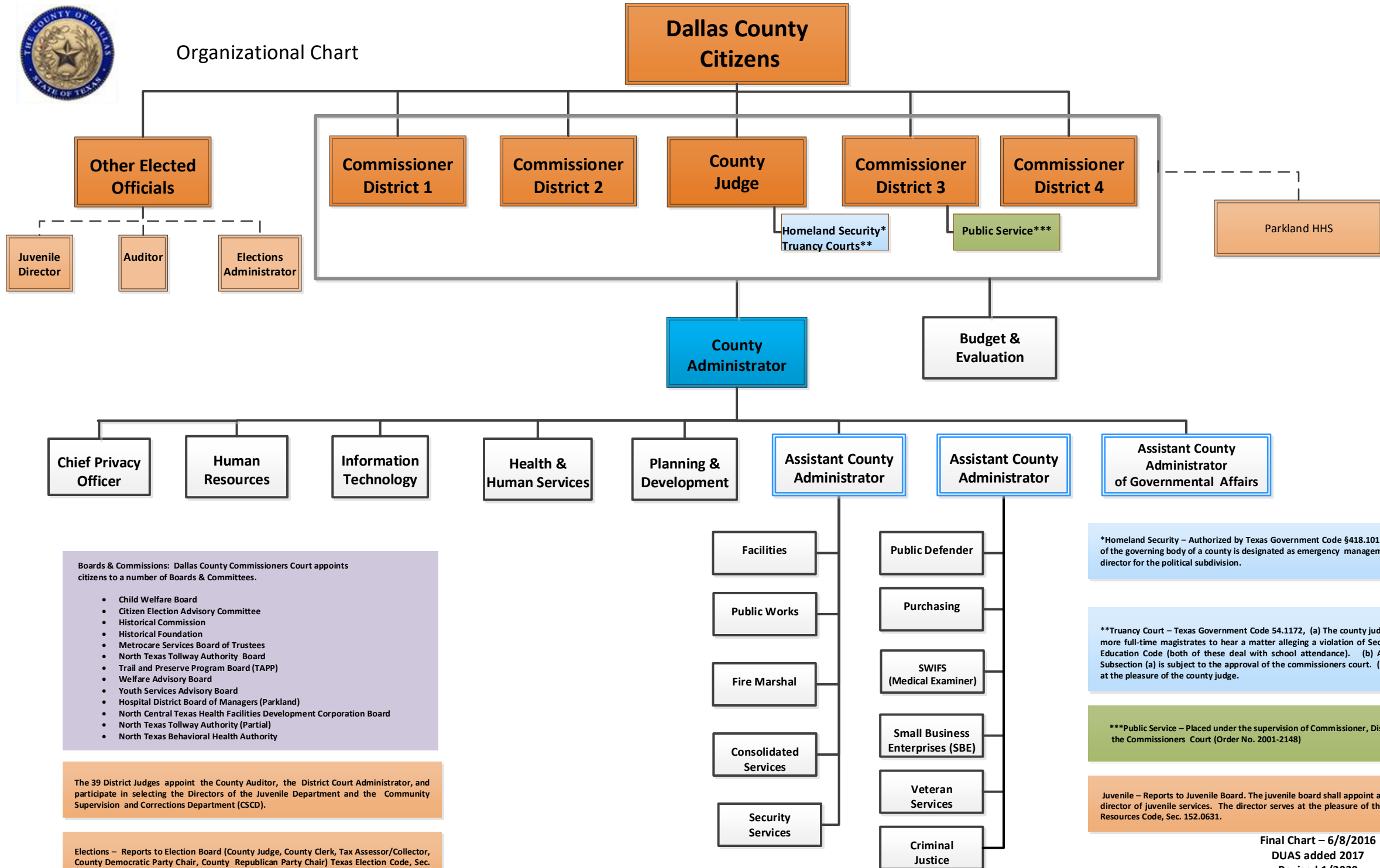
September 30, 2020

Christopher P. Morill

Executive Director/CEO



Organizational Chart



- Boards & Commissions:** Dallas County Commissioners Court appoints citizens to a number of Boards & Committees.
- Child Welfare Board
 - Citizen Election Advisory Committee
 - Historical Commission
 - Historical Foundation
 - Metrocare Services Board of Trustees
 - North Texas Tollway Authority Board
 - Trail and Preserve Program Board (TAPP)
 - Welfare Advisory Board
 - Youth Services Advisory Board
 - Hospital District Board of Managers (Parkland)
 - North Central Texas Health Facilities Development Corporation Board
 - North Texas Tollway Authority (Partial)
 - North Texas Behavioral Health Authority

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

Elections – Reports to Election Board (County Judge, County Clerk, Tax Assessor/Collector, County Democratic Party Chair, County Republican Party Chair) Texas Election Code, Sec. 31037.

*Homeland Security – Authorized by Texas Government Code §418.1015, the presiding Officer of the governing body of a county is designated as emergency management director for the political subdivision.

**Truancy Court – Texas Government Code 54.1172, (a) The county judge may appoint one or more full-time magistrates to hear a matter alleging a violation of Section 25.093 or 25.094, Education Code (both of these deal with school attendance). (b) An appointment under Subsection (a) is subject to the approval of the commissioners court. (c) A magistrate serves at the pleasure of the county judge.

***Public Service – Placed under the supervision of Commissioner, District 3, by order of the Commissioners Court (Order No. 2001-2148)

Juvenile – Reports to Juvenile Board. The juvenile board shall appoint a person to serve as the director of juvenile services. The director serves at the pleasure of the board. Texas Human Resources Code, Sec. 152.0631.

DALLAS COUNTY, TEXAS

Principal Officials

As of September 30, 2021

<u>Official Title</u>	<u>Incumbent</u>
County Judge	Clay Lewis Jenkins
Commissioner, Precinct 1	Dr. Theresa Daniel
Commissioner, Precinct 2	J.J. Koch
Commissioner, Precinct 3	John Wiley Price
Commissioner, Precinct 4	Dr. Elba Garcia
County Auditor	Darryl D. Thomas
County Treasurer	Pauline Medrano
Assessor-Collector of Taxes	John R. Ames
County Clerk	John Warren
District Attorney	John Creuzot
District Clerk	Felicia Pitre
Sheriff	Marian Brown

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable County Judge and Commissioners Court
Dallas County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dallas County, Texas (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dallas County Hospital District, which represents the only discretely presented component unit. 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 the 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 financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dallas County, Texas, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I to the basic financial statements, the County adjusted its beginning fiduciary net position as of October 1, 2020 to reflect the impact of the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this change.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: General Fund, Major Projects Special Revenue Fund, Major Grants Special Revenue Fund, the Infrastructure Assets under Modified Approach, the Schedule of Changes in Net Pension Liability and Related Ratios – Primary Government, the Schedule of Employer Pension Contributions – Primary Government, the Schedule of Changes in Other Post Employment Benefit Liability – Primary Government, the Schedule of Changes in Net Pension Liability and Related Ratios – Discretely Presented Component Unit, and the Schedule of Employer Pension Contributions – Discretely Presented Component Unit be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining financial statements, budgetary compliance schedules, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and budgetary compliance schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and budgetary compliance schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Deloitte & Touche LLP

March 29, 2022

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DALLAS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Primary Governmental Activities

This management's discussion and analysis (MD&A) of Dallas County (County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2021. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements. *All amounts, unless otherwise indicated, are expressed in thousands of dollars.* The MD&A includes comparative data for the prior year.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- The government-wide total net position increased \$102,303 from current year operations. Total net position is comprised of:
 - 16.7 % - restricted by external regulators
 - 0.9 % - restricted for debt
 - (10.8) % - unrestricted deficit funds that may be used to meet ongoing obligations to citizens and creditors, negative due to pension and other post employment benefit (OPEB) liabilities
 - 93.2 % - net investment in capital assets
- Major factors contributing to change in net position are:
 - Market adjustment salary increase of 2%.
 - OPEB liability decreased as a result of actual experience being favorable as compared to expected results.
 - Pension liability increased \$151,933 as a result of a change in assumptions of inflation, salary increases and investment returns. Interest of \$187,503 on total pension liability also increased the County's pension liability. Investment gains of \$222,926 decreased pension liability positively.
 - Tax revenues realized during the period increased, reflecting strong collection experience on 2021 taxable values which increased 0.5% over 2020 taxable values partly offset with a 1.4% decrease in the tax rate.

Governmental Funds Financial Statements

- The County's governmental funds reported combined fund balances of \$527,228; compared to \$542,734 in the prior year. Components of fund balance are:
 - 4.4% - nonspendable: inventories and prepaids
 - 0.6% - restricted to major grants
 - 24.1% - restricted to nonmajor governmental funds
 - 1.4% - restricted to debt service
 - 50.4% - committed major projects
 - 5.4% - committed to nonmajor governmental funds
 - 2.6% - assigned general fund
 - 11.1% - unassigned general fund
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$58,639 or 9.8% of general fund expenditures and represents a \$15,079 increase compared to the prior fiscal period. Budget

policy requires this ratio to be 10.5%. The 9.8% ratio is less than the budget policy due to nonspendable inventory and prepaids, which total \$5,741 or 1.0% of general fund expenditures.

- Tax revenues realized during the period increased, reflecting strong collection experience on 2021 taxable values which increased 0.5% over 2020 taxable values.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental

fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintains 27 individual governmental funds (excluding fiduciary funds), 20 special revenue funds, two Capital Project Funds, and the following major funds: American Rescue Plan, Debt Service, Major Grants, Major Projects and General. Information is presented separately in the governmental fund balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Major Projects, American Rescue Plan, and Major Grants, 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 Annual Comprehensive 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 type of proprietary fund) is used to report activities that provide supplies and services for other programs and activities – such as the County’s self-insurance program (including workers’ compensation) and employee benefits. Because these services predominantly benefit 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 Net Position. These activities are excluded from the County’s other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

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

Discretely Presented Component Unit. The Dallas County Hospital District, dba Parkland Health & Hospital System, is a political subdivision of the State of Texas (State), and is a discretely presented component unit of the County. Its components include Parkland Health & Hospital System (Hospital); Parkland Community Health Plan, Inc. (Health Plan); Parkland Foundation (Foundation); and Parkland Center for Clinical Innovation (PCCI). As an essential government function of the County, the Hospital is under the direction of a eleven member Board of Managers, ten are appointed by the Commissioners Court and one is appointed at large. Although the Commissioners Court approves the Hospital’s budget, sets its tax rate, and approves major contracts, the Hospital is an organization separate from the County. These factors dictate the inclusion of these entities in the County’s financial statements. According to the Texas Constitution, the Hospital, not the County, is responsible for the Hospital’s ongoing debt payments regardless of any future financial/economical events. Only the dissolution of the Hospital’s taxing authority by a vote of the County’s voters would terminate the Hospital’s responsibility to provide health care to its indigent eligible residents. The Hospital also has a separate constitutional tax limitation, independent power of eminent domain, and individual right of ownership of property. Financial data of Dallas County Hospital District is presented separately to emphasize that it is legally separate from the County.

Complete financial statements of the Dallas County Hospital District may be obtained from:

Parkland Health & Hospital System
 5200 Harry Hines Boulevard
 Dallas, TX 75235
 Attention: Richard Humphrey
 Executive Vice President Finance and Chief Financial Officer

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County’s net position at September 30, 2021 and 2020 are summarized as follows:

Dallas County's Net Position
Governmental Activities
 (in thousands of dollars)

	<u>2021</u>	<u>2020</u>	Increase (Decrease)
Current and other assets	\$ 1,684,411	\$ 1,466,193	\$ 218,218
Capital assets (net of depreciation)	<u>982,898</u>	<u>861,307</u>	<u>121,591</u>
Total assets	2,667,309	2,327,500	339,809
Deferred outflows of resources	<u>235,673</u>	<u>99,252</u>	<u>136,421</u>
Current and other liabilities	465,875	285,802	180,073
Long-term liabilities	<u>745,700</u>	<u>657,065</u>	<u>88,635</u>
Total liabilities	1,211,575	942,867	268,708
Deferred inflows of resources	<u>914,232</u>	<u>809,013</u>	<u>105,219</u>
Net investment in capital assets	724,157	683,253	40,904
Restricted	136,876	115,265	21,611
Unrestricted (deficit)	<u>(83,858)</u>	<u>(123,646)</u>	<u>39,788</u>
Total Net Position	<u>\$ 777,175</u>	<u>\$ 674,872</u>	<u>\$ 102,303</u>

The financial reporting model focuses on net position and serves as a useful indicator of a government’s financial position. Categories of net position are unrestricted, restricted (subject to external restrictions as to how it may be used) or net investment in capital assets. Current and other assets increased primarily due to increased property tax revenue collected in FY21. Real estate tax revenue increase was due to a 0.5% increase of taxable values offset by a 1.4% decrease in the County’s tax rate. Current and other liabilities increased \$180,073 between FY20 and FY21 as a result of receipt of \$495,911 for the CARES Act Coronavirus Relief Fund for State and Local Governments and the American Rescue Plan. At September 30, 2021, \$266,864 remains available to be spent from these two federal fundings.

Additionally, long-term liabilities increased between FY20 and FY21 as a result of the County’s pension liability. The pension liability increased due to assumption changes for inflation, salaries and investment returns, including interest on the total pension liability. These assumption changes were offset by gain from

invested assets of \$222,926. During the year, an additional capital lease was executed. The amount financed was \$61,581.

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

A portion of Net Position represents resources subject to external restrictions such as statutory requirements, bond covenants, or grantor conditions, which limit use. Unrestricted deficit is negative due to unfunded OPEB liability and accrued pension liability.

The Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds on page 30 provides further details of the increase from governmental operations to net position of \$102,303.

Governmental activities. Program revenues and expenses are presented net of interfund eliminations. Key elements for the years ended September 30, 2021 and 2020 are as follows:

Dallas County's Change in Net Position
(in thousands of dollars)

	2021	2020	Increase (Decrease)
Revenues:			
Net program revenues:			
Charges for services	\$ 164,341	\$ 158,892	\$ 5,449
Operating grants and contributions	300,933	271,858	29,075
Sub-total:	465,274	430,750	34,524
General revenues:			
Property taxes	640,512	596,936	43,576
Other taxes	39,583	39,287	296
Grants and contributions not restricted	4,452	3,598	854
Investment earnings	559	7,677	(7,118)
Gain (loss) on sale of assets	2,762	-	2,762
Total revenues:	1,153,142	1,078,248	74,894
Expenses:			
General government	147,096	151,512	(4,416)
Judicial	202,170	199,758	2,412
Public safety	341,027	345,599	(4,572)
Highways and streets	39,531	35,268	4,263
Health	183,168	105,794	77,374
Education	8,065	8,591	(526)
Public welfare	121,810	164,493	(42,683)
Interest and fiscal charges on long-term debt	7,972	7,653	319
Total expenses:	1,050,839	1,018,668	32,171
Special Item	-	(15,816)	15,816
Change in net position:	102,303	43,764	58,539
Net position - beginning	674,872	631,108	43,764
Net position - ending	\$ 777,175	\$ 674,872	\$ 102,303

General Revenues and Program Revenues

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

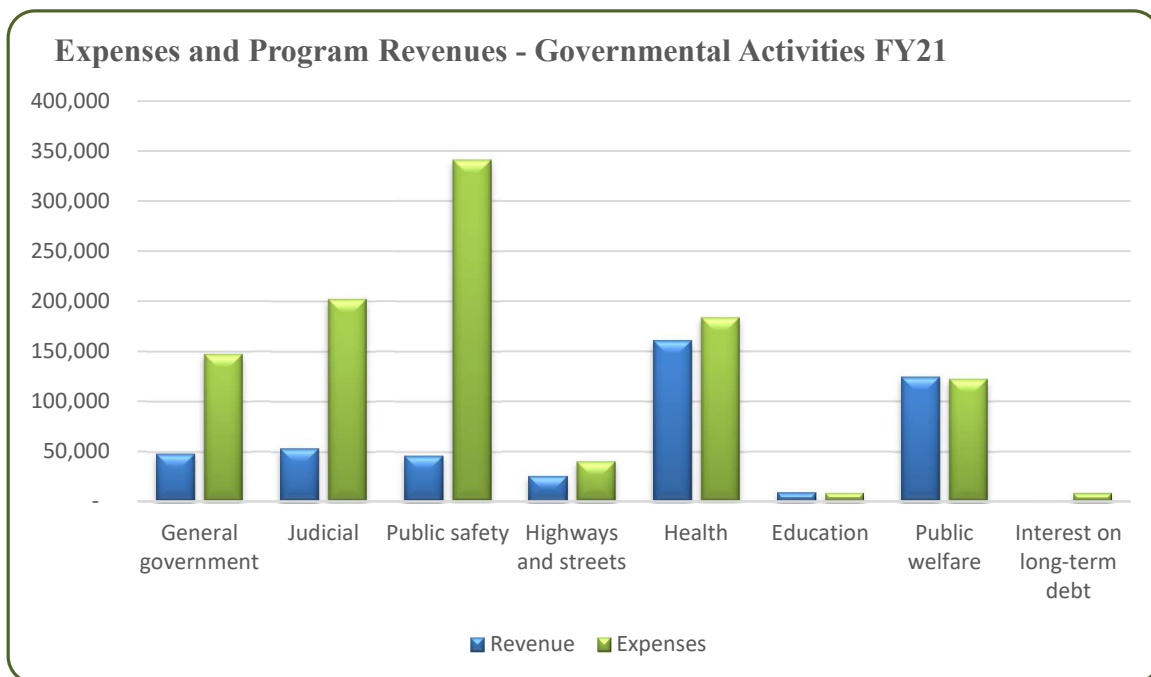
General Revenue

- Property taxes increased \$43,576 during the year from a 0.5% increase in taxable assessed valuations with a 1.4% decrease in the County's tax rate.
- Investment earnings reflect a decrease of \$7,118 due to a decrease of investment yields beginning in March 2020 as a result of COVID.

The tax rate assessed for January 1, 2021 (valuation date), decreased to 23.974 cents per \$100 from 24.31 cents per \$100 in the prior year. Taxable assessed valuations for that period increased 0.5%. (Property taxes levied prior to year end are reflected as unearned revenue and taxes receivable.)

Program Revenue

Program revenues increased between FY20 and FY21.



Program revenues of \$465,274 less expenses of \$1,050,839 for FY21 was a net expense of \$585,565. Program revenue less expenses was a net expense of \$587,918 in 2020. Changes between FY21 and FY20 of Governmental Activities, while minor, the following impacted Governmental Activities:

- Salaries increased October 1 with a market adjustment of 2%. Similarly pension costs increased as a result of salary increases.
- The Pension liability increased from \$156,475 in FY20 to \$246,648 in FY21. Investment earnings net of interest on total pension liability was a net gain of \$35,423 in FY21 as compared to a net gain of \$131,166 in FY20. The effect of assumption changes in FY20 was zero but an increase of the pension liability of \$151,933 in FY21. Assumptions for inflation, salaries and investment returns created the assumption change in FY21.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

The County's aggregate governmental fund balance decreased \$15,506 in the current fiscal year to \$527,228. The majority of the decrease was due to capital outlay expenditures in the Major Projects and County Building Improvements Funds.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$58,639 in contrast to \$43,560 in the prior year. Total fund balance is \$77,980 as compared to \$62,426 at the end of the prior year. Increased tax revenue accounted for the majority of the unassigned fund balance increase. Increased expenditures were recorded in most expenditure categories as a result of salary market adjustments of 2%. As a measure of the General Fund's liquidity, County management has a budgetary target of unassigned fund balance to total fund expenditures (excluding other financing uses) of 10.5%. The budget incorporates maximum anticipatory spending with expectations that management controls will minimize actual costs. FY21 reflects unassigned fund balance to total fund expenditures (excluding other financing uses) at 9.8%. This ratio was impacted by nonspendable inventory and prepaids.

In FY21, the Debt Service fund balance increased between FY20 and FY21 as a result of decreasing debt service requirements with only a small decrease in tax rate allocated to the Debt Service Fund.

The Major Projects Fund reflects a fund balance of \$267,667 in FY21 compared to \$277,368 in FY20. Tax revenue increased \$8,245 as a result of assessed values increasing with a level tax rate for this individual fund. Capital outlay over and above amount required for a capital lease was \$55,662. The minor increase in tax revenues was offset by capital outlays and increased salaries of 2%.

Major Grants Fund includes several federal and state grant programs governed by rules and regulations of the grantor agencies, including funding for CARES Act Coronavirus Relief Fund for State and Local Governments.

NonMajor Governmental Funds did not have an impact on the governmental fund balances, except the changes in the County Building Improvement Fund, and transfers from the Road and Bridge Fund to the General Fund and Major Projects Funds.

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
(in thousands of dollars)

	2021	2020	Increase (Decrease)	Percent Change
Property taxes	\$ 637,610	\$ 597,853	\$ 39,757	6.65%
Licenses and permits	45,583	46,078	(495)	(1.07)
Fines and forfeitures	5,224	5,752	(528)	(9.18)
Investments and rentals	5,130	11,801	(6,671)	(56.53)
Intergovernmental revenues	298,229	282,173	16,056	5.69
Charges for current services	123,075	125,082	(2,007)	(1.60)
Miscellaneous	29,855	12,405	17,450	140.67
Total	<u>\$ 1,144,706</u>	<u>\$ 1,081,144</u>	<u>\$ 63,562</u>	5.88

- Property taxes – increased by \$39,757 primarily due to a 0.5% increase in the 2021 assessed taxable values with a relative flat tax rate. New construction values increased \$15,908, as compared to the previous year.
- Licenses and permits and fines and forfeitures – revenues continued downward trend, which began several years ago.
- Investments and rentals – average yield on investments were stable at both year ends 0.33% (FY20) and 0.41% (FY21). Investment rates were equally low at both year ends.

The significant decline in investment earnings was due to COVID virus which impacted investment yields of short term investments. Such as the County’s significant short term investments in TexPool. Short term rates prior to impact of COVID, ranged between 2% and 1.5%. After COVID impact and through September 2021, short term rates ranged between 0.50% and 0.01%.

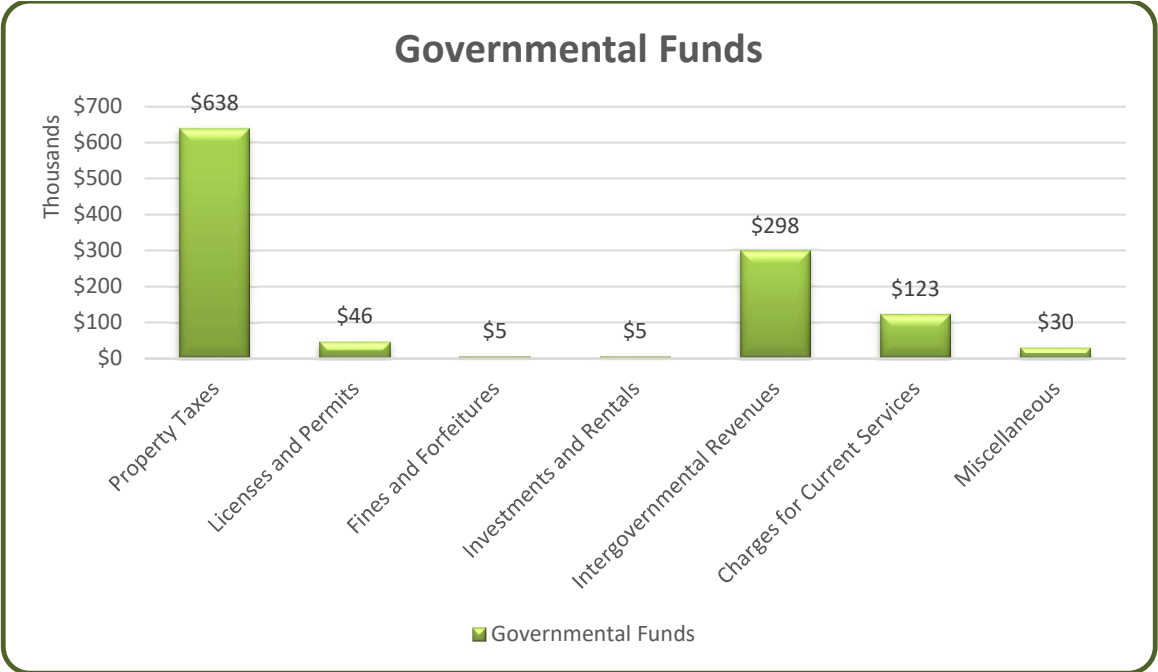
Because of COVID’s impact on interest rates at FY20 the County’s market value adjustment was an increase in interest earnings of \$402. At FY21, because the County’s investments with long term investment periods with rates below then current market rates, the County’s market rate adjustment was a loss of \$1,485. This accounted for a decrease in investment earnings between FY20 and FY21 of \$1,887.

- Intergovernmental revenues increased as a result of the County receiving \$239,952 for the CARES Act Coronavirus Relief Fund for State and Local Governments in April 2020. As of September 30, 2021, \$15,181 remains available to be spent, including interest.

In May 2021, the County received \$255,959 for the American Rescue Plan Act pursuant to the American Rescue Plan Act of 2021. As of September 30, 2021, \$251,683 remains available to be spent including interest.

- Miscellaneous revenues in FY21 includes \$15,659 from various third-party entities that contributed amounts to be used exclusively for the public purpose of planning and operationalizing a safe and secure election administration in Dallas County in 2020. Additionally, the County sold several properties for \$4,161.

Revenues Classified by Source – Governmental Activities – FY21



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

**Expenditures by Function - Governmental Funds
(in thousands of dollars)**

Function:	2021	2020	Increase (Decrease)	Percent Change
General Government	\$ 146,557	\$ 141,396	\$ 5,161	3.65%
Judicial	194,175	191,486	2,689	1.40
Public Safety	337,508	328,686	8,822	2.68
Highways and Streets	40,071	35,394	4,677	13.21
Health	185,196	104,871	80,325	76.59
Public Welfare	121,526	163,742	(42,216)	(25.78)
Education	8,079	8,436	(357)	(4.23)
Capital Outlays	152,311	110,171	42,140	38.25
Debt Service - principal	25,033	28,854	(3,821)	(13.24)
Debt Service - interest and fiscal charges	11,337	11,549	(212)	(1.84)
Total	<u>\$ 1,221,793</u>	<u>\$ 1,124,585</u>	<u>\$ 97,208</u>	8.64

Salaries increased October 1 with market adjustments of 2%. Pension expense increased as a result; the impact of salary increases was reduced by a net gain from invested pension assets in FY21.

- Health expenditures – Dallas County Health and Human Services received multiple COVID related grants leading to an increase in Health expenditures.
- Public welfare expenditures – majority of the CITIES CRF grants expenditures were incurred in FY20 leading to a decrease in public welfare expenditures in FY21.
- Capital outlay expenditures increased. In FY21, only a single capital lease was executed. The amount financed was \$61,581.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Commissioners Court on September 15, 2020, adopted the General Fund budget totaling \$678,372 (prior to including prior period carry forward of encumbrances), an increase of \$19,532 from FY20 budget. Valid encumbrances from prior year are added completing the approved budget. The FY21 legally adopted budget for all funds prior to encumbrance and available funds rollovers totaled \$1,210,929.

Highlights from Dallas County FY21 Budget include the following:

- The tax rate was set at 23.974 cents per \$100 assessed valuation, which decreased from 24.31, which was in effect since tax year 2010.
- Salaries increased October 1 with market adjustment of 2%. Accordingly, pension costs budgeted increased.
- Part time employees will be paid a minimum of \$15 per hour.
- A net total of 38 positions were added.
- Budgetary amounts include encumbered funds for various products or services not yet ordered.

General Fund

Budgeted revenues totaled \$573,395 and actuals totaled \$590,763. Total revenues and property tax revenue exceeded budget by 3.0% and 2.6%, respectively, which are only modest variances. However, actual Charges for Current Services were less than budget by 3.8%. Those variations are due to the following:

Charges for Current Services were less than budget due to \$2,621 decrease of registration commissions and \$1,280 decrease of Constable fees, both of which were impacted by the coronavirus pandemic.

Budgeted salaries expenditures in each classification (except Public Safety, Health and Judicial) were less than actual expenditures. This was a result of the County imposed strict cost control measures based upon the coronavirus pandemic that was declared in the spring of 2020.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-term debt. At September 30, 2021, the County had limited tax, unlimited tax, and general obligation bonds outstanding in the amount of \$116,665, with debt premium of \$14,893. According to Texas statutes, the County has two debt limits. Bonds issued under Article 3, Section 52b of the Texas Constitution total were refunded resulting in zero balance, and bonds issued under Texas Government Code Title 9, Chapter 1301.003 total \$116,665. The debt limits for the two authorizations are \$95,588,489 (25% of real property assessed valuation), and \$19,337,757 (5% of assessed valuation of all taxable property); therefore, the County has legal debt margins on general obligation debt of \$95,588,489, and \$19,337,757, respectively. The County's bond ratings are "AAA" from Standard & Poor's and "Aaa" rating from Moody's for general obligation debt. These ratings have been upheld since 1978 with the latest evaluation in credit rating action February 2022, at which time the County's outlook was rated as STABLE.

The following represents the activity of long-term debt and similar long-term obligations of the County for FY21.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
	(in thousands of dollars)			
Governmental Activities:				
Bonded debt obligations	\$ 148,618	\$ -	\$ 17,060	\$ 131,558
Capital Leases	78,424	61,581	11,253	128,752
Other Post Employment Benefits	228,011	20,176	53,638	194,549
Claims and Judgments	2,000	1,596	1,596	2,000
Compensated Absences	40,641	74,221	74,415	40,447
Net Pension Liability	156,475	398,766	308,593	246,648
Workers' Compensation	2,896	955	2,105	1,746
	<u>\$ 657,065</u>	<u>\$ 557,295</u>	<u>\$ 468,660</u>	<u>\$ 745,700</u>

Legal counsel and subject experts are contracted to review workers' compensation claims and other legal matters as needed. The FY21 claims and judgments were mostly settled for property damages. Workers' compensation expenditures and liability decreased as a result of claims management by the County and a third

party administrator. The County’s OPEB actuarial study was last updated September 30, 2020. Only a fraction of OPEB expense is actually paid in any given year. OPEB liability decreased as a result of differences between actual and expected experience. More detailed information about the County’s OPEB and long-term liabilities is presented in Notes VIII and VI, respectively, to the financial statements.

Capital assets. The capital assets of the County are those assets (land, buildings, improvements, and machinery and equipment (M&E)) that are used in the performance of the County’s functions. Capital assets also include infrastructure assets – roads and bridges. The County owns and maintains the original courthouse constructed in 1892, which has been renovated as a historical treasure. At September 30, 2021, net capital assets of the governmental activities totaled \$982,898, reflecting a net increase of \$121,591. Depreciation of capital assets (except for infrastructure assets, which are reported under the Modified Approach basis) is recognized in the government-wide financial statements. FY21 depreciation for buildings, improvements, and M&E totaled \$33,364. Depreciation is not recorded for the historical treasure, the 1892 Old Red Courthouse, which has a book value of \$32,042.

A tax rate of \$0.04947 per \$100 assessed valuation is split between the Debt Service Fund and Major Projects Fund. Construction or contract development needs are analyzed during the budget cycle and encumbrances/obligations revised.

The County has elected to use the “Modified Approach” as defined in GASB for reporting infrastructure assets, which includes 107.58 miles of roads and 26 bridges and culverts. The FY21 assessment revealed the condition of the roads was maintained consistent with County policy, whereas 99.2% of the County’s roads were rated 2.5 or better on a 4.0 scale, based on the Federal Highway Administration Road Pavement Condition Rating (PCR). All, except three, of the County’s bridges are in very good condition rated 6.0 or better on a 9.0 scale. Three bridges are in good condition rated between 4.0 and 5.9 on a 9.0 scale.

The County expended \$2,329 on County road maintenance for the year ended September 30, 2021. These expenditures delayed deterioration; however, overall road conditions were not significantly improved. Incurred bridge maintenance costs in FY21 were \$256. Additional details on infrastructure assets can be found in Required Supplementary Information of this report.

County's Capital Assets
(net of depreciation)
(in thousands of dollars)

	2021	2020
Governmental Activities:		
Land	\$ 56,300	\$ 48,200
Historical treasures	32,042	32,042
Buildings	662,484	425,743
Machinery and equipment	95,992	89,558
Infrastructure	26,671	26,671
Construction in progress	109,409	239,093
Total	\$ 982,898	\$ 861,307

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

ECONOMIC FACTORS AND NEXT YEAR’S GENERAL FUND BUDGET

The Dallas County General Fund budget is developed annually and intended to provide efficient, effective, and controlled usage of the County's resources, as well as a means to accomplish the highest priorities of the Dallas County Commissioners. Through the budget, the County Commissioners set the direction of the County,

allocate its resources, and establish its priorities. The FY22 Budget meets the key established policy directive of the Commissioners Court requiring that the budgeted ending unassigned General Fund balance be not less than 10.5% of County funded expenditures.

The FY22 budget process was primarily focused on identifying various balancing strategies that impact services provided to citizens of Dallas County as minimally as possible. The budget is expected to raise more revenue from property taxes than the prior year budget by \$29,395, or an increase of 5.13%. The property tax revenue to be raised from new property added to the tax roll is \$13,638.

Highlights from Dallas County FY22 Budget include the following:

- The overall tax rate decreased \$0.011794 from 2021 tax year. Prior to the FY22 Budget, the overall tax rate remained mostly unchanged for eleven years.
- Compensation increases for all levels were approved at 2% effective November 2021 and a 3.33% cost of living adjustment effective January 2022. All employees will be paid a minimum of \$15 per hour.
- An increase of 38 positions was approved.

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 500 Elm Street, Suite 4200, Dallas, TX 75202, or visit the County's website at www.dallascounty.org.



BASIC FINANCIAL STATEMENTS

DALLAS COUNTY, TEXAS

Statement of Net Position

September 30, 2021

(in thousands of dollars)

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Hospital District</u>
ASSETS		
Cash, cash equivalents, and investments	\$ 940,169	\$ 1,015,274
Receivables (net of allowance for uncollectible)	652,646	224,092
Accrued interest	288	-
Due from other government units	67,812	220,687
Due from third-party reimbursement programs	-	27,796
Inventories	2,998	46,968
Prepayments and advances	20,498	-
Assets limited to use	-	225,592
Other noncurrent assets	-	2,660
Capital assets not being depreciated		
Land	56,300	145,551
Construction - in - progress	109,409	217,659
Infrastructure	26,671	-
Historical treasures	32,042	-
Capital assets (net of accumulated depreciation)		
Buildings	662,484	1,136,983
Machinery and equipment	95,992	150,611
Total capital assets	<u>982,898</u>	<u>1,650,804</u>
Total assets	<u>2,667,309</u>	<u>3,413,873</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow of resources - Other post employment benefit (OPEB)	59,409	-
Deferred outflow of resources - pension	176,264	167,090
Deferred outflows of resources	<u>235,673</u>	<u>167,090</u>
LIABILITIES		
Accounts payable and accrued liabilities	97,304	386,662
Accrued interest payable	686	3,485
Other current liabilities	7,415	163,138
Unearned revenues	309,068	-
Due to other government units	51,402	-
Long-term liabilities:		
Due within one year	70,253	15,625
Due in more than one year	239,831	627,326
Due in more than one year - net pension liability	246,648	471,939
Due in more than one year - OPEB	188,968	-
Total liabilities	<u>1,211,575</u>	<u>1,668,175</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow of resources - OPEB	194,890	-
Deferred inflow of resources - pension	79,861	119,498
Deferred inflow - property taxes	639,481	-
Total deferred inflows of resources	<u>914,232</u>	<u>119,498</u>
NET POSITION		
Net investment in capital assets	724,157	1,021,905
Restricted for:		
Highways and streets	34,752	-
Debt service	6,883	-
Major Grants, HUD Section 8 and Academy for Academic Excellence	9,831	-
Record management and capital projects	85,410	-
Third parties	-	30,639
Unrestricted (deficit) position	<u>(83,858)</u>	<u>740,746</u>
Total net position	<u>\$ 777,175</u>	<u>\$ 1,793,290</u>

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

DALLAS COUNTY, TEXAS
Statement of Activities
For the Year Ended September 30, 2021
(in thousands of dollars)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Program Revenues			Primary Government	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Hospital District
Primary government:						
Governmental activities:						
General government	\$ 147,096	\$ 47,749	\$ -	\$ -	\$ (99,347)	\$ -
Judicial	202,170	47,737	5,420	-	(149,013)	-
Public safety	341,027	24,387	21,353	-	(295,287)	-
Highways and streets	39,531	25,319	-	-	(14,212)	-
Health	183,168	10,064	150,612	-	(22,492)	-
Education	8,065	-	8,339	-	274	-
Public welfare	121,810	9,085	115,209	-	2,484	-
Interest and fiscal charges - debt	7,972	-	-	-	(7,972)	-
Total primary government	<u>\$ 1,050,839</u>	<u>\$ 164,341</u>	<u>\$ 300,933</u>	<u>\$ -</u>	<u>\$ (585,565)</u>	<u>\$ -</u>
Component unit:						
Hospital district	<u>\$ 3,237,283</u>	<u>\$ 2,669,722</u>	<u>\$ -</u>	<u>\$ 27,606</u>	<u>\$ -</u>	<u>\$ (539,955)</u>
General revenues:						
Property taxes				\$ 640,512	\$ 752,632	
Alcoholic beverage and other taxes				39,583	-	
Grants and contributions not restricted to specific programs				4,452	96,152	
Investment earnings				559	12,275	
Gain on sale of asset				2,762	-	
Total general revenue				<u>687,868</u>	<u>861,059</u>	
Change in net position				<u>102,303</u>	<u>321,104</u>	
Net position - beginning of year				<u>674,872</u>	<u>1,472,186</u>	
Net position - ending of year				<u>\$ 777,175</u>	<u>\$ 1,793,290</u>	

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

DALLAS COUNTY, TEXAS
Balance Sheet
Governmental Funds
September 30, 2021
(in thousands of dollars)

	General	Debt Service	Major Projects	Major Grants	American Rescue Plan	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash, cash equivalents and investments	\$ 132,004	\$ 7,562	\$ 340,372	\$ 26,693	\$ 255,932	\$ 163,695	\$ 926,258
Property tax receivables (net of allowance for uncollectible)	474,259	18,424	93,396	-	-	55,821	641,900
Accounts receivable (net of allowance for uncollectible)	6,871	1	228	-	-	3,646	10,746
Accrued interest	64	-	160	-	-	64	288
Due from other funds	419	6	-	784	-	79	1,288
Due from other governmental units	11,485	-	3,974	49,644	-	2,709	67,812
Inventories	2,636	-	-	-	-	362	2,998
Prepayments and advances	3,105	1	2,102	3,342	-	11,948	20,498
Total assets	<u>\$ 630,843</u>	<u>\$ 25,994</u>	<u>\$ 440,232</u>	<u>\$ 80,463</u>	<u>\$ 255,932</u>	<u>\$ 238,324</u>	<u>\$ 1,671,788</u>
LIABILITIES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 36,910	-	28,369	16,594	4,237	10,782	96,892
Due to other funds	28,974	-	2	79	-	451	29,506
Due to other governmental units	-	-	50,596	-	-	806	51,402
Unearned revenue - other	-	-	-	57,385	251,683	-	309,068
Total liabilities	<u>65,884</u>	<u>-</u>	<u>78,967</u>	<u>74,058</u>	<u>255,920</u>	<u>12,039</u>	<u>486,868</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - other	12,279	-	73	-	-	2,804	15,156
Unavailable revenue - property taxes	474,700	18,424	93,525	-	-	55,887	642,536
Total deferred inflows	<u>486,979</u>	<u>18,424</u>	<u>93,598</u>	<u>-</u>	<u>-</u>	<u>58,691</u>	<u>657,692</u>
FUND BALANCES							
Nonspendable: inventories and prepaids	5,741	1	2,102	3,342	-	12,310	23,496
Restricted	-	7,569	-	3,063	12	126,930	137,574
Committed	-	-	265,565	-	-	28,354	293,919
Assigned	13,600	-	-	-	-	-	13,600
Unassigned	58,639	-	-	-	-	-	58,639
Total fund balances	<u>77,980</u>	<u>7,570</u>	<u>267,667</u>	<u>6,405</u>	<u>12</u>	<u>167,594</u>	<u>527,228</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 630,843</u>	<u>\$ 25,994</u>	<u>\$ 440,232</u>	<u>\$ 80,463</u>	<u>\$ 255,932</u>	<u>\$ 238,324</u>	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds.	982,898
Other long-term assets are not available to pay for current period expenditures and therefore, are not reported as current period revenues in governmental funds.	18,211
Internal service funds are used by management to charge costs related to medical and workers compensation self insurance. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	32,968
Certain liabilities, including bonds payable and related interest, certain deferred inflows and outflows, pension and OPEB are not due and payable in the current period and therefore, are not included in governmental funds.	(784,130)
Net position of governmental activities	<u>\$ 777,175</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, 2021
(in thousands of dollars)

	<u>General</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Major Grants</u>	<u>American Rescue Plan</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Property taxes	\$ 449,983	\$ 22,216	\$ 109,296	\$ -	\$ -	\$ 56,115	\$ 637,610
Licenses and permits	22,934	-	-	-	-	22,649	45,583
Fines and forfeitures	259	-	-	-	-	4,965	5,224
Investment income	195	28	28	178	12	71	512
Rental revenues	3,152	-	1,366	-	-	100	4,618
Intergovernmental revenues	6,038	-	507	224,296	4,276	63,112	298,229
Charges for current services	99,275	-	-	687	-	23,113	123,075
Miscellaneous	8,927	-	4,323	16,112	-	493	29,855
Total revenues	<u>590,763</u>	<u>22,244</u>	<u>115,520</u>	<u>241,273</u>	<u>4,288</u>	<u>170,618</u>	<u>1,144,706</u>
EXPENDITURES							
Current:							
General government	87,440	-	9,518	-	-	49,599	146,557
Judicial	175,448	-	47	6,209	-	12,471	194,175
Public safety	306,665	-	132	25,717	211	4,783	337,508
Highways and streets	-	-	28,545	-	-	11,526	40,071
Health	30,673	-	-	149,321	4,020	1,182	185,196
Education	-	-	-	-	-	8,079	8,079
Public welfare	743	-	8,098	60,679	45	51,961	121,526
Debt service:							
Principal	-	13,780	11,253	-	-	-	25,033
Interest and fiscal charges	-	6,171	5,166	-	-	-	11,337
Capital outlay	-	-	117,243	-	-	35,068	152,311
Total expenditures	<u>600,969</u>	<u>19,951</u>	<u>180,002</u>	<u>241,926</u>	<u>4,276</u>	<u>174,669</u>	<u>1,221,793</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,206)</u>	<u>2,293</u>	<u>(64,482)</u>	<u>(653)</u>	<u>12</u>	<u>(4,051)</u>	<u>(77,087)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	32,125	-	11,700	6,357	-	508	50,690
Transfers (out)	(6,365)	-	(18,500)	(2,094)	-	(23,731)	(50,690)
Capital lease	-	-	61,581	-	-	-	61,581
Total other financing sources (uses)	<u>25,760</u>	<u>-</u>	<u>54,781</u>	<u>4,263</u>	<u>-</u>	<u>(23,223)</u>	<u>61,581</u>
Net change in fund balances	15,554	2,293	(9,701)	3,610	12	(27,274)	(15,506)
Fund balances - beginning (as restated, Note 1)	62,426	5,277	277,368	2,795	-	194,868	542,734
Fund balances - ending	<u>\$ 77,980</u>	<u>\$ 7,570</u>	<u>\$ 267,667</u>	<u>\$ 6,405</u>	<u>\$ 12</u>	<u>\$ 167,594</u>	<u>\$ 527,228</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 to the
 Statement of Activities
 for the Year Ended September 30, 2021
 (in thousands of dollars)

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances total governmental funds	\$	(15,506)
<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 exceeds depreciation in the current period. See - Notes to the Basic Financial Statements for details.</p>		
		123,182
<p>The net effect of various transactions (e.g., sale of capital assets). See - Notes to the Basic Financial Statements for details.</p>		
		(1,591)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. See - Notes to the Basic Financial Statements for details.</p>		
		9,898
<p>Some expenses reported in Statement of Activities are not fund expenditures (e.g., compensated absences, OPEB and pension that are liabilities not normally liquidated with current financial resources). See - Notes to the Basic Financial Statements for details.</p>		
		(54,319)
<p>The issuance of long term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while repayment of long term debt principal consumes current financial resources of governmental funds. Governmental funds report the effect of premiums and discounts when debt is first issued; 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. See - Notes to the Basic Financial Statements for details.</p>		
		28,313
<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. See - Statement of Revenues, Expenses and Changes in Fund Net Position for details.</p>		
		12,326
Change in net position of governmental activities	\$	<u><u>102,303</u></u>

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

DALLAS COUNTY, TEXAS

Statement of Net Position

Proprietary Fund

September 30, 2021

(in thousands of dollars)

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 13,911
Due from other funds	28,218
Total current assets	<u>\$ 42,129</u>
LIABILITIES	
Current Liabilities:	
Medical claims	\$ 7,415
Workers' compensation claims - current	1,297
Total current liabilities	<u>8,712</u>
Non-Current Liability:	
Workers' compensation claims non-current	449
Total liabilities	<u>9,161</u>
NET POSITION	
Unrestricted	32,968
Total net position	<u>\$ 32,968</u>

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

DALLAS COUNTY, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended September 30, 2021
(in thousands of dollars)

	<u>Governmental Activities- Internal Service Fund</u>
Operating revenues:	
Premiums	\$ <u>96,214</u>
Operating expenses:	
Benefit payments	78,044
Administration	<u>5,845</u>
Total operating expenses	<u>83,889</u>
Operating income	12,325
Non-operating revenues:	
Interest income	<u>1</u>
Change in net position	12,326
Total net position - beginning of year	20,642
Total net position - ending of year	<u>\$ <u>32,968</u></u>

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

DALLAS COUNTY, TEXAS
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2021
(in thousands of dollars)

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash for premiums and reimbursements	\$ 85,790
Cash payments for benefit claims	(76,978)
Cash payments for administrative fees	<u>(5,845)</u>
Net cash provided by operating activities	<u>2,967</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest on investments	<u>1</u>
Net cash provided by investing activities	<u>1</u>
Net increase in cash and cash equivalents	2,968
Cash and cash equivalents at beginning of year	<u>10,943</u>
Cash and cash equivalents at end of year	<u>\$ 13,911</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income	\$ 12,325
Changes in current assets and liabilities:	
Due from other funds	(10,424)
Liabilities	<u>1,066</u>
Net cash operating activities	<u>\$ 2,967</u>

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

Dallas County, Texas
Statement of Fiduciary Net Position
September 30, 2021
(in thousands of dollars)

	Custodial Funds
Assets:	
Cash, cash equivalents and investments	\$ 202,515
Accrued interest	2
Accounts receivable	200
Prepayments and advances	116
Assets held in escrow	8,291
Total assets	\$ 211,124
Liabilities:	
Accounts payable	\$ 2,964
Unearned revenue - other	145
Due to other governmental units	102,743
Total liabilities	105,852
Deferred inflows of resources:	
Unavailable revenue - other	196
Total deferred inflows	196
Net Position:	
Restricted for: Individuals, Organizations or Other Governments	105,076
Total net position	105,076
Total liabilities, deferred inflows and fund balances	\$ 211,124

DALLAS COUNTY, TEXAS
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2021
(in thousands of dollars)

		Custodial Funds
ADDITIONS:		
Ad valorem tax collections - local government	\$	752,582
CSCD grant collections		27,456
CSCD participants		9,749
Trust/Escrow contributions		126,207
Inmate accounts		12,499
Investment interest		12
Miscellaneous		201
Total Additions		928,706
DEDUCTIONS:		
Ad valorem tax payments - local government		752,238
Administrative costs		424
CSCD program costs		34,140
Election costs		5,516
Inmate accounts		13,467
Trust/Escrow disbursements		103,372
Total Deductions		909,157
Increase in Fiduciary Net Position		19,549
Net Position - beginning (as restated, Note I)		85,527
Net Position - ending	\$	105,076

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following GASB Statements were implemented in FY21.

GASB Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

In fiscal year 2021, the County implemented GASB Statement No. 84, "Fiduciary Activities". This statement provides clearer guidance on identifying fiduciary activities for accounting and reporting purposes. The County previously reported the activity of agency funds as fiduciary funds. Accordingly, all custodial funds that have met the definition of a custodial fund under GASB 84 are now reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The beginning net position for the Fiduciary funds are showing as "restated" due to the implementation.

GASB Statement No. 90 – *Majority Equity Interest-an Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement did not impact the County financial statements.

GASB Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

A. Reporting Entity

The County is a public corporation and political subdivision of the State of Texas (State). The Commissioners Court composed of four commissioners and the County Judge is the general governing body of the County in accordance with Article 5, Section 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of Texas: general government (e.g., tax collection, funds investment, etc.), judicial (courts, juries, district attorney, etc.), public safety (sheriff, jail, homeland security, etc.), highways and streets, health, education, and public welfare (e.g., juvenile services and assistance to indigents).

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

The accompanying financial statements and Notes to the Basic Financial Statements include Dallas County Hospital District (Parkland), and components, as a discretely presented component unit of the County.

Complete financial statements of The Dallas County Hospital District may be obtained from:

Parkland Health & Hospital System
5200 Harry Hines Boulevard
Dallas, TX 75235
Attention: Richard Humphrey
Executive Vice President Finance and Chief Financial Officer

COVID-19 Pandemic, CARES Act Funding and American Rescue Plan Act

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incident of COVID-19 (COVID-19) as a global pandemic.

In April 2020, the County received and recorded in the Major Grants Fund \$239,952 for the CARES Act Coronavirus Relief Fund for State and Local Governments (CARES Act). As of September 30, 2021, including interest \$15,181 remains available to be spent.

The extent of the COVID-19 pandemic's adverse effect on the County's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the County's control and ability to forecast. Such factors include, but are not limited to, the scope and duration of stay at home practices and business closures and restrictions and government imposed or recommended suspensions. Higher sustained rates of unemployment and incremental expenses required for supplies and personal protective equipment have occurred.

Because of these and other uncertainties, the County cannot estimate the length or severity of the effect of the pandemic on the County's operations. Decreases in cash flows and results of operations may have an effect on the inputs and assumptions used in significant accounting estimates, including estimated operating revenues, collections of property taxes, bad debts and contractual adjustments.

In May 2021, the County received and recorded in the American Rescue Plan Fund \$255,959 for the American Rescue Plan Act. As of September 30, 2021, including interest \$251,683 remains to be spent.

Other Boards, Commissions and Other Entity

The Commissioners Court appoints individuals to certain boards and commissions; only Parkland is a component unit of the County. Those entities are:

Child Welfare Board
Citizen Election Advisory Committee
Historical Commission
Historical Foundation
Hospital District Board of Managers (Parkland)
Metrocare Services Board of Trustees
North Central Texas Health Facilities Development Corporation Board
North Texas Tollway Authority Board
North Texas Behavioral Health Authority
Trail and Preserve Program Board (TAPP)
Welfare Advisory Board
Youth Services Advisory Board

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government–Wide and Fund Financial Statements

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

The Statement of Activities reflects the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, e.g., other postemployment benefits are charged to general government functions/programs in the Statement of Activities because these costs are guaranteed by the general government. Indirect expenses include changes in estimates of workers' compensation, which may not be reasonably allocated to other functions/programs in the Statement of Activities.

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

In the prior fiscal year, the County Building Improvement Fund was considered a major governmental fund. This year this fund is included with Nonmajor Funds. The impact is an increase of \$48,754 to the beginning fund balance in the Nonmajor Funds.

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

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues net of allowances are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Major revenue types, which have been accrued, include district clerk and county clerk fees, justice of the peace fees, revenue from investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

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

Governmental fund level financial statements are reported using current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized only when they become susceptible to accrual (measurable and available). Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Unavailable means not available to finance expenditures for the current fiscal period. Unearned refers to funds received before the earnings process is completed. Except for grants, measurable and available revenues include revenues expected to be received within 60 days after the fiscal year end. Grants policy

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

includes recognition of revenues, so long as such amounts are collectible within 120 days or soon enough afterwards to be used to pay liabilities for the current period, and where grant eligibility requirements have been met. Property taxes levied prior to September 30, 2021, and became due October 1, 2021 have been assessed to finance the budget of the fiscal year beginning October 1, 2021 and, accordingly, have been reflected as unavailable revenue and property taxes receivable in the governmental fund financial statements. Receivables and deferred inflows associated with these property taxes are included in the government-wide statements at September 30, 2021.

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

The County reports the following major governmental funds:

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. Significant revenue sources include property taxes, charges for services, intergovernmental revenues, and investment income of idle funds. Primary expenditures are for general government, public safety, judicial, public welfare, health services, and capital acquisition.

Debt Service Fund is used to account for accumulation of resources for, and the payment of, general long-term debt principal and interest. The revenue source is primarily property taxes levied specifically for debt service. Interest earnings from investment of idle funds of County Building Improvements and Capital Project Funds are deposited and recorded in the Debt Service Fund to assist in bonded debt retirement.

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

American Rescue Plan is used to account for funds received from the U.S. Department of Treasury to be used for the response efforts relating to local fiscal recovery from the COVID-19 pandemic pursuant to the American Rescue Plan Act of 2021.

Major Grants Fund is used to account for programs supported by federal (including CARES Act), state and local financial assistance or intergovernmental contracts from various agencies and/or governmental units except for HUD-Section 8 Grants and the Academy for Academic Excellence, which are included in Other Nonmajor Governmental Funds.

Nonmajor Funds include special revenue funds and capital project funds. The funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes. As an example, the Road and Bridge Fund is legally restricted.

Other fund types include proprietary and fiduciary funds:

Proprietary Fund financial statements are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and economic resources. The County's only Proprietary Fund is the Internal Service Fund used to account for the County's group medical insurance program, workers' compensation, self insurance program, other postemployment liabilities and flexible spending accounts of employees who participate in the medical and dependent care flexible spending option of the County's cafeteria style plan. Revenues

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

are derived from County contributions, employee and COBRA premiums, investment of idle funds, and stop loss collections. Expenses are for claims and administrative expenses.

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

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

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

Fiduciary Funds financial statements include custodial funds used to account for assets held by the County as agent for individuals, private organizations, and other governments and cannot be used to support the County's own programs. Custodial funds do not involve a formal trust agreement. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following are the County's Custodial Funds:

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

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

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 by the Courts.

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

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

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

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

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

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

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

DALLAS COUNTY
Notes to the Basic Financial Statements
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Sheriff Inmate Funds – used to account for monies held for individuals in County custody.

DCS Administration – Dallas County Schools (DCS) was legislatively abolished effective November 15, 2017 and Dallas County Schools Dissolution Committee (Committee) was statutorily appointed to administer dissolution of DCS. Prior to FY19, neither were ever associated with the County.

Effective September 1, 2019, the Committee was abolished by Texas Senate Bill No. 2018. On that same date, all duties and obligations of the Committee were transferred to Dallas County Commissioners (DCC). While Senate Bill 2018 transferred control of and responsibility for administering all obligations of the abolished DCS and its now abolished dissolution committee to the Commissioners Court of Dallas County, it explicitly forbade the use of County assets (including ad valorem tax revenue) to pay any liability, debt, contract, or other obligation of DCS or the Committee.

All outstanding debts and obligations of DCS are described in the final judgment of the 134th Judicial District Court dated May 22, 2018 in Cause No. DC-18-04952. These outstanding debts may only be paid from proceeds collected under the tax previously adopted by DCS and reauthorized under SB 2018, levied annually at the rate of one cent per \$100 of ad valorem valuation until all said debt is discharged under the terms of the final judgment. The County Commissioners Court is collecting these ad valorem taxes and paying down the outstanding debt. All other claims, including claims for worker's compensation and unemployment compensation filed on or before September 1, 2019, may only be paid from the sinking fund created by the Committee or any other funds transferred from the Committee to the County.

As of September 30, 2021, debt obligations payable from ad valorem taxes have interest rates varying from 3.00% to 8.75% with anticipated maturity dates ranging between March 31, 2023 and March 31, 2024. Ad valorem taxes are to be collected and paid annually on or before March 30, until debt obligations plus accrued interest are paid in full.

As of September 30, 2021, \$14,774 was available in a fiduciary fund to pay workers' compensation and unemployment claims.

D. Assets, Liabilities, and Net Position

1. Cash, Cash Equivalents, and Investments

A Statement of Cash Flows is required by GAAP to be provided for the Proprietary Fund. The County considers cash on hand, demand deposits, and all highly liquid investments with original maturities less than 90 days at date of purchase to be cash and cash equivalents. Texas

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

statutes and the County's official investment policy authorize the County to invest in fully collateralized security repurchase agreements, fully serviced certificates of deposit at the depository, obligations of the Texas Local Government Investment Pool (TexPool), which is a local government investment pool sponsored by the Texas Controller of Public Accounts and managed by Federated Investors. TexPool investments include U.S. Treasury securities, direct obligations of, or participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank, U.S. Small Business Administration, Federal Farm Credit Bank, and Federal Agricultural Mortgage Corporation. To be eligible to receive funds from and investments on behalf of the County, an investment pool must be rated not lower than AAA or AA-m or at an equivalent rating of at least one nationally recognized rating service.

The County records investments, except TexPool and TexPrime Deposits, at fair value. TexPool and TexPool Prime Deposits are recorded at amortized cost. Investment income for the County is recognized as revenue in the appropriate fund's Statement of Revenues, Expenditures and Changes in Fund Balance, and in the Statement of Activities as investment earnings.

2. Receivables and Payables

Property taxes are levied prior to September 30 based on taxable values as of January 1, and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected in the government-wide financial statements based on the accrual method of accounting. Property tax receivables are shown net of an allowance for uncollectible accounts. Property taxes owed for a future period are deferred and recognized as revenue in the periods they were earned.

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

Reimbursements for services performed are recorded as receivables and revenues when earned in the government-wide financial statements. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts. Borrowing between funds is recorded as an amount either "Due to" or "Due from." Due to and due from amounts are eliminated in the government-wide financial statements.

3. Inventories and Prepayments

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

DALLAS COUNTY
Notes to the Basic Financial Statements
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The costs of prepaid items are recorded as expenditures when consumed rather than when purchased. In the fund financial statements, advances and prepayments are denoted as a nonspendable fund balance.

4. Restricted Assets/Funds

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

- Debt Service Fund balance (amount restricted for future debt service expenditures according to debt covenants);
- Major Grants, American Rescue Plan, and the following grant funds, which are included with Nonmajor Governmental Funds: HUD Section 8 Grants and Academy for Academic Excellence (amounts restricted for future grant expenditures according to award restrictions);
- Other Nonmajor Governmental Fund balances (except for Permanent Improvement and Major Technology) (amounts restricted for other specific purposes according to Texas statutes).

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

- Included in Other Nonmajor Governmental Funds: Permanent Improvement, County Building Improvements and Major Technology Fund balances (committed by governing body for future nonmajor building improvements or major technology related expenditures);
- Major Projects Fund balance (amount committed for future major construction related expenditures according to official action of governing body).

5. Capital Assets

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

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset life is not capitalized. Additionally, County capital expenditures include

DALLAS COUNTY
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

amounts incurred to improve infrastructure assets owned by other governmental entities within Dallas County. Accordingly, these amounts are not capitalized. Capital assets, except infrastructure, are depreciated using the straight line method over the following estimated useful lives:

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

The 1892 Old Red Courthouse is recorded as an Historical Treasure at historical cost but not depreciated. The County uses the modified approach to report infrastructure assets in the government-wide Statement of Net Position. Infrastructure assets are recorded at historical cost but not depreciated. Under the modified approach, the County reports annual expenses for maintaining County roads and bridges including estimated costs for preservation at specified levels.

The County evaluates capital assets regularly for impairment. If circumstances suggest that assets may be impaired, an assessment of recoverability is performed prior to any write down of assets. An impairment charge is recorded on those assets for which the estimated fair value is below its carrying amount.

6. Compensated Absences

A liability for unused vacation and sick time for all full-time employees is reported in the government-wide financial statements. This includes related amounts for Social Security, Medicare, and County retirement benefits. The following criteria must be met to be considered as compensated absences:

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

Liabilities for compensated absences are recognized in the fund statements to the extent such liabilities have matured (e.g., are due for payment). Accordingly, there are none in the fund statements as of September 30, 2021, but compensated absences are accrued in the government-wide statements.

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

The County's permanent, full-time employees accrue annually 96 hours of sick leave. Sick

DALLAS COUNTY
Notes to the Basic Financial Statements
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

7. Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County has two items that qualify for reporting in this category. These are the deferred outflows of resources related to pensions and Other Post Employment Benefits (OPEB) discussed in Note VIII Retirement Commitments. These amounts are amortized over a period of five or six years.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, the County has an inflow of resources related to pensions and other post employment benefits. Pensions and OPEB are discussed in Note VIII Retirement Commitments. Pension amounts are amortized over a period of five years. OPEB amounts are amortized over a period of twelve years.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the term of the bonds. Bonds payable are reported net of unamortized premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums or discounts, and issuance costs in the period in which bonds are issued. The principal of bonds issued is reported as another financing source. Premiums received on debt issuances are reported as another financing source while discounts are reported as another financing use.

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

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(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 billings received from the Texas Workforce Commission. The County also processes workers' compensation payments through a third party administrator as claims become due. The third party administrator assists with hearings for contested claims. Expected costs are budgeted annually from current resources (see Note X).

10. Fund Balances

Fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These classifications are defined as:

- Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portions of loans or notes receivable, or property held for resale unless the use of the proceeds are restricted, committed or assigned), and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation. The restricted fund balance at September 30, 2021, is composed of \$7,569 restricted as a result of bond requirements for future debt service, with \$3,063 restricted by State and federal authorities for grants awarded to the County. Special Revenue Fund balance of \$109,962 is restricted by federal and State statutes. Capital Project Fund balance of \$16,968 is restricted as a result of bond requirements. Bonds were issued to fund improvements and renovation of certain County buildings.
- Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision making authority. The County's highest level of decision making authority resides with the Commissioners Court. This formal action is the passage of a court order specifying the purposes for which amounts can be used. The same type of formal action is necessary to remove or change the specified use. As of September 30, 2021, Major Project Fund committed balance is \$265,565. The balance of committed fund balance \$28,354 is for permanent building improvements and major technology projects.
- Assigned fund balance includes amounts that are constrained in accordance with policies established by the Commissioners Court. Officials responsible for budget level control are delegated that authority by the Commissioners Court to assign amounts for a specific purpose. Amounts assigned are neither restricted nor committed. For governmental fund types other than the General Fund, this is the residual amount within the fund that is not restricted or committed. As of September 30, 2021, the assigned fund balance of \$13,600 is primarily composed of amounts assigned by officials for various operational expenditures.
- Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

When both restricted and unrestricted amounts are available for use, County policy as approved by the governing body is to use restricted amounts first, with unrestricted resources utilized as needed. In the case of unrestricted resources, the policy is to use committed amounts first consistent with formal action of the governing body, followed by assigned amounts, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be incurred.

11. Net Position

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

12. Use of Estimates

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

13. Budgets

The County controls appropriations at the category level (i.e., salaries, operating and property) for each department or project within the General Fund and some of the Special Revenue Funds. Grants are budgeted in total and not at the category level. All Debt Service Fund expenditures for principal and interest on long-term debt are considered to be in the operating category. Certain appropriation transfers may be made between categories or departments only with approval of the Commissioners Court. Other transfers may be authorized by the Budget Director. Transfers made during fiscal 2021 did not increase the County's overall budget. Unencumbered amounts for annually budgeted funds lapse at fiscal year end. The original budgets including prior period encumbered funds are the approved budgets before amendments and transfers. Final budgets reflect budgets as amended for all appropriation transfers processed during the fiscal year. More comprehensive accounting of budget activity (prepared on a GAAP basis) is provided in a separate report, which is available for public inspection in the office of the Dallas County Auditor, 500 Elm Street, Suite 4200, Dallas, Texas 75202.

DALLAS COUNTY
Notes to the Basic Financial Statements
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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 Position

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

Property taxes – assessed in current year which remain uncollected within 60 days of year end	\$ 3,055
Other receivables and accrued interest – which remain uncollected within 60 days of year end	15,156
Net adjustment to increase fund balance – total governmental funds to arrive at net position - governmental activities	<u>\$ 18,211</u>

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

Bonds payable	\$ (116,665)
Premium on bonds payable	(14,893)
Capital leases payable	(128,752)
Other post employment benefits	(194,549)
Accrued interest payable	(686)
Accrued liabilities	(412)
Claims and judgments	(2,000)
Compensated absences	(40,447)
Net pension liability	(246,648)
Deferred inflow resources – OPEB	(194,890)
Deferred outflow of resources – OPEB	59,409
Deferred inflow of resources – pension	(79,861)
Deferred outflow of resources – pension	176,264
Net adjustment to decrease fund balance – total government funds to arrive at net position - governmental activities	<u>\$ (784,130)</u>

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(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 position of governmental activities as reported in the government-wide Statement of Activities. Governmental funds report capital expenditures; however, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. The detail of this difference is as follows:

Capital expenditures	\$	94,965
Capital leases executed		61,581
Depreciation expense		<u>(33,364)</u>
Net adjustment to increase net changes in fund balances - total government funds to arrive at changes in net position of governmental activities.	\$	<u><u>123,182</u></u>

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

Depreciated cost of capital assets sold or disposed	\$	<u>(1,591)</u>
Net adjustment to decrease net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	\$	<u><u>(1,591)</u></u>

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

		Fund Basis	
September 30, 2020	Unavailable Revenue	\$	(615,395)
September 30, 2021	Unavailable Revenue		657,692
		Statement of Net Position	
September 30, 2020	Deferred Inflows		607,082
September 30, 2021	Deferred Inflows		<u>(639,481)</u>
		\$	<u><u>9,898</u></u>

DALLAS COUNTY
Notes to the Basic Financial Statements
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II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

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

Compensated absences	\$	194
Workers compensation		1,150
Pension		5,785
Accrued interest		85
Other post employment benefits		1,105
Accounts payable and accrued liabilities		(412)
Capital lease obligation		(61,581)
Other current liabilities		(645)
Net adjustment to decrease net changes in fund balances	\$	<u><u>(54,319)</u></u>

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

The details of this difference are as follows:

Debt principal repayments	\$	13,780
Capital lease principal payments		11,253
Amortization of debt premium		3,280
Net adjustment to increase net changes in fund balances	\$	<u><u>28,313</u></u>

III. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES

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

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

The County’s investments are comprised of Federal National Mortgage Association Notes; Federal Home Loan Bank Notes; Federal Home Loan Mortgage Corporation Notes; Federal Farm Credit Bank Notes; TexPool deposits, and TexPool Prime deposits.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

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

Deposits

At September 30, 2021, the carrying amount of the County’s demand deposits and investments was as follows:

	<u>Governmental Funds</u>		<u>Proprietary Funds</u>		<u>Total</u>		<u>Fiduciary Funds</u>		<u>Total</u>
Cash ^(a)	\$ (12,058)	\$	5,428	\$	(6,630)	\$	165,667	\$	159,037
Investments and cash equivalents ^(a)	<u>938,316</u>		<u>8,483</u>		<u>946,799</u>		<u>36,848</u>		<u>983,647</u>
Total cash, cash equivalents and investments	\$ <u>926,258</u>	\$	<u>13,911</u>	\$	<u>940,169</u>	\$	<u>202,515</u>	\$	<u>1,142,684</u>

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

Custodial Credit Risk – Deposit

In accordance with the Texas Public Funds Collateral Act and County cash management policies, County deposits are either covered by FDIC insurance or collateralized with securities held by the County or the County’s agent in the name of the County.

Custodial Credit Risk – Investments

In accordance with the Texas Public Funds Collateral Act and the County’s formal investment policies, County investments are either insured, registered, or held by the County or the County’s agent in the name of the County.

TexPool and TexPool Prime – Deposits

The State Comptroller of Public Accounts exercises responsibility over TexPool and TexPool Prime (TexPool), the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other individuals who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

Currently, TexPool and TexPool Prime are rated AAAM by Standard & Poor’s. As a requirement to maintain the weekly rating, portfolio information must be submitted to Standard & Poor’s, as well as the office of the State Comptroller of Public Accounts for review.

TexPool and TexPool Prime operate in a manner consistent with GASB 79 criteria. TexPool and TexPool Prime are reported at amortized cost and fair value of both pools equals the value of pool shares. The pools are subject to regulatory oversight by the Texas State Comptroller, although they are not registered with the SEC.

TexPool and TexPool Prime invest in obligations of the United States Government, its agencies or instrumentalities, fully collateralized repurchase agreements or reverse repurchase agreements, or no load money market funds that are registered with and regulated by the SEC.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

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

Investments

At September 30, 2021, investments held by the County and Fiduciary funds are carried at fair value, defined as the price at which two willing parties would complete an exchange. Those investments were as follows:

Investment Type	Fair Value	Percent of Investments, Cash and Cash Equivalents	Weighted Average Days to Maturity	Weighted Average Stated Interest Rate	Rating
Federal Home Loan Bank Notes	\$ 227,832	19.94 %	1,451	0.50 %	Note 1
Federal Home Loan Mortgage Corporation Notes	34,905	3.05	1,103	0.46	Note 1
Federal National Mortgage Association Notes	27,569	2.41	1,086	0.57	Note 1
Federal Farm Credit Bank Notes	54,740	4.79	1,288	0.54	Note 1
Certificates of Deposit	7,651	0.67	670	1.49	
Investments	<u>352,697</u>	<u>30.86</u>	<u>1,346</u>	<u>0.53</u>	
TexPool Prime Deposits	118,492	10.37	1	0.63	Note 2
TexPool Deposits	512,458	44.85	1	0.28	Note 2
Cash Equivalents	630,950	55.22	1	0.34	
Cash	159,037	13.92	-	-	
Investments, Cash and Cash Equivalents	<u>\$ 1,142,684</u>	<u>100.00 %</u>	<u>484</u>	<u>0.41 %</u>	

Note 1: Moody's Investor Services, Standard & Poor's (S&P) AAA, Fitch AAA. These investments are recorded at fair value.

Note 2: TexPool Prime Deposits and TexPool Deposits are recorded at amortized cost.

At September 30, 2021, the County had the following investments and cash equivalents, and maturities:

	Investment Maturities (in years)					
	Fair Value	Less than 1	1 – 2	2 – 3	3 – 4	4 – 5
U.S. agencies and government sponsored enterprises	\$ 345,046	\$ -	\$ -	\$ 57,950	\$ 141,187	\$ 145,909
Certificates of Deposit	7,651	2,246	1,758	2,131	1,516	-
Investment Pools:			-	-	-	
TexPool Prime ⁽¹⁾	118,492	118,492	-	-	-	-
TexPool ⁽¹⁾	<u>512,458</u>	<u>512,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments and cash equivalents	<u>\$ 983,647</u>	<u>\$ 633,196</u>	<u>\$ 1,758</u>	<u>\$ 60,081</u>	<u>\$ 142,703</u>	<u>\$ 145,909</u>

⁽¹⁾ TexPool Prime and TexPool are recorded at amortized cost.

DALLAS COUNTY
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III. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES (Continued)

GAAP categorizes financial instruments within three different levels of risk dependent upon the measurement of their fair value. The three levels of fair value are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the County can access at the measurement date.
- Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobserved inputs for the asset or liability.

Because the County investments are restricted by policy and State law to active secondary markets, the market approach is used for valuation. Market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

Fair value measurements of U.S. Agencies are all Level 2. In accordance with GASB 79, TexPool deposits and TexPool Prime deposits are recorded at amortized cost.

Interest Rate Risk

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

The County invests in two external investment pools. Investments held by TexPool Prime and TexPool have 49 and 38 weighted average maturity days, respectively.

Credit Risk

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

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

Concentration/Diversification of Credit Risk

County investment policy includes various concentration limits as to issues and maturity. These limits apply to securities issued by federal, state and local governments and related agencies and consider all funds under the County's control. The limit for federal agencies is 80% of the County's investment portfolio. The County has 30.19% invested in federal agencies as of September 30, 2021, with 19.94% invested in Federal Home Loan Bank notes.

IV. PROPERTY TAXES AND OTHER RECEIVABLES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied prior to September 30, become due October 1 and are delinquent after January 31. The County's Tax Office collects property taxes for 89 entities: 4 county entities, 10 school districts, 23 cities, 2 flood control districts, 2 levee districts, and 48 public improvement districts (PIDs) as authorized by V.T.C.A., Tax Code §6.24.

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IV. PROPERTY TAXES AND OTHER RECEIVABLES (Continued)

The County continues to collect only delinquent taxes for County Education Districts, Wilmer/Hutchins ISD and Levee District 4.

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

Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor/Collector's Custodial Fund. Tax collections are recorded net of the entities' related collection commission paid to the County in this agency fund according to the levy year for which taxes are collected. Tax collections deposited for the County are distributed on a monthly basis to the following funds (amounts are for each one hundred dollars of valuation): General (\$0.16914), Debt Service (\$0.00831), Major Projects (\$0.04116), Nonmajor Funds - Permanent Improvement (\$0.0018), and Major Technology (\$0.01933). 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.

County tax abatement programs that reduce property tax revenues induce behavior by individuals and entities beneficial to the County or its citizens. Abatement of taxes may encourage economic development or housing projects or historic preservation projects.

Tax abatements for FY21 total \$891. County abatements are summarized as follows.

Economic development projects:

- 1) Provide development of facility expansion or modernization or new construction or relocation.
- 2) Real property and business personal property taxes are abated through a reduction of assessed values.
- 3) Authority to abate taxes is provided in the State Statutes.
- 4) A criterion to receive abatement includes a time period in which taxable values of properties located within the County increase or full-time permanent jobs increase.
- 5) Abatement amount may range from 40% to 85% of eligible taxable property values.
- 6) In the event of an uncured breach of an abatement, taxes which otherwise would have been paid without benefit of a tax abatement are due and payable to the County within 60 days.
- 7) The County does not have other commitments for reduction of taxes.
- 8) In FY21, gross tax revenues abated was \$675.

Housing projects:

- 1) Provide development of housing projects within a priority area, strategic area or distressed area of Dallas city central business district.
- 2) Real property taxes are abated through a reduction of assessed values.
- 3) Authority to abate taxes is provided in the State Statutes.
- 4) Abatement criteria differ depending upon location of a project. Different locations require different amounts of housing units, time and amount County tax base increases. New housing units must include affordable housing units of at least 10%.
- 5) Abatement amount may range from 75% to 90% of eligible taxable property values.
- 6) In the event of an uncured breach of an abatement, taxes which otherwise would have been paid without benefit of a tax abatement are due and payable to the County within 60 days.

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IV. PROPERTY TAXES AND OTHER RECEIVABLES (Continued)

- 7) The County does not have other commitments for reduction of taxes.
- 8) In FY21, gross tax revenues abated was \$216.

Property tax receivables are affected by participation in several Tax Increment Finance (TIF) Districts. In the fiscal year ended September 30, 2021, the County either financially participated in or had authorization to participate in 21 TIF districts at various percentage participation levels. The 2021 total incremental taxable value prior to participation and new construction after participation decreased from the prior year value.

The County's decision to participate is influenced by the level of proposed development in blighted/distressed areas. Amount is determined by County property taxes levied and collected each tax year on the captured appraised value of real property located in the TIF district. Amount is reduced by the tax increment base for the year in which the TIF was designated, multiplied by the County's increment provided per agreement. TIF funds are not recognized as County revenue but are used by the TIF district to finance project costs within the district and/or pay bonds or notes issued for the TIF.

Governmental funds report unavailable and unearned revenue in connection with receivables that are not considered available to liquidate liabilities of the current period. 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 on January 1 with property assessed at the tax rate adopted prior to the fiscal year end. The County has recorded property taxes receivable including an amount for unavailable revenue as of September 30, 2021.

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

Unavailable and Unearned Arising From	General Fund	Debt Service	Major Projects	Major Grants	American Rescue Plan	Other Nonmajor Governmental	Total
Unavailable and unearned property taxes	\$ 474,700	\$ 18,424	\$ 93,525	\$ -	\$ -	\$ 55,887	\$ 642,536
Unearned revenue – other	-	-	-	57,385	251,683	-	309,068
Unavailable revenue – other	12,279	-	73	-	-	2,804	15,156
Unavailable and unearned – Fund Basis	<u>\$ 486,979</u>	<u>\$ 18,424</u>	<u>\$ 93,598</u>	<u>\$ 57,385</u>	<u>\$ 251,683</u>	<u>\$ 58,691</u>	966,760
Unavailable property taxes							(3,055)
OPEB							194,890
Pension							79,861
Unavailable – other							<u>(15,156)</u>
							Deferred inflows and unearned revenue – Government wide
							<u>\$ 1,223,300</u>

DALLAS COUNTY
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IV. PROPERTY TAXES AND OTHER RECEIVABLES (Continued)

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

The County is authorized by the tax laws of Texas to levy taxes up to \$0.80 per one hundred dollars of assessed valuation for general governmental services and payment of principal and interest on certain permanent improvement long-term debt. The total tax rate adopted during September 2020 and 2021 for each FY20 and FY21 was \$0.2431 and \$0.23974 per one hundred dollars of assessed value, respectively.

Receivables as of September 30, 2021, for governmental funds, net of applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Other Non-major Governmental Funds</u>	<u>Total</u>
Receivables:					
Property taxes	\$ 499,321	\$ 20,211	\$ 98,720	\$ 58,657	\$ 676,909
Less allowance for uncollectible property taxes	<u>(25,062)</u>	<u>(1,787)</u>	<u>(5,324)</u>	<u>(2,836)</u>	<u>(35,009)</u>
Subtotal	<u>474,259</u>	<u>18,424</u>	<u>93,396</u>	<u>55,821</u>	<u>641,900</u>
Accounts receivable	148,841	1	2,443	365,874	517,159
Less allowance for uncollectible accounts receivable	<u>(141,970)</u>	<u>-</u>	<u>(2,215)</u>	<u>(362,228)</u>	<u>(506,413)</u>
Subtotal	<u>6,871</u>	<u>1</u>	<u>228</u>	<u>3,646</u>	<u>10,746</u>
Total net receivables	<u>\$ 481,130</u>	<u>\$ 18,425</u>	<u>\$ 93,624</u>	<u>\$ 59,467</u>	<u>\$ 652,646</u>

DALLAS COUNTY
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V. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases / Transfers</u>	<u>Decreases / Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 48,200	\$ 9,270	\$ (1,170)	\$ 56,300
Construction-in-progress	239,093	124,909	(254,593)	109,409
Infrastructure	26,671	-	-	26,671
Historical treasures	<u>32,042</u>	<u>-</u>	<u>-</u>	<u>32,042</u>
Total capital assets, not being depreciated	<u>346,006</u>	<u>134,179</u>	<u>(255,763)</u>	<u>224,422</u>
Capital assets, being depreciated:				
Buildings	746,284	260,626	(20,261)	986,649
Machinery and equipment	<u>228,517</u>	<u>16,333</u>	<u>(1,697)</u>	<u>243,153</u>
Total capital assets, being depreciated	<u>974,801</u>	<u>276,959</u>	<u>(21,958)</u>	<u>1,229,802</u>
Less accumulated depreciation for:				
Buildings	(320,541)	(23,513)	19,889	(324,165)
Machinery and equipment	<u>(138,959)</u>	<u>(9,851)</u>	<u>1,649</u>	<u>(147,161)</u>
Total accumulated depreciation	(459,500)	(33,364)	21,538	(471,326)
Total capital assets, being depreciated, net	<u>515,301</u>	<u>243,595</u>	<u>(420)</u>	<u>758,476</u>
Governmental activities capital assets, net	<u>\$ 861,307</u>	<u>\$ 377,774</u>	<u>\$ (256,183)</u>	<u>\$ 982,898</u>

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

Governmental activities:	
General government	\$ 24,948
Public safety	5,287
Health	605
Highways and streets	509
Public welfare	455
Education	60
Judicial	<u>1,500</u>
Total depreciation expense	<u>\$ 33,364</u>

DALLAS COUNTY
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VI. LONG-TERM LIABILITIES

Long-Term Debt

The following are bonded debts outstanding at September 30, 2021.

Description	Interest Rates	Year of Issue	Year of Maturity	Original Amount of Debt	Bonds Outstanding
Limited Tax Refunding Bonds Series 2013 Combination Tax and Parking Garage Revenue Certificates of Obligation Series 2016	5.00 %	2013	2025	\$ 10,515	\$ 4,730
Subtotal	3.00 – 5.00	2016	2031	167,900	<u>111,935</u>
Premium on Debt – amortized over life of debt using a method which approximates an effective interest rate.					<u>14,893</u>
Total					<u>\$ 131,558</u>

Significant Debt Covenants

The above long-term obligations are payable and secured by ad valorem taxes required to be deposited in a sinking fund which is sufficient to pay required debt service. The County is further obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events to the Municipal Securities Rulemaking Board.

Under the terms of the Combination Tax and Parking Garage Revenue Certificates of Obligation Series 2016 the County agreed to pledge \$1 of future net revenues from certain parking facilities. In FY21, net revenue from these parking facilities was approximately \$466. In FY21, debt service for these bonds was \$11,195 and \$5,821 for principal and interest, respectively.

Changes in Long-Term Liabilities

Long-term liabilities for the year ended September 30, 2021, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Funding for Liquidation
	(in thousands of dollars)					
Governmental Activities:						
Bonded debt obligations	\$ 148,618	\$ -	\$ 17,060	\$ 131,558	\$ 12,250	a
Capital Leases	78,424	61,581	11,253	128,752	14,086	b
Other Post Employment Benefits	228,011	20,176	53,638	194,549	5,581	c
Claims and Judgments	2,000	1,596	1,596	2,000	600	c
Compensated Absences	40,641	74,221	74,415	40,447	36,439	c
Net Pension Liability	156,475	398,766	308,593	246,648	-	c
Worker's Compensation	2,896	955	2,105	1,746	1,297	c
	<u>\$ 657,065</u>	<u>\$ 557,295</u>	<u>\$ 468,660</u>	<u>\$ 745,700</u>	<u>\$ 70,253</u>	

Funding for liquidation: a=Debt Service Fund: b=Major Projects Fund: c=General Fund

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

DALLAS COUNTY
Notes to the Basic Financial Statements
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VI. LONG-TERM LIABILITIES (Continued)

Contractual Maturities

The annual debt service for bonded debt is as follows:

Year Ending September 30,	Principal	Interest
2022	\$ 12,250	\$ 5,497
2023	12,325	4,885
2024	12,420	4,269
2025	12,505	3,648
2026	11,190	3,022
2027 - 2031	55,975	6,829
Subtotal	116,665	28,150
Premium on debt	14,893	-
Total	\$ 131,558	\$ 28,150

The Debt Service Fund has \$7,569 available to service bonded debt retirements.

VII. INTERFUND RECEIVABLES AND PAYABLE BALANCES AND TRANSFERS

The composition of interfund balances as of September 30, 2021, is as follows:

Receivable fund	Payable fund	Amount
General	Other Non-Major	\$ 419
Debt Service	Major Projects	2
Debt Service	Other Non-Major	1
Major Grants	General	784
Debt Service	General	3
Other Non-Major	Major Grants	79
Internal Service	General	28,187
Internal Service	Other Non-Major	31
Total		\$ 29,506

DALLAS COUNTY
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VII. INTERFUND RECEIVABLES AND PAYABLE BALANCES AND TRANSFERS (Continued)

The Internal Service Fund receivable from General and Other Nonmajor Governmental relates to health insurance liabilities expected to be funded in FY21.

<u>Transfer Out:</u>	<u>Transfer In:</u>				<u>Total</u>
	<u>General Fund</u>	<u>Major Projects</u>	<u>Major Grants</u>	<u>Other Nonmajor Governmental Funds</u>	
General	\$	\$	\$ 6,357	\$ 8	\$ 6,365
Major Projects	18,000			500	18,500
Major Grants	2,094				2,094
Other Nonmajor Governmental Funds	<u>12,031</u>	<u>11,700</u>			<u>23,731</u>
Total	<u>\$ 32,125</u>	<u>\$ 11,700</u>	<u>\$ 6,357</u>	<u>\$ 508</u>	<u>\$ 50,690</u>

Transfers from Other Nonmajor Governmental Funds to the General and Major Projects Funds were mainly from Road and Bridge, Records Management, Local Government, and Technology Funds, which transferred a total of \$22,804. Transfers from the Road and Bridge fund were primarily from vehicle registration fees, criminal fines, and forfeitures and were for various transportation related projects. Transfers from Records Management, Local Government, and Judicial funds to Major Projects were for costs related to court construction and the new Criminal and Justice of the Peace Courts case management solution. General Fund transfers from Major Projects were for an adjustment of General Fund unassigned reserve.

A condition of certain Major Grants requires the County to provide matching funds in order to obtain grant funding. In FY21, the General Fund provided matching funds aggregating \$6,357. The majority of these transfers were for health, juvenile, and law enforcement grants.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Approximately 30.0% of the \$96,892 balance in accounts payable and accrued liabilities at September 30, 2021, represents accrued payroll liabilities with the balance payable to vendors or contractors.

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VIII. RETIREMENT COMMITMENTS

Primary Government

(a) Retirement Plan Description

Texas County and District Retirement System. The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional agent multiemployer defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The TCERS Board of Trustees is responsible for the administration of the statewide agent multiemployer public employee retirement system consisting of more than 800 nontraditional defined benefit pension plans. TCERS in the aggregate issues an annual comprehensive financial report on a calendar year basis, which is available online at www.tcdrs.org or upon written request from the Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

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

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

At December 31, 2020, the following inactive or active County employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,660
Inactive employees entitled but not yet receiving benefits	4,250
Active employees	6,388
Total	14,298

(b) Funding Policy

The County has chosen a fixed rate plan under the provisions of the TCERS Act. County employees with 1,000 or more hours of service a year are members of the plan. The plan is funded by biweekly contributions from both the County and its employees based on the covered payroll of employee members. Regulated by the TCERS Act, the previously required 13.36% contribution rate by the County (effective January 1, 2020) decreased to 13.09% January 1, 2021, is a fixed percentage adopted by the Commissioners Court matched by a 7% contribution rate payable by employee members.

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

DALLAS COUNTY
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VIII. RETIREMENT COMMITMENTS (Continued)

(c) Net Pension Liability

The County's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal (1)
Amortization Method	
Recognition of economic / demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	2.50%
Salary Increases	4.60% The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.
Investment Rate of Return	7.60% (Gross of administrative expenses.)
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Dallas County are not considered to be substantively automatic under GAAP. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.

⁽¹⁾ Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

Long-term expected rate of return. Long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The amounts are based on January 2021 information for a 10 year time horizon.

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VIII. RETIREMENT COMMITMENTS (Continued)

(c) Net Pension Liability (continued)

Note that the valuation assumption for long-term expected return is reassessed at a minimum of every four years, and is set based on a long-term horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with relevant actuarial standards of practice. Milliman, TCDRS' actuarial consultants, relies on the expertise of Cliffwater LLC in assessment of the long-term expected rate of return. TCDRS may be contacted at TCDRS.org for more details.

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u> ⁽¹⁾	<u>Geometric Real Rate of Return</u> ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
International Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.45%
Master Limited – Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate – Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90 Day U.S. Treasury	2.00%	-0.70%

⁽¹⁾ Target asset allocation adopted at the March 2021 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.5%, per Cliffwater LLC's 2021 capital market assumptions.

⁽³⁾ Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

DALLAS COUNTY
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VIII. RETIREMENT COMMITMENTS (Continued)

(c) Net Pension Liability (continued)

Discount rate. The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate ⁽¹⁾	7.60%
Long-term expected rate of return, net of investment expense ⁽¹⁾	7.60%
Municipal bond rate ⁽²⁾	Does not apply

⁽¹⁾ This rate reflects the long-term rate of return funding valuation assumption of 7.50%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

⁽²⁾ The Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The municipal bond rate does not apply.

The beginning balance of \$156,475 and ending balance of \$246,648 represent an increase in pension liability of \$90,173 as described below.

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balance as of December 31, 2019	\$ 2,256,807	\$ 2,100,332	\$ 156,475
Changes for the year:			
Service cost	50,874	-	50,874
Interest on total pension liability ⁽¹⁾	187,503	-	187,503
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	5,808	-	5,808
Effect of assumptions changes or inputs	151,933	-	151,933
Refund of contributions	(4,088)	(4,088)	-
Benefit payments	(112,868)	(112,868)	-
Administrative expenses	-	(1,718)	1,718
Member contributions	-	29,484	(29,484)
Net investment gain	-	222,926	(222,926)
Employer contributions	-	56,183	(56,183)
Other ⁽²⁾	-	(930)	930
Balance as of December 31, 2020	<u>\$ 2,535,969</u>	<u>\$ 2,289,321</u>	<u>\$ 246,648</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Relates to allocation of system-wide items.

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VIII. RETIREMENT COMMITMENTS (Continued)

Sensitivity analysis. The following presents the net pension liability of the employer, calculated using the discount rate of 7.60%, as well as what the County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 2,951,424	\$ 2,535,969	\$ 2,307,122
Fiduciary net position	2,289,321	2,289,321	2,289,321
Net pension liability	<u>\$ 662,103</u>	<u>\$ 246,648</u>	<u>\$ 17,801</u>

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the Required Supplementary Information.

(d) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended September 30, 2021, the County recognized pension expense of \$50,819.

Pension Expense / (Income)	January 1, 2020 to December 31, 2020
Service cost	\$ 50,874
Interest on total pension liability	187,503
Administrative expenses	1,718
Member contributions	(29,484)
Expected investment return (net of investment expenses)	(173,493)
Recognition of deferred inflow/outflow of resources	
Economic/demographic (gain) or loss	3,774
Assumption changes or inputs	32,200
Investment (gain) or loss	(23,202)
Other	929
Pension expense	<u>\$ 50,819</u>

DALLAS COUNTY
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VIII. RETIREMENT COMMITMENTS (Continued)

As of September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Inflows / Outflows of Resources

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 197	\$ 8,994
Changes of assumptions	-	123,360
Net difference between projected and actual earnings	79,664	-
Contributions made subsequent to measurement date ⁽¹⁾	-	43,910
	<u>\$ 79,861</u>	<u>\$ 176,264</u>

(1) Amounts will be recognized as reduction of the Net Pension liability in FY22.

Deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2021	\$ 9,395
2022	29,924
2023	(8,489)
2024	21,663
	<u>\$ 52,493</u>

(e) Payable to the Pension Plan

At September 30, 2021, the County reported a payable of \$4,265 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2021.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County has established a custodial legal trust arrangement with an investment company which administers the plan. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the employees. Accordingly, the amounts deferred are not included in the County's financial statements.

Public Agency Retirement Services

County employees with less than 1,000 hours of annual service are required to participate in the Public Agency Retirement Services Plan (PARS), as an alternative to participation in Social Security. PARS is a 457 Deferred Compensation Plan administered by Phase II Systems, a California corporation. Employee and County contributions are fixed as a percentage of an employee's salary, which percentages are 6.2% and 1.3%, respectively. In FY21, employee and County contributions were \$219 and \$46,

DALLAS COUNTY
Notes to the Basic Financial Statements
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VIII. RETIREMENT COMMITMENTS (Continued)

respectively. The County Treasurer administers the investment policy for employee and County contributions.

General Information County OPEB Plan

Plan description. The County’s group medical plans (Plan) are administered through the Public Employee Benefits Cooperative. The Plan is a single employer defined benefit healthcare plan funded on a pay as you go basis. OPEB includes health insurance and Medicare supplements.

Benefits provided. The County is not required by State law or contractual agreement to provide funding for OPEB. However, the County allows retirees and dependents to continue currently selected health, dental and other insurance benefits upon retirement. An employee must be eligible for retirement with a minimum 10 years of service credit within the County for insurance eligibility.

The County does not maintain a trust to pay for future OPEB expenses. However, the County annually budgets amounts necessary to cover the pay as you go costs of benefits to retirees and eligible beneficiaries and their dependents. Contribution, adjustment, or elimination of the contribution and adjustments to OPEB eligibility are subject to Commissioners Court’s annual budgetary discretion.

For the year ended September 30, 2021, combined County and retiree contributions totaled \$15,488 for the Plan. Retiree Plan members receiving benefits contributed \$4,953 or approximately 31.98% of total cost through their required contributions. No assets are accumulated in a trust that meets the criteria of GAAP.

Employees covered by benefit terms. At September 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	796
Active employees	6,017
Total	6,813

Total OPEB Liability

The County’s total OPEB liability of \$194,549 was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

DALLAS COUNTY
Notes to the Basic Financial Statements
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VIII. RETIREMENT COMMITMENTS (Continued)

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 %
Salary increases	Varies by age and service. 3.9% over career including inflation.
Discount rate	2.21 %
Healthcare cost trend rates	7.25 % for 2020, decreasing 0.25 % per year to ultimate rate of 4.0 % for 2034 and later years
Medicare cost trend rates	7.25 % for 2020, decreasing 0.25 % per year to ultimate rate of 4.0 % for 2034 and later years
Retirees' share of benefit-related costs	50.02 % of projected health insurance premiums for retirees

The discount rate was based on 20 year, tax exempt general obligation bonds with an average rating of AA/Aa or higher or equivalent quality on another rating scale. This rate was obtained based on the Bond Buyer 20-Bond-Go Index as reported in the Bond Buyer.

Mortality rates were based on the Pub-2010 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2020.

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2017.

Changes in the Total OPEB Liability

	Total OPEB Liability 2020
Total OPEB Liability - Start of Year	\$ 228,011
Changes for the year:	
Service cost	13,797
Interest	6,379
Differences between expected and actual experience	(67,839)
Changes in assumptions or other inputs	18,196
Benefit payments	(3,995)
Net change in total OPEB liability	(33,462)
Total OPEB Liability - End of Year	\$ 194,549
Covered employee payroll	\$ 379,295
Total OPEB liability as a percent of covered employee payroll	<u>51.29%</u>

Note 1 - The discount rate for postretirement welfare cost purposes is a single rate reflecting the yield or index rate for 20 year, tax-exempt general obligation bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that plan investments are not expected to finance the payment of benefits. Since there are no plan assets, the discount rate is determined based on the aforementioned basis as of the applicable Measurement Date. The discount rates are 2.21% as of September 30, 2020 and 2.66% as of September 30, 2019 based on the Bond Buyer 20-Bond-Go Index, as reported in the Bond Buyer.

DALLAS COUNTY
Notes to the Basic Financial Statements
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VIII. RETIREMENT COMMITMENTS (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.21 %) or 1% higher (3.21%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	1.21%	2.21%	3.21%
Total OPEB liability	\$ <u>232,843</u>	\$ <u>194,549</u>	\$ <u>164,710</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 % lower (6.25 %) or 1% higher (8.25%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
	6.25%	7.25%	8.25%
Total OPEB liability	\$ <u>160,031</u>	\$ <u>194,549</u>	\$ <u>240,253</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the County recognized OPEB expense of \$4,425.

OPEB Expense	
Service cost	\$ 13,797
Interest cost	6,379
Assumption changes and other inputs ¹	(152)
Difference between expected and actual experience	<u>(15,599)</u>
OPEB Expense	<u>\$ 4,425</u>

¹ Assumption changes and other inputs reflect a change in the discount rate of 2.66 % in 2019 to 2.21 % in 2020.

DALLAS COUNTY
Notes to the Basic Financial Statements
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VIII. RETIREMENT COMMITMENTS (Continued)

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after measurement date	\$ 5,581	\$ -
Assumptions changes or other inputs	53,828	45,021
Difference between expected and actual experience	-	149,869
Total	\$ 59,409	\$ 194,890

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30,	Amount
2022	\$ (15,752)
2023	(15,752)
2024	(15,752)
2025	(15,752)
2026	(15,752)
Thereafter	(62,302)
Total	\$ (141,062)

IX. LEASES

Operating leases

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

Year ending September 30,	Amount
2022	\$ 3,362
2023	2,931
2024	1,372
2025	1,061
2026	603
2027 - 2031	1,147
Total	\$ 10,476

Rental expense for FY21, for all County operating leases was approximately \$4,935 including \$85 for lease pass through expenses such as common area maintenance.

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

DALLAS COUNTY
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IX. LEASES (Continued)

Year ending September 30,	Amount
2022	\$ 655
2023	656
2024	576
2025	577
2026	578
Total	\$ 3,042

Rental receipts for multiyear leases were approximately \$834; additionally, the County received parking revenues of \$2,500.

Capital leases

The County has six capital lease agreements for the purchase of buildings and land to be improved with four buildings. One of the six capital lease agreements was entered into in the current fiscal year for the construction of a building on previously leased land. Amount capitalized for this new lease was \$61,581. Payments during the fiscal year for all six leases totaled \$16,419. Interest was imputed between 3-6%. Principal and interest are due as follows:

Year ending September 30,	Principal	Interest	Total
2022	\$ 14,086	\$ 5,397	\$ 19,481
2023	14,744	4,737	19,481
2024	15,434	4,047	19,481
2025	16,159	3,322	19,481
2026	16,920	2,561	19,481
2027 – 2031	51,409	3,406	54,815
Total	\$ 128,752	\$ 23,470	\$ 152,220

Leases are payable over ten years with nominal purchase options at the end of each lease. Beginning with the end of the 18th month each lease has a purchase option. Purchase options vary between \$21,877 and \$61,700. If a lease purchase option is exercised, a termination amount is due. Amounts vary from \$1,175 to \$3,418.

Four properties subject to capital leases have been placed in service; the others remain in construction in progress as of September 30, 2021. Capitalized cost of property financed with capital leases as of September 30, 2021, is as follows:

Capitalized Cost	Amount
Land	\$ 25,927
Buildings – Construction in progress	81,308
Buildings	68,941
Subtotal	176,176
Less: Accumulated Depreciation	(1,894)
Total	\$ 174,282

DALLAS COUNTY
Notes to the Basic Financial Statements
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X. RISK MANAGEMENT

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

The County purchased third party vehicle insurance for Auto Theft Task Force grants. Specific property insurance is purchased to mitigate certain risks. Property insurance deductible limits include buildings at \$1,000; boiler and machinery at \$100; data, IT equipment, media at \$100 after period of interruption exceeds 48 hours; radio equipment at \$100; and builders risk for certain construction projects at \$50. Current premium reflects a rate of \$0.40 per one hundred dollars of insurance.

The County's workers' compensation self insurance program provides medical and indemnity payments as required by law for on the job related injuries. The liability is recognized in the Internal Service Fund. The third party administrator for the program monitors the filing of claims, verifies the legitimacy, and processes payments to injured employees.

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

Premiums are paid into the Internal Service Fund by all other governmental funds for medical insurance programs. Contracted insurance providers receive disbursements based on monthly enrollment and premium calculations. Funds are available to pay claims, claim reserves, and administrative costs of the programs. Liabilities include an amount for claims or judgments that have been incurred but not reported. Liabilities of each fund are reported when it is probable that a loss or claim has occurred and the amount of the loss or claim is known or can be reasonably estimated. The County has specific deductible stop loss coverage of \$600 for the fiscal year ended September 30, 2021. The County has not recently experienced any losses which exceeded stop loss coverage.

Changes in the medical and workers' compensation claims liability amounts in FY20 and FY21 follow:

	Beginning Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability
2020 Medical	\$ 7,092	\$ 77,092	\$ 78,986	\$ 5,198
2021 Medical	5,198	77,351	75,134	7,415
2020 Workers' compensation	2,219	2,208	1,531	2,896
2021 Workers' compensation	2,896	955	2,105	1,746

DALLAS COUNTY
Notes to the Basic Financial Statements
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XI. COMMITMENTS AND CONTINGENCIES

Several lawsuits that could affect the County's financial position are in various stages of litigation. An estimated liability of \$2,000 has been established in the government-wide Statement of Net Position to provide coverage for the estimated maximum cost to the County. Lawsuits settled in the fiscal year totaled \$1,596. Most were settled for property damages. There are other outstanding lawsuits and claims in which the County is involved. Based upon the representations of the District Attorney and legal counsel for the Commissioners Court, management believes that potential claims, if any, against the County, resulting from such litigation would not materially affect the financial position or operations of the County.

The County has encumbrances for the following purposes at September 30, 2021.

General Fund	
Public welfare contracts	\$ 1,967
Professional services	6,771
Equipment	4,808
Maintenance and supplies	3,732
Rental contracts	641
Other	616
	<u>\$ 18,535</u>
Major Projects Fund	
Thoroughfares and trails	\$ 48,530
Public works projects - local cities	25,237
Buildings and improvements	13,953
Professional services	9,072
Equipment	10,262
Building maintenance and supplies	3,325
Computer software	264
Capital leases	2,450
	<u>\$ 113,093</u>
Major Grants	
Professional services	\$ 28,464
Building improvements	213
Equipment	1,383
Rental contracts	37
Building maintenance and supplies	10
Maintenance and supplies	1,463
Public welfare contracts	321
Other	1,862
	<u>\$ 33,753</u>

DALLAS COUNTY
Notes to the Basic Financial Statements
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XI. COMMITMENTS AND CONTINGENCIES (Continued)

Nonmajor Governmental Funds	
Special Revenue Funds	
Maintenance and supplies	\$ 1,146
Buildings and improvements	10,425
Building maintenance and supplies	26
Professional services	16,363
Repairs	436
Rental contracts	78
Computer software	14,516
Public Welfare contracts	3
Equipment	10,077
Other	924
Total	\$ <u>53,994</u>
Capital projects	\$ <u>75</u>

XII. DALLAS COUNTY HOSPITAL DISTRICT

Organization

The Dallas County Hospital District, dba Parkland Health & Hospital System (Parkland), is a political subdivision of the State, and is a discretely presented component unit of the County. Components of Parkland are Parkland Health & Hospital System (Hospital); Parkland Community Health Plan, Inc. (Health Plan); Parkland Foundation (Foundation); and Parkland Center for Clinical Innovation (PCCI). As an essential government function of the County, the Hospital is generally exempt from federal income taxes under Section 115 of the Internal Revenue Code (Code). However, the Hospital is subject to federal income tax on any unrelated business taxable income. The Hospital also holds dual status as a 501(c)(3) organization. During 2021, all income was related to essential government functions. The Hospital, PCCI and Foundation have fiscal years ending September 30. The Health Plan’s fiscal year ends December 31.

The Hospital operates 756 inpatient beds, 95 neonatal beds, numerous outpatient clinics, and an emergency department. The Hospital also operates the Community Oriented Primary Care clinics and Acute Response Clinics in the community. Additionally, the Hospital serves as the major teaching hospital for the UT Southwestern Medical Center at Dallas (UT Southwestern) in accordance with an affiliation agreement effective September 1, 2006. The Hospital also manages the County’s jail health system. The County’s jail is the eighth largest jail in the nation with approximately 5,495 adult and juvenile inmates.

The Hospital acquired the licenses and operations of twelve nursing homes in February 2015, seventeen nursing homes in April 2018 and seven nursing homes in September 2019. One home exited the program in September 2019. Two additional nursing homes were acquired effective May 1, 2020. The arrangement improves the continuity of care for the Hospital’s patients by allowing the Hospital to track their nursing home care. The arrangement also gives uninsured patients easier access to nursing home beds, rather than extended stays at the Hospital. Each nursing home is eligible to receive supplemental Medicaid funding with the Hospital holding the operating licenses. The Texas Legislature approved the collaboration between nursing homes and public hospitals in 2013 as the State shifted its Medicaid nursing home program into managed care.

DALLAS COUNTY
Notes to the Basic Financial Statements
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Organization (continued)

The members of the Hospital's Board of Managers (Board) are appointed by the County Commissioners Court. County taxpayers provide ad valorem tax revenues to the Hospital, but the County does not hold title to any of the Hospital's assets and does not have rights to any of the Hospital's surpluses. The County Commissioners Court approves the Hospital's tax rate and annual budget.

The Foundation is a nonprofit corporation organized in Texas in 1985, to support and benefit Parkland exclusively. It is an organization as described in Section 501(c) (3) of the Code. The Foundation's mission is to secure substantial financial resources that advance the clinical, educational, and research endeavors of Parkland. Because these resources can only be used by, or for the benefit of Parkland, the Foundation is considered a component unit of Parkland. In addition, because Parkland is entitled to these economic resources and they are significant to Parkland, the Foundation is discretely presented in Parkland's financial statements. Financial statements for the Foundation can be obtained from the Parkland Foundation, 1341 W. Mockingbird Suite 1100E, Dallas, TX 75247. Attn: President and Chief Executive Officer.

The Health Plan is a nonprofit corporation organized in Texas in 1995 and is reported as a component unit of Parkland because its Board of Directors is appointed by the Hospital's Board and the Hospital can impose its will on the Health Plan. It is discretely presented because its board is not substantively the same as the Hospital's board, it does not provide services entirely, or almost entirely, for the benefit of Parkland, nor does it have any outstanding debt that is expected to be repaid by the Hospital. It is an organization as described in Section 501(c) (4) of the Code. The Health Plan participates in the Texas Medicaid Managed Care Program and the Children's Health Insurance Program. All income of the Health Plan was related business income. Financial statements for the Health Plan can be obtained from Parkland Community Health Plan, 1341 W. Mockingbird, Suite 1150E, Dallas, TX 75247, Attn: Executive Director.

PCCI is a nonprofit research and development corporation organized in Texas in 2012. It is an organization as described in Section 501 (c) (3) of the Code. PCCI is included in Parkland's financial statements because its Board of Directors is appointed by the Hospital's Board and the Hospital can impose its will on PCCI. It does not provide services entirely, or almost entirely, for the benefit of the Hospital, nor does it have any outstanding debt that is expected to be repaid by the Hospital. Financial statements for PCCI can be obtained from Parkland Center for Clinical Innovation, 8435 N. Stemmons Freeway, Suite 1150, Dallas, TX 75247. Attn: Director of Finance.

The Hospital maintains the Dallas County Hospital District Retirement Income Plan (Plan), a single employer defined benefit pension plan. The Plan is administered by the Hospital and is fiscally dependent on the Hospital. The Plan is reported as a fiduciary fund in Parkland's statements. For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value or amortized cost. Separate financial statements of the Plan are available at www.ParklandHospital.com.

DALLAS COUNTY
Notes to the Basic Financial Statements
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Principles of Reporting

Parkland's financial statements include the accounts of the Hospital, Health Plan, Foundation and PCCI, as described above.

Unless otherwise noted, the following footnotes do not include the Foundation, Health Plan, PCCI or Plan.

Significant Accounting Policies

Net position is classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

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

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

Unrestricted – This component of net position consists of those assets that do not meet the definition of restricted or net investment in capital assets.

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

Parkland is considered a governmental organization and is subject to the pronouncements of the Governmental Accounting Standards Board (GASB).

Statement of Activities

For purposes of financial statement presentation, charges for services include those generated from direct patient care and related support services. General revenues consist of those revenues that are related to grants and contributions not restricted to specific programs, financing and investing types of activities and result from nonexchange transactions or investment income. When an expenditure is incurred for the purposes for which there are both restricted and unrestricted net position available, it is Parkland's policy to apply those expenditures to restricted net position, to the extent that such are available, and then to unrestricted net position.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Cash, Cash Equivalents and Investments

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

Statutes give the Hospital the authority to invest in obligations of the United States, as well as direct obligations of the State and other obligations guaranteed or insured by the State or the United States. The following investments are also acceptable: obligations of states, agencies, counties, or cities of any state that have been rated not less than A or its equivalent by a nationally recognized ratings firm, and certificates of deposit guaranteed, insured, or secured by approved investments. Other authorized investments include prime commercial paper; Securities and Exchange Commission registered, no load money market mutual funds whose assets consist exclusively of approved investments; and approved local government investment pools.

Investments (including those in assets limited to use) at September 30, 2021 are reported at fair value based on quoted market prices with realized and unrealized gains and losses included in investment earnings in the Statement of Activities. TexPool investments are amortized using the cost method. Obligations of the United States government with maturity dates in excess of one year that are not expected to be traded within one year are reported as long term investments in the accompanying Statement of Net Position.

Receivables and Payables

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

Inventories

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

Capital Assets

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

Parkland evaluates long lived assets regularly for impairment under the provision of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance*

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Recoveries (GASB 42). If circumstances suggest that assets may be impaired, an assessment of recoverability is performed prior to any write down of assets. If an asset's estimated fair value is below its carrying value an impairment is recorded. There was no impairment recognized in 2021.

Assets Limited as to Use

Resources are also set aside for Board designated purposes or self insurance arrangements. It has been the general practice of the Hospital, due to the timing of cash flows, to temporarily use Board designated funds to fund operating activities.

Uncompensated Care

The Hospital provides services to uninsured patients who qualify for tax supported care. The program is called Parkland Financial Assistance and is designed for County indigent patients with family incomes up to 250% of the federal poverty level and no third party coverage, such as Medicaid, Medicare, or commercial insurance. The Hospital recognized ad valorem tax revenues of approximately \$752,632 in 2021, to fund services for qualified patients and debt service obligations.

The Hospital also provides services to patients who are County residents and have incomes that exceed the limit for tax supported health care or whose income cannot be determined. Although these patients are uninsured, they do not qualify for tax supported health care and are classified as self pay. Certain of these patients are medically indigent. Additionally, certain of these patients have limited financial resources and are unable to pay for the services received, while others may be able to pay for some or all services received, but are unwilling to do so.

Management estimates the cost of uncompensated health care by applying a ratio of overall costs to gross charges, applied to the gross uncompensated charges, which includes services provided to Medicaid beneficiaries, the uninsured and patients enrolled in other indigent programs. During the year ended September 30, 2021, the estimated cost of uncompensated care is approximately \$1,220,915, of which approximately \$585,000 is charity care.

Ad Valorem Taxes

The Hospital received approximately 26% of its total revenues from ad valorem taxes in 2021. The Hospital's ad valorem taxes receivable is net of an allowance for uncollectible taxes of \$21,912 as of September 30, 2021.

Current taxes are collected beginning in October of each year and become delinquent after January 31. Ad valorem tax revenue is recognized in the year for which taxes are levied. A schedule of ad valorem taxes follows:

<u>Fiscal Year</u>	<u>Tax Base</u>	<u>Tax (per \$100) Valuation</u>	<u>Net Tax Revenue (1)</u>	<u>Cost of Uncompensated Care</u>	<u>Cost of Uncompensated Care Over Tax</u>
2021	\$ 279,706,333	\$ 0.266	\$ 752,632	\$ 1,220,915	\$ 468,283

(1) Net tax revenue includes adjustments for actual collection performance.

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Disproportionate Share

The disproportionate share program is a supplemental reimbursement program for hospitals that provide a significant proportion of Medicaid and indigent care services. Under program guidelines, the Hospital may use the funds to benefit the indigent in either current or future periods. The Hospital recognizes all funds received under the program as charges for services in the applicable year, and any amounts relating to that year that are not yet received are included in Receivables in the accompanying Statement of Net Position. There is no guarantee that this program will continue into future years. Total revenue recognized related to the disproportionate share program was \$76,100 in 2021. Any difference between amounts accrued at the end of the prior reporting period are included in the Statement of Activities in the year those differences become known. Government programs revenues were increased by \$7,000 in 2021 as a result of recognition of those differences.

1115 Transformation Waiver Funds

The 1115 Transformation Waiver began October 1, 2011. Under this waiver, the former Upper Payment Limit (UPL) programs were discontinued in favor of a reimbursement methodology that balances payment for uncompensated care costs (UC) with the need to improve quality of care for Texas recipients using Delivery System Reform Incentive Payments (DSRIP) funds. Over the initial five year waiver period, UC reimbursement generally moved downward while available DSRIP monies increased, so there was an even split between UC and DSRIP by the last year of the initial waiver. The program divides the State into 20 Regional Health Partnerships (RHPs), creating an environment where regional collaboration is essential to earn available monies. The Hospital serves as an anchor hospital (administrative lead) for one of these regions.

On December 21, 2017 the Texas Health and Human Services Commission (HHSC) received an approved extension from Centers for Medicare and Medicaid Services (CMS) for the period of January 1, 2018 through September 30, 2022. Among other changes, the approved plan required a change in the methodology used to allocate UC funds and a phase out of the DSRIP program over the five year period. On November 30, 2020, CMS approved an additional extension to extend the Waiver for an additional ten year period through September 30, 2030. This latest extension would have ended the DSRIP pool effective September 30, 2021, expanded and added other direct payment programs and made other administrative changes to reflect CMS policy changes. On April 16, 2021, CMS rescinded the extension approval citing an improper exemption from the public notice and comment process originally granted. On September 7, 2021, HHSC accepted an offer from CMS to extend DSRIP funding and other existing direct payment programs through September 30, 2022 as HHSC and CMS negotiate an extension and terms of the Waiver and other direct payment programs.

Revenue recognized related to the 1115 Waiver was \$402,500 in 2021. The Hospital recognizes all funds received under the program as Program Revenue in the Statement of Activities, and any amounts relating to that year that are not yet received are included in Receivables, net of amounts to be distributed to other participating hospitals in the region, in the accompanying Statement of Net Position. These amounts involve a considerable amount of judgment and are subject to audit and final reconciliation by the HHSC. The Hospital estimates amounts expected to be repaid based upon historical experience and existing facts and circumstances related to the supplemental funding programs. Any differences between final settlements and amounts accrued at the end of the prior reporting period are included in the Statement of Activities in the year those differences become known. Government programs revenues were increased by \$33,100 in 2021, as a result of recognition of those differences.

DALLAS COUNTY
Notes to the Basic Financial Statements
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Local Provider Participation Fund and Uniform Hospital Rate Increase Program

During 2017, the Hospital began participation in a Local Provider Participation Fund (LPPF) in the County. The Hospital acts as the administrator of the LPPF by assessment and collection of mandatory payments from hospitals in the County. These payments are to be used to fund intergovernmental transfers representing the State's share of supplemental Medicaid funding programs. More specifically, the payments collected by the Hospital are used to fund the State's share of the Uniform Hospital Rate Increase Program (UHRIP) and UC. Under UHRIP, HHSC directs managed care organizations in a service delivery area to provide a uniform percentage rate increase to all hospitals within a particular class of hospitals. The rate increases were effective March 1, 2018 and were adjusted every six months. As of September 30, 2021, the UHRIP program ended on August 31, 2021 and had yet to be extended. The rate increase for the Hospital associated with UHRIP for the year ending September 30, 2021 was 63%.

During 2021, the Hospital collected \$257,000 from the LPPF in mandatory payments and made intergovernmental transfers of \$245,800. At September 30, 2021, the Hospital held \$86,600 in mandatory payments.

Net Patient Services Revenue

The Hospital has agreements with third party payors that provide for reimbursement to the Hospital at amounts different from its established rates. Contractual adjustments under third party reimbursement programs represent the difference between the Hospital's established rates for services and the amounts reimbursed by the third party payors. The Hospital's more significant third party payors are the Medicare and Medicaid programs, which accounted for gross charges of approximately 17.1% and 27.6%, respectively in 2021. Allowances for uncollectible amounts are estimated using historical experience, current trends and policy information, aged account balances, and a collectability analysis. Net patient services revenue in the accompanying Statement of Activities is net of contractual adjustments and bad debt provisions totaling approximately \$6,900,000 for the year ended September 30, 2021.

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

Cost reimbursable items are reimbursed to the Hospital at a tentative rate, with final settlement determined after submission of annual cost reports by the Hospital, which are subject to audit by the administrative contractors prior to final settlement. Any differences between final audited settlements and amounts accrued at the end of the prior reporting period are included currently in the Statement of Activities as an adjustment to the appropriate allowance account. Such adjustments increased net patient services revenue by \$7,200 in 2021. The Hospital's cost reports have generally been audited and settled by the administrative contractors through 2016 for Medicare and 2014 for Medicaid. Cost reports for both programs are subject to certain reopenings and appeals as per federal and State regulations.

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Premium Revenues

The Health Plan's premium revenues are recognized in the period in which the members of the Health Plan are entitled to receive health care services. Premium collected in advance are deferred. Revenues for delivery supplemental payments received for Medicaid eligible births under the Health Plan are recognized based on claims information from Texas hospitals and information from the State and include estimates for incurred, but unreported births at year end.

Grant Revenue

Grant revenues are recognized in the period in which expenditures related to the grant are incurred or the period in which grant funds become available.

Build America Bond Interest Subsidy

The Hospital issued taxable Build America Bonds (BAB) in 2009. Under the BAB program, the U.S. Treasury pays 35% of the interest payments as a subsidy to the issuer. The Hospital records the interest subsidy received or receivable from the U.S. Treasury as General Revenues in the Statement of Activities when the Hospital has met all of the eligibility criteria to receive the subsidy. The Hospital recorded approximately \$7,600 in 2021, for the BAB interest subsidy. The BAB subsidy was reduced by 5.7% in 2021, as part of the federal sequestration spending reductions.

Compensated Absences

The Hospital accrues an estimated liability for compensated absences as they are earned by employees based on the Hospital's policy. The Hospital's liability related to compensated absences was \$49,800 for 2021, and is recorded in the financial statements in accounts payable and accrued liabilities.

Pharmaceutical Costs

The Hospital participates in replacement pharmaceutical programs on behalf of patients who enroll and meet eligibility requirements of these programs.

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than medical malpractice, employee health claims and workers' compensation. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The Hospital is self insured for a portion of its exposure to risk of loss from medical malpractice, workers compensation and employee health claims. Annual estimated provisions are accrued for the self insured portion of medical malpractice, workers' compensation and employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Deposits and Investments

As of September 30, 2021, the Hospital had deposits and investments as follows:

	Hospital		
Description	Fair Value	Weighted Average Days to Maturity	
Bank deposits	\$ 3,441	N/A	
TexPool deposits	616,878	1	
Money market funds	5,002	1	
FNMA	106,629	956	
FHLB	106,636	622	
FHLMC	98,747	104	
FFCB	24,755	205	
U.S. Treasury	33,170	1,355	
	\$ 995,258		

	Hospital	Foundation, Health Plan and PCCI	Total
Descriptions on Statement of Net Position			
Cash, cash equivalents and investments	\$ 769,666	\$ 245,608	\$ 1,015,274
Assets limited to use			
Current portion	159,800	-	159,800
Noncurrent portion	65,792	-	65,792
	\$ 995,258	\$ 245,608	\$ 1,240,866

Investment Maturities	
One year or less	\$ 186,514
After one through five years	159,399
After five through ten years	10,912
After ten years	18,114
Investments	374,939
Bank deposits	3,441
TexPool deposits	616,878
Total	\$ 995,258

Estimated fair values have been determined by the Hospital using appropriate valuation methodologies by third parties, quoted market prices and information available to management as of September 30, 2021. The investments are recorded at fair value with the exception of TexPool deposits which are recorded at amortized cost. The Hospital adjusts the carrying value of financial instruments classified as assets to reflect their estimated fair value. Cash and cash equivalents included in assets limited to use were \$3,300 as of September 30, 2021.

The Hospital categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 are quoted prices in an active market for identical assets; Level 2 are significant other observable inputs; and Level 3 are significant unobservable inputs (the Hospital does not value any of its investments using Level 3 inputs).

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

The following is a summary of the hierarchy of the fair value of investments of the Hospital as of September 30, 2021:

Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. Treasury securities	\$ 33,170	\$ -	\$ 33,170
U.S. Government obligations	244,768	91,999	336,767
Money market funds	5,002	-	5,002
Total investments and cash equivalents by fair value level	\$ 282,940	\$ 91,999	\$ 374,939

These amounts exclude investments in local government investment pools which are recorded at amortized cost. These investments total \$616,878 as of September 30, 2021.

Interest Rate Risk

The Hospital invests in fixed rate debt securities that primarily have average maturities of approximately one to five years. Interest rate risk is limited by the short term nature of these investments.

Credit Risk

The Hospital has a comprehensive investment policy that is designed to comply with State law and the Texas Public Funds Investment Act. The debt securities issued by Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal Farm Credit Bank (FFCB) are rated AA+ by Standard & Poor's rating agency. TexPool's portfolio consists exclusively of U.S. government securities; repurchase agreements collateralized by U.S. government securities; and AAA rated, no load money market mutual funds. All bank deposits are collateralized by FDIC insurance and with securities pledged to the Hospital held in safekeeping at a third party bank on behalf of the Hospital's depository institutions with the exception of \$2,800 of cash held at the individual nursing homes.

Concentration of Credit Risk

Per the Hospital's investment policy, no more than 40% of the investment portfolio can be invested in any one issuer of U.S. government agencies and government sponsored enterprises, including, but not limited to, FNMA, FHLB, FFCB, and FHLMC. The largest percentage in any one issuer is invested with FHLB at 10.7% as of September 30, 2021.

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Custodial Credit Risk

Per the Hospital's investment policy, all investments are held in the Hospital's name in safekeeping at the Hospital's trust or custodial institutions.

Investment Income

Investment income for the year ended September 30, 2021, consists of the following:

Hospital:	<u>Amount</u>
Interest income, including realized gains/(losses)	\$ 13,070
Unrealized (loss) on investments	(4,414)
Health Plan	2,340
PCCI	94
Foundation	<u>1,185</u>
Total	<u>\$ 12,275</u>

Assets Limited to Use

Assets limited to use at September 30, 2021, consist of the following funds which are all investments in TexPool and U.S. government sponsored enterprises:

	<u>Amount</u>
Debt service	\$ 3,270
Designated for capital uses	211,005
Other designated	<u>11,317</u>
Total	225,592
Less current	<u>(159,800)</u>
Noncurrent	<u>\$ 65,792</u>

Debt Service

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

Designated for Capital Acquisitions

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

Other Designated

Other assets limited to use includes funds designated by the Board to fund the Hospital's professional liability program.

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Capital Assets

Capital assets at September 30, 2021, are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions / Transfers In</u>	<u>Retirements / Transfers Out</u>	<u>Ending Balance</u>
Capital assets:				
Land and improvements	\$ 148,603	\$ 13	\$ (3,065)	\$ 145,551
Buildings	1,662,342	53,478	(291,806)	1,424,014
Capital leases	14,603	-	(289)	14,314
Equipment	817,192	39,908	(2,249)	854,851
Total capital assets	<u>2,642,740</u>	<u>93,399</u>	<u>(297,409)</u>	<u>2,438,730</u>
Less accumulated depreciation:				
Land and improvements	(10,542)	(1,382)	-	(11,924)
Buildings	(525,947)	(44,802)	295,642	(275,107)
Capital leases	(4,166)	(715)	-	(4,881)
Equipment	(683,383)	(41,126)	1,767	(722,742)
Total accumulated depreciation	<u>(1,224,038)</u>	<u>(88,025)</u>	<u>297,409</u>	<u>(1,014,654)</u>
Net	1,418,702	5,374	-	1,424,076
Construction in progress	203,247	14,412	-	217,659
Capital assets, net	<u>\$ 1,621,949</u>	<u>\$ 19,786</u>	<u>\$ -</u>	<u>\$ 1,641,735</u>

The above does not include PCCI capital leases which net \$9,069.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities, at September 30, 2021 consist of the following:

	<u>Amount</u>
Hospital:	
Accounts payable	\$ 51,554
Accrued expenses	129,421
Accrued payroll	74,773
Employee health care and benefit liability	17,360
Other employee benefits	7,761
Health Plan	104,797
PCCI	931
Foundation	65
Total accounts payable and accrued liabilities	<u>\$ 386,662</u>

The liabilities, described in the table below as of September 30, 2021 are based on requirements that a liability for claims be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These liabilities include estimates for both reported claims and incurred, but not reported claims. As a result of settled claims, the frequency of new claims, and other economic and social factors, claims liabilities are reevaluated periodically.

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

	Balance at Beginning of Year	Current Year Claims & Changes in Estimates	Claim Payments	Balance at End of Year
Hospital professional and general liability				
2020	\$ 9,181	\$ 4,103	\$ (1,470)	\$ 11,814
2021	11,814	529	(1,523)	10,820
Employee health care benefit liability				
2020	14,166	131,948	(129,326)	16,788
2021	16,788	145,750	(145,178)	17,360
Worker's compensation liability				
2020	3,615	1,281	(1,438)	3,458
2021	3,458	4,225	(2,375)	5,308

Hospital Professional and General Liability – The Hospital is involved in certain legal actions and claims arising in the ordinary course of operations. The Hospital records estimated self insurance costs for medical malpractice and general liabilities as accounts payable and accrued liabilities and other long term liabilities in the Statement of Net Position. The amounts provided for funding and the estimated liabilities are based on settlement of claims limited to \$100 per claim and \$300 per occurrence in accordance with the limited liability provisions of the Texas Tort Claims Act. The estimated liability is reported in other long term liabilities in the Statement of Net Position.

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

Workers' Compensation Liability – The Hospital maintains a self insurance program for workers' compensation benefits, managed by a third party administrator. The Hospital records estimated self insurance costs for workers' compensation as current liabilities. The amount provided for the estimated liability is based on settlement of claims. The estimated liability is reported in accounts payable and accrued liabilities in the Statement of Net Position.

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Operating Leases

The Hospital leases facilities under operating leases that expire over periods of up to seventeen years. Renewal and purchase options are available on certain leases. At September 30, 2021, future minimum rental payments for operating leases, including escalations, were as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 43,381
2023	8,330
2024	7,347
2025	4,383
2026	4,177
2027 - 2031	15,020
2032 - 2036	5,004
2037	14
Total	<u>\$ 87,656</u>

Rental expense for all operating leases is recorded in expenses in the accompanying Statement of Activities. Rental expense was approximately \$44,400 in 2021.

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

Minimum future rentals to be received under operating leases at September 30, 2021, are as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 637
2023	426
2024	305
2025	302
2026	291
2027 - 2031	1,300
2032 - 2036	819
2037 - 2041	704
2042 - 2046	483
2047 - 2051	524
2052 - 2056	569
2057 - 2061	537
2062 - 2066	532
2067 - 2071	576
2072 - 2076	624
2077 - 2081	675
2082 - 2086	731
2087 - 2088	224
	<u>\$ 10,259</u>

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Capital Leases

The Hospital is also a lessee of real estate and equipment under capital leases. At September 30, 2021, future minimum rental payments applicable to the capital leases were as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 1,309
2023	1,309
2024	1,309
2025	1,320
2026	1,346
2027 – 2031	7,147
2032 – 2036	7,891
2037 – 2040	<u>5,002</u>
Total minimum future lease payments	26,633
Less: amount representing interest	<u>(14,295)</u>
Present value of net minimum lease payments	<u>\$ 12,338</u>

The capital leases have a current liability of \$131 and long term liability of \$12,207 as of September 30, 2021.

<u>Class of Property</u>	<u>Asset Balance at September 30, 2021</u>
Real estate	\$ 14,314
Equipment	<u>9,069</u>
	23,383
Less: accumulated depreciation	<u>(4,881)</u>
Net capital assets	<u>\$ 18,502</u>

Amortization of assets held under capital leases is included as a component of depreciation and amortized over the shorter of the lease or useful life of the asset.

Retirement Plans

Defined Benefit Plan

The Hospital maintains the Plan, a single employer, defined benefit pension plan.

Plan participation as of January 1, 2021 includes 11,833 active participants, 4,289 inactive employees entitled to but not yet receiving benefits, and 3,169 retirees and beneficiaries. The Plan is administered by the Board. The annual payroll for employees covered by the Plan for the year ended December 31, 2020, which is included in the actuarial valuation as of January 1, 2021, was approximately \$706,911.

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Effective January 1, 2018, employees are required to contribute 6.2% of their annual salaries to the Plan. The Hospital is required by the Plan to contribute the remaining amounts necessary to fund the Plan using actuarial methods.

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

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

Calculation of Money Weighted Rate of Return

The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money weighted rate of return is calculated net of investment expenses.

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long term expected rate of return.

Actuarial methods and assumptions

	2021
Valuation date	January 1, 2021
Measurement date	December 31, 2020
Investment rate of return	6.00%
Inflation	2.50%
Actuarial cost method	Entry age normal
Amortization method	30 year, closed
Amortization growth rate	4.00%
Salary increases including inflation	Graded table
Mortality	Separate rates using Pub-2010 Public General Mortality Tables by gender and MP-2019 (generational with convergence to long term rate of 0.75% in 2036).

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate range of the expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

<u>Asset Class</u>	<u>Index</u>	<u>Current Allocation</u>	<u>Long Term Expected Geometric Real Rate of Return</u>
Cash	BAML 3-Mon Tbill	2.10 %	-0.47 %
Core Fixed Income	Barclays Aggregate	19.18 %	0.51 %
Government Bonds	Barclays Government	2.17 %	-0.02 %
Long Government Bonds	Barclays Long Government	0.93 %	0.30 %
Mortgages	Barclays Mortgage	5.63 %	0.58 %
Municipal Bonds	Barclays Muni	0.50 %	0.45 %
Inflation Indexed Bonds	Barclays US TIPs	0.45 %	-0.39 %
Large Caps	S&P 500	26.36 %	2.50 %
Small and Mid Caps	Russell 2500	10.09 %	2.49 %
Non US Equity	MSCI ACWI xUS NR	7.85 %	3.66 %
Foreign Developed Equity	MSCI EAFE NR	8.02 %	3.62 %
Emerging Markets Equity	MSCI EM NR	4.49 %	4.12 %
Non US Small Cap	MSCI EAFE Small Cap NR	4.21 %	3.81 %
REITs	FTSE NAREIT Equity REIT	8.02 %	2.97 %
Assumed Inflation - Mean			2.50 %
Portfolio Nominal Mean Return			4.94 %
Portfolio Standard Deviaiton			11.82 %
Long Term Expected Rate of Return			6.00 %

GASB 68 requires a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long term expected return on Plan investments may be used to discount liabilities to the extent that the Plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20 year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. GASB 68 does allow for alternative evaluations of projected solvency.

The following circumstances justify an alternative evaluation of sufficiency for the Plan:

- The Hospital has at least a five year history of paying at least 100% of the actuarially determined contribution (previously termed the annual required contribution).
- The actuarially determined contribution is based on a closed amortization period, which means that payment of the actuarially determined contribution each year will bring the Plan to a 100% funded position by the end of the amortization period.
- The projections regarding future solvency assume that Plan assets earn the assumed rate of return and there are no future changes in the Plan provisions or actuarial methods and assumptions. Therefore, the projections will not reflect any adverse future experience which might impact the Plan's funded position.

Based on these circumstances, the detailed depletion date projections will show that the fiduciary net position is projected to be sufficient to cover benefit payments and administrative expenses.

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Changes in the total pension liability, plan fiduciary net position and the net pension liability are:

	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability (Asset)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances of December 31, 2019	\$ 1,738,257	\$ 1,173,721	\$ 564,536
Changes for the year			
Service cost	65,820	-	65,820
Interest on total pension liability	106,382	-	106,382
Effect of economic/demographic gains or (losses)	8,301	-	8,301
Effect of assumption changes or inputs	(8,557)	-	(8,557)
Contributions - employee	-	47,987	(47,987)
Contributions - employer	-	59,072	(59,072)
Net investment income	-	160,402	(160,402)
Benefit payments, including refunds of employee contributions	(62,990)	(62,990)	-
Administrative expenses	-	(2,918)	2,918
Net changes	<u>108,956</u>	<u>201,553</u>	<u>(92,597)</u>
Balances at December 31, 2020	\$ <u>1,847,213</u>	\$ <u>1,375,274</u>	\$ <u>471,939</u>

Sensitivity Analysis

The following presents the net pension liability of the Hospital, using the discount rate of 6.0%, as well as a calculation of the net pension liability if it were calculated using a discount rate that is one percentage point lower (5.0%) or one percentage point higher (7.0%) than the current rate.

	<u>Decrease to 5.0%</u>	<u>Current Rate 6.0%</u>	<u>Increase to 7.0%</u>
Total pension liability	\$ 2,115,299	\$ 1,847,213	\$ 1,627,341
Fiduciary net position	<u>1,375,274</u>	<u>1,375,274</u>	<u>1,375,274</u>
Net pension liability	\$ <u>740,025</u>	\$ <u>471,939</u>	\$ <u>252,067</u>

During the Plan year ended December 31, 2020, \$47,987 of employee contributions were made in accordance with the contribution requirements described above. During the fiscal year ended September 30, 2021, \$49,800 of employee contributions were made in accordance with the contribution requirements described above. The Hospital contributed approximately \$59,072 to the Plan during the year ended December 31, 2020, in accordance with contribution requirements determined by the January 1, 2020 actuarial valuation. An additional \$48,175 was contributed between January 1, 2021 and September 30, 2021. This amount was recorded as a deferred outflow of resources at September 30, 2021.

For the year ended September 30, 2021, the Hospital recognized pension expense of \$72,000. As of September 30, 2021, the deferred inflows and outflows of resources are as follows:

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,617	\$ 587
Changes of assumptions	110,298	6,809
Employer contributions subsequent to measurement date	48,175	-
Net difference between projected and actual earnings on Plan investments	-	112,102
Total	<u>\$ 167,090</u>	<u>\$ 119,498</u>

At September 30, 2021, the Hospital reported approximately \$48,175, as deferred outflows of resources related to pensions resulting from the Hospital contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability at September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2021, related to pensions will be recognized in pension expense as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2021	\$ 16,838
2022	30,101
2023	(29,760)
2024	(17,762)
	<u>\$ (583)</u>

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. This report is available on the Parkland website at ParklandHospital.com

(e) Defined Contribution Plan

The Hospital also maintains voluntary defined contribution plans covering all employees with at least one year of service. The defined contribution plans include a 401(a), 403(b) and 457(b) plan, collectively the Supplemental Plans, and are administered by the Board. The Supplemental Plans provisions and contribution requirements are established and may be amended by the Board. Eligible employees can choose to contribute from 2% to 20% of their base salaries. The Hospital will match employees' contributions 100%, up to 6% of their base salaries. Employees are fully vested at all times in their voluntary contributions, plus earnings thereon. Vesting in the Hospital'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 Hospital's contributions, the unvested portion can be used to reduce the Hospital's matching contributions in the aggregate.

Contributions for the year ended September 30, 2021, were approximately \$29,200 from the Hospital and \$63,500 from employees.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Concentrations of Patient Accounts Receivable Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are County residents. The mix of receivables from patients and third party payors, net of allowances for contractual adjustments and bad debts, as of September 30, 2021, is as follows:

	Amount	Percentage
Commercial insurance and other	\$ 84,449	47%
Medicaid	48,790	27%
Medicare	43,842	25%
Patients	771	1%
Total	\$ 177,852	100%

Commitments and Contingencies

As a local governmental unit, the Hospital is subject to the provisions of the Texas statute known as the Texas Tort Claims Act. Currently, the Hospital's liability is limited under the Act to monetary damages in a maximum amount of \$100 for each person, \$300 for each single occurrence for bodily injury or death, and \$100 for each single occurrence for injury to or destruction of property. These liability limitations apply to claims and lawsuits covered by the Texas Tort Claims Act and do not apply to other types of claims and lawsuits, including, among others, civil rights and employment related litigation.

As to litigation or other proceedings pending, or to its knowledge, threatened in any court, agency or other administrative body (either State or federal) that are not specifically disclosed in these footnotes, the Hospital intends to vigorously defend these matters and pursue its counterclaims, if any. Furthermore, as to such matters the Hospital is either currently unable to estimate the ultimate aggregate amount of monetary gain, loss or financial impact of these matters, or does not currently believe these proceedings will have a material adverse impact; provided, however, adverse resolution of these actions and counterclaims could have a material adverse effect on our business, financial condition or results of operations.

As of September 30, 2021, the Hospital had construction commitments outstanding of \$9,500 related to various construction projects.

Limited Tax Bonds

In 2009, the Hospital issued three series of Dallas County Hospital District Limited Tax Bonds (Bonds), with a total principal amount of \$705,000. Payment of principal and interest on the Bonds is supported by ad valorem tax revenue and federal subsidies under the Build America Bond Program. In 2013, the Hospital issued \$38,300 of Limited Tax and Revenue Bonds. In October 2019, the Hospital refinanced the Series 2009B Bonds by issuing \$191,400 of Limited Tax Refunding, Series 2019 Bonds. The refinancing resulted in a net present value savings of \$27,600. The Bonds are rated AA- by Standard & Poor's and Aa2 by Moody's.

Taxable Series 2009B Bonds were issued with a total principal amount of \$222,490, in accordance with provisions of the Build America Bond program. These bonds bear interest at fixed interest rates ranging from 4.9% to 6.2% and were to mature from August 15, 2020 through August 15, 2034. The Taxable Series 2009B Bonds were refinanced on October 1, 2020 by the Limited Tax Refunding, Series 2019 Bonds.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Taxable Series 2009C Bonds were issued with total principal amount of \$457,700, in accordance with provisions of the Build America Bond program and bear interest at fixed interest rates ranging from 4.1% to 5.6%. These bonds mature from August 15, 2020 through August 15, 2044. The Taxable Series 2009C Bonds are subject to make whole redemption prior to maturity at any time, in whole or in part, at the option of the Hospital, at the greater of (i) the issue price of the principal amount redeemed, or (ii) the sum of the present value of the remaining scheduled payments of principal and interest at the Treasury Rate plus 25 basis points plus accrued interest.

Tax Exempt Series 2013 Bonds bear interest at stated fixed interest rates between 4.0% and 5.0%, and mature from August 15, 2020 to 2038 and are subject to redemption prior to maturity on August 15, 2023 or any date thereafter, in whole or in part, at the option of the Hospital at the par amount plus any accrued interest. In August 2021, the Hospital chose to defease in substance the Tax Exempt Series 2013 Bonds maturing on August 15, 2023 and after. The Tax Exempt Series 2013 Bonds had an outstanding balance of \$34,100 at the time of defeasance. To defease the bonds maturing on August 15, 2023 and after, the Hospital placed \$34,400 in escrow, which will be used to redeem the Series 2013 bonds in 2023. The in substance defeasance resulted in a loss on reacquired debt using existing resources of \$2,300. As of September 30, 2021, the outstanding balance of the Tax Exempt Series 2013 Bonds maturing prior to August 15, 2023, totaled \$2,600.

The Limited Tax Refunding, Series 2019 Bonds bear interest at stated fixed interest rates between 4.0% to 5.0% and mature from February 15, 2020 through August 15, 2034. The Series 2019 Bonds, with stated maturities on and after August 15, 2029, are subject to redemption prior to maturity on August 15, 2028 or on any date thereafter, in whole or in part, at the option of the Hospital at the par amount plus any accrued interest. Payment of principal and interest on the Series 2019 Bonds are supported by a levy of ad valorem tax revenue.

The following is a summary of long term debt for the year ended September 30, 2021:

	<u>2021 Beginning Balance</u>	<u>Additions</u>	<u>Amortization</u>	<u>Reductions</u>	<u>2021 Ending Balance</u>
Taxable Series 2009C Bonds	\$ 412,395	-	-	(3,190)	409,205
Tax Exempt 2013 Bonds	35,220	-	-	(32,635)	2,585
Tax Exempt 2013 Bonds premium	571	-	(133)	(406)	32
Tax Exempt 2019 Bonds	174,385	-	-	(10,645)	163,740
Tax Exempt 2019 Bonds premium	31,788	-	(3,999)	-	27,789
Total debt	<u>\$ 654,359</u>	<u>\$ -</u>	<u>\$ (4,132)</u>	<u>\$ (46,876)</u>	<u>\$ 603,351</u>
Short term debt					\$ 15,625
Long term debt					<u>587,726</u>
Total debt					<u>\$ 603,351</u>

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Long term debt maturities (including mandatory redemptions), interest payments, net of estimated subsidy, and total debt service at September 30, 2021 are as follows:

<u>Years Ending September 30,</u>	<u>Principal Payments and Mandatory Redemptions</u>	<u>Interest Payments</u>	<u>BAB Interest Subsidy</u>	<u>Total Debt Service</u>
2022	\$ 15,625	\$ 32,181	\$ (7,516)	\$ 40,290
2023	16,410	31,399	(7,516)	40,293
2024	15,835	29,112	(7,459)	37,488
2025	16,375	28,298	(7,201)	37,472
2026	19,505	27,443	(6,944)	40,004
2027 - 2031	97,120	122,574	(32,354)	187,340
2032 - 2036	125,380	96,167	(30,218)	191,329
2037 - 2041	159,135	58,434	(19,286)	198,283
2042 - 2044	110,145	12,531	(4,136)	118,540
Subtotal	575,530	438,139	(122,630)	891,039
Bond premium	37,499	-	-	37,499
Accumulated amortization	(9,678)	-	-	(9,678)
Total	<u>\$ 603,351</u>	<u>\$ 438,139</u>	<u>\$ (122,630)</u>	<u>\$ 918,860</u>

Total interest costs were \$30,000 for fiscal year 2021.

COVID-19 Pandemic and CARES Act Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incident of COVID-19 (COVID-19) as a global pandemic. Patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

While some of these policies have been eased and states have lifted moratoriums on nonemergent procedures, some restrictions remain in place, and some state and local governments are reimposing certain restrictions due to increasing rates of COVID-19 cases.

Beginning in mid March 2020, the Hospital deferred all nonessential medical and surgical procedures and suspended elective procedures, which resumed at different dates during the final quarter of 2020.

The Hospital's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The Hospital has taken precautionary steps to enhance its operational and financial flexibility, and react to the risks the COVID-19 pandemic presents to its business, including implementing targeted cost reduction initiatives and reducing certain planned projects and capital expenditures.

In addition, the Hospital received approximately \$2,731 in general and targeted Provider Relief Fund distributions provided for under the Coronavirus Aid, Relief, and Economic Security (CARES) Act during the year ended September 30, 2021.

The extent of the COVID-19 pandemic's adverse effect on the Hospital's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Hospital's control and ability to forecast. Such factors include, but are not limited to, government imposed or recommended suspensions of elective procedures, potential declines in patient volumes, increases in the number of uninsured and underinsured patients as a result of higher sustained rates of unemployment, incremental expenses required for supplies and personal protective equipment, and changes in professional and general liability exposure.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Because of these and other uncertainties, the Hospital cannot estimate the length or severity of the effect of the pandemic on the Hospital's business. Decreases in cash flows and results of operations may have an effect on the inputs and assumptions used in significant accounting estimates, including estimated bad debts and contractual adjustments related to uninsured and other patient accounts.

The Hospital provides certain support to the County in relation to COVID-19 testing of County residents. The Hospital received \$17,600 in 2021 from the County for such support provided, which is included in charges for services in the accompanying Statement of Activities.

Provider Relief Fund

During the year ended September 30, 2021, the Hospital received \$2,731 of distributions from the CARES Act Provider Relief Fund (collectively, the Provider Relief Fund). These distributions from the Provider Relief Fund are not subject to repayment, provided the Hospital is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the U.S. Department of Health and Human Services (HHS).

The Hospital is accounting for such payments as conditional contributions. Payments are recognized as General Revenue once the applicable terms and conditions required to retain the funds have been met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on the Hospital's operating revenues and expenses through September 30, 2021, the Hospital recognized \$68,300, related to the Provider Relief Fund, and these payments are recorded as grants and contributions nonoperating revenue in the Statement of Activities. The unrecognized amount of Provider Relief Fund distributions are recorded as part of Provider Relief Funds received in advance in the accompanying Statement of Net Position.

The Hospital will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on the Hospital's revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. If the Hospital is unable to attest to or comply with current or future terms and conditions the Hospital's ability to retain some or all of the distributions received may be affected. Provider Relief Fund payments are subject to government oversight, including potential audits.

XIII. NEW ACCOUNTING PRONOUNCEMENTS

Management is in the process of determining the impact and application of the following new accounting pronouncements.

GASB Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
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XIII. NEW ACCOUNTING PRONOUNCEMENTS (Continued)

are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use a lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions.

GASB Statement No. 95 changed the effective date for reporting periods to beginning after June 15, 2021.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Requirements of this Statement are effective for reporting period beginning after June 15, 2021.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the GASB Board defines in this Statement as a PPP in

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

XIII. NEW ACCOUNTING PRONOUNCEMENTS (Continued)

which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction.

The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2021
(in thousands of dollars)

XIII. NEW ACCOUNTING PRONOUNCEMENTS (Continued)

appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

XIV. SUBSEQUENT EVENTS

On December 21, 2021, the County agreed to purchase land and building for approximately \$12,000 for certain County operations and rental operations.

On February 1, 2022, the County approved a tentative agreement to purchase land and building for approximately \$6,721 for a transitional housing project.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2021

(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 438,434	\$ 438,434	\$ 449,983	\$ 11,549
Licenses and permits	18,830	18,830	22,934	4,104
Fines and forfeitures	356	356	259	(97)
Investment income	630	630	195	(435)
Rental revenues	4,434	4,434	3,152	(1,282)
Intergovernmental revenues	6,395	6,395	6,038	(357)
Charges for current services	103,225	103,225	99,275	(3,950)
Miscellaneous	1,091	1,091	8,927	7,836
Total revenues	<u>573,395</u>	<u>573,395</u>	<u>590,763</u>	<u>17,368</u>
EXPENDITURES:				
General government:				
Salaries	64,838	64,437	56,312	8,125
Operating	37,801	37,141	30,177	6,964
Property	3,866	3,840	951	2,889
Total general government	<u>106,505</u>	<u>105,418</u>	<u>87,440</u>	<u>17,978</u>
Judicial:				
Salaries	152,143	150,438	152,133	(1,695)
Operating	33,428	35,696	23,315	12,381
Total judicial	<u>185,571</u>	<u>186,134</u>	<u>175,448</u>	<u>10,686</u>
Public safety:				
Salaries	260,613	282,016	286,523	(4,507)
Operating	28,159	30,768	19,900	10,868
Property	601	904	242	662
Total public safety	<u>289,373</u>	<u>313,688</u>	<u>306,665</u>	<u>7,023</u>
Health:				
Salaries	13,634	12,302	13,139	(837)
Operating	24,711	24,642	17,355	7,287
Property	236	752	179	573
Total health	<u>38,581</u>	<u>37,696</u>	<u>30,673</u>	<u>7,023</u>

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

(Continued)

DALLAS COUNTY, TEXAS

Required Supplementary Information

General Fund

(Unaudited)

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

For the Year Ended September 30, 2021

(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Welfare:				
Salaries	\$ 918	\$ 735	\$ 734	\$ 1
Operating	<u>17</u>	<u>18</u>	<u>9</u>	<u>9</u>
Total Public welfare	<u>935</u>	<u>753</u>	<u>743</u>	<u>10</u>
Reserves	<u>41,508</u>	<u>18,776</u>	<u>-</u>	<u>18,776</u>
Total expenditures and reserves	<u>662,473</u>	<u>662,465</u>	<u>600,969</u>	<u>61,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(89,078)</u>	<u>(89,070)</u>	<u>(10,206)</u>	<u>78,864</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	33,009	33,009	32,125	(884)
Transfers (out)	<u>(6,357)</u>	<u>(6,365)</u>	<u>(6,365)</u>	<u>-</u>
Total other financing sources (uses)	<u>26,652</u>	<u>26,644</u>	<u>25,760</u>	<u>(884)</u>
Net change in fund balance	(62,426)	(62,426)	15,554	77,980
Fund balance - beginning	<u>62,426</u>	<u>62,426</u>	<u>62,426</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,980</u>	<u>\$ 77,980</u>

See Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

(Continued)

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended September, 2021
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 106,368	\$ 106,368	\$ 109,296	\$ 2,928
Investment income	1,859	1,859	28	(1,831)
Rental revenues	77	77	1,366	1,289
Intergovernmental revenues	200	200	507	307
Miscellaneous	-	-	4,323	4,323
Total revenues	<u>108,504</u>	<u>108,504</u>	<u>115,520</u>	<u>7,016</u>
EXPENDITURES:				
General government	106,307	22,442	9,518	12,924
Highways and streets	137,395	188,973	28,545	160,428
Public welfare	8,522	8,861	8,098	763
Public safety	-	-	132	(132)
Judicial	521	521	47	474
Debt Service - Capital leases				
Principal	-	-	11,253	(11,253)
Interest and fiscal charges	-	-	5,166	(5,166)
Capital outlay	74,962	158,275	117,243	41,032
Total expenditures	<u>327,707</u>	<u>379,072</u>	<u>180,002</u>	<u>199,070</u>
Reserves	69,865	-	-	-
Total expenditures and reserves	397,572	379,072	180,002	199,070
Excess (deficiency) of revenues over (under) expenditures	<u>(289,068)</u>	<u>(270,568)</u>	<u>(64,482)</u>	<u>206,086</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	11,700	11,700	11,700	-
Transfers (out)	-	(18,500)	(18,500)	-
Capital Lease	-	-	61,581	61,581
Total other financing sources (uses)	<u>11,700</u>	<u>(6,800)</u>	<u>54,781</u>	<u>61,581</u>
Net change in fund balance	(277,368)	(277,368)	(9,701)	267,667
Fund balance - beginning	277,368	277,368	277,368	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,667</u>	<u>\$ 267,667</u>

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

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 183	\$ 183	\$ 178	\$ (5)
Intergovernmental revenues	222,612	222,612	224,296	1,684
Charges for current services	606	606	687	81
Miscellaneous	16,975	16,975	16,112	(863)
Total revenues	<u>240,376</u>	<u>240,376</u>	<u>241,273</u>	<u>897</u>
EXPENDITURES:				
Judicial	6,286	6,286	6,209	77
Public safety	25,723	25,723	25,717	6
Health	149,464	149,464	149,321	143
Public welfare	60,732	60,732	60,679	53
Total expenditures	<u>242,205</u>	<u>242,205</u>	<u>241,926</u>	<u>279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,829)</u>	<u>(1,829)</u>	<u>(653)</u>	<u>1,176</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	6,904	6,904	6,357	(547)
Transfers (out)	(2,105)	(2,105)	(2,094)	11
Total other financing sources (uses)	<u>4,799</u>	<u>4,799</u>	<u>4,263</u>	<u>(536)</u>
Net change in fund balance	2,970	2,970	3,610	640
Fund balance - beginning	2,795	2,795	2,795	-
Fund balance - ending	<u>\$ 5,765</u>	<u>\$ 5,765</u>	<u>\$ 6,405</u>	<u>\$ 640</u>

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

DALLAS COUNTY, TEXAS

Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Unaudited) September 30, 2021

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

The following are the funds that have legally adopted annual budgets prepared on a basis consistent with GAAP (with the exception of budgeting for reserves): General Fund, Debt Service Fund and Special Revenue Funds (except for District Attorney funds and Judicial, Technology, Local Government, Local Official, and Record Management Funds). Project length financial plans are adopted for Capital Projects Funds. Budget funds are allocated annually for Major Project funds in accordance to long-term requirements and projections.

- Tax rates are established and approved annually for budgeted funds per policy.
- General Fund – projected unallocated fund balance equal to or greater than 10.5% of budgeted expenditures.
- Permanent Improvement Fund – dedicated tax rate of 0.18 cents per \$100 valuation.
- Major Technology Fund – dedicated tax rate of 1.933 cents per \$100 valuation.
- Major Capital Development Fund – dedicated tax rate of 4.116 cents per \$100 valuation.
- Debt Service Fund – calculated requirement using current principle and interest payments plus 10.5% reserve balance and compliance with IRS regulations.

The following State of Texas Local Government Code statutes, among others, guide the County in preparation of its annual budget:

Sec. 111.039. ADOPTION OF BUDGET. (b) The commissioners court may make any changes in the proposed budget that it considers warranted by the facts and law and required by the interest of the taxpayers, but the amounts budgeted in a fiscal year for expenditures from the various funds of the county may not exceed the balances in those funds as of the first day of the fiscal year, plus the anticipated revenue for the fiscal year as estimated by the county auditor.

Sec. 111.041. EXPENDITURE OF FUNDS UNDER BUDGET; EMERGENCY EXPENDITURE; BUDGET TRANSFER. (c) The commissioners court by order may amend the budget to transfer an amount budgeted for one item to another budgeted item without authorizing an emergency expenditure.

Sec. 111.0415. CHANGES IN BUDGET FOR COUNTY PURPOSES. This subchapter does not prevent the commissioners court from making changes in the budget for county purposes.

Each year, all departments submit to the Budget Director requests for appropriation. These requests are reviewed, compiled and presented to the Commissioners Court for approval. The Commissioners Court conducts departmental budget reviews, adjusts budget requests to final form and conducts a public hearing in the County Administration Building. One copy of the proposed budget must be filed with the County Clerk and one with the County Auditor. Copies must be available to the public. The Commissioners Court must provide for the

DALLAS COUNTY, TEXAS

Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Unaudited) September 30, 2021

public hearing on the budget on some date within seven calendar days after the filing of the budget and prior to October 31 of the current fiscal year.

The County controls appropriations at the category level (i.e., salaries, allowances, operations and property) for each department or project within the General Fund and some of the Special Revenue Funds. Grants are budgeted in total and not at the category level. All Debt Service Fund expenditures for principal and interest on long-term debt are considered to be in the operations category. Certain appropriation transfers may be made between categories or departments only with the approval of the Commissioners Court. Other transfers (e.g., court costs) may be authorized by the Budget Director. Transfers that were made during the current fiscal year 2021 did not increase the County's overall budget. Unencumbered amounts for annually budgeted funds lapse at fiscal year end. The original budgets inclusive of prior period encumbered funds presented in the report are the approved budgets before amendments and transfers. The final budgets presented in this report reflect the budgets as amended for all appropriation transfers processed during the fiscal year. More comprehensive accounting of activity on the budget (prepared on a GAAP basis) is provided in a separate report, which is available for public inspection in the office of the Dallas County Auditor, 500 Elm Street, Suite 4200, Dallas, TX 75202.

Encumbrances

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

General Fund Budgetary Highlights

The Management's discussion and analysis includes a summary of only significant General Fund variances between actual results in FY21 as compared to the final budget for the General Fund.

In April 2020, the County received and recorded in the Major Grants Fund \$239,952 for the CARES Act Coronavirus Relief Fund for State and Local Governments (CARES Act). As of September 30, 2021, including interest \$15,181 remains available to be spent. Funds received and spent were not budgeted.

In May 2021, the County received \$255,959 of American Rescue Plan Act (ARP Act) funding of \$511,918 from the U.S. Treasury. The remaining 50% will be funded in 2022. ARP Act funds are intended to provide support for eligible costs incurred during the period of March 3, 2021 through December 31, 2024, to state, local and tribal governments in responding to the impact of COVID-9.

As of September 30, 2021, including accrued interest, \$251,683 of the ARP Act Funds remain.

DALLAS COUNTY
 Required Supplementary Information
Infrastructure Assets Under Modified Approach
 September 30, 2021
 (in thousands of dollars)
 (Unaudited)

Roads

A federal highway administration pavement condition rating (PCR) was utilized to assess the condition of the 107.58 lane miles of County roads. The County policy is to maintain roads at a minimum of 2.5 on a 4.0 scale. The following conditions were defined and associated to a rating:

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

Percentage of Roads with 2.5 or better condition:

Road and Bridge District	2021	2020	2019	2018	2017
District 1 ⁽¹⁾	- %	0.0 %	0.0 %	0.0 %	0.0 %
District 2	100.0	100.0	100.0	100.0	100.0
District 3	99.1	98.6	99.1	99.1	99.1
District 4	100.0	100.0	100.0	100.0	100.0
Overall System	99.7	98.8	99.7	99.7	99.7

Comparison of estimated to actual maintenance costs:

	2021	2020	2019	2018	2017
Estimated	\$ 1,130	\$ 1,126	\$ 1,126	\$ 1,018	\$ 1,018
Actual	2,329	2,296	2,091	1,907	1,370

⁽¹⁾ District 1 does not have any lane miles of County roads.

DALLAS COUNTY
 Required Supplementary Information
Infrastructure Assets Under Modified Approach
 September 30, 2021
 (in thousands of dollars)
 (Unaudited)

		Bridges										
	<u>Rating</u>	<u>Number</u>	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>	
Very Good	6.0 – 9.0	23	88	%	88	%	92	%	92	%	100	%
Good	4.0 – 5.9	3	12		12		8		8		-	
Fair	3.0 – 3.9	-			-		-		-		-	
Poor	0.0 – 2.9	-			-		-		-		-	
		<u>26</u>	<u>100</u>	<u>%</u>	<u>100</u>	<u>%</u>	<u>100</u>	<u>%</u>	<u>100</u>	<u>%</u>	<u>100</u>	<u>%</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 (poor) to 9.0 (excellent condition) is used to assess each of seven elements of the structure. These include deck, substructure, channel, culvert, approaches, and miscellaneous items.

There was no change in the County’s bridge inventory for 2021.

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

Comparison of estimated to actual maintenance costs:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Estimated	\$ 300	\$ 1,120	\$ 1,113	\$ 1,115	\$ 1,098
Actual	256	202	247	250	147

DALLAS COUNTY
Required Supplementary Information
Primary Government
Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands of dollars)
(Unaudited)

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Total Pension Liability						
Service costs	\$ 50,874	46,770	\$ 45,971	\$ 46,920	\$ 43,906	\$ 41,338
Interest on total pension liability	187,503	176,481	166,480	156,177	144,675	136,590
Effect of plan changes	-	-	-	-	-	(9,604)
Effect of assumption changes or inputs	151,933	-	-	9,066	-	20,674
Effect of economic/demographic (gains) or losses	5,808	6,637	913	(986)	6,501	(11,965)
Benefit payments	(116,956)	(110,561)	(99,144)	(92,524)	(84,328)	(78,547)
Net change in total pension liability	279,162	119,327	114,220	118,653	110,754	98,486
Total pension liability, beginning	2,256,807	2,137,480	2,023,260	1,904,607	1,793,853	1,695,367
Total pension liability, ending (a)	\$ 2,535,969	2,256,807	\$ 2,137,480	\$ 2,023,260	\$ 1,904,607	\$ 1,793,853
Fiduciary Net Position						
Employer contributions	\$ 56,183	48,680	\$ 45,309	\$ 43,304	\$ 39,234	\$ 35,839
Employee contributions	29,484	27,438	25,849	24,870	23,918	21,864
Investment income net of investment expenses	222,926	307,647	(36,221)	246,954	117,495	(6,146)
Benefit payments	(116,956)	(110,561)	(99,144)	(92,524)	(84,328)	(78,547)
Administrative expenses	(1,718)	(1,634)	(1,495)	(1,274)	(1,277)	(1,147)
Other	(930)	(886)	(632)	(339)	1,977	8
Net change in plan fiduciary net position	188,989	270,684	(66,334)	220,991	97,019	(28,129)
Fiduciary net position, beginning	2,100,332	1,829,648	1,895,982	1,674,991	1,577,972	1,606,101
Fiduciary net position, ending (b)	\$ 2,289,321	2,100,332	\$ 1,829,648	\$ 1,895,982	\$ 1,674,991	\$ 1,577,972
Net pension liability/(asset), ending =(a)-(b)	\$ 246,648	156,475	\$ 307,832	\$ 127,278	\$ 229,616	\$ 215,881
Fiduciary net position as a % of total pension liability	90.27%	93.07%	85.60%	93.71%	87.94%	87.97%
Covered payroll	\$ 420,693	391,817	\$ 357,160	\$ 354,950	\$ 341,163	\$ 311,763
Net pension liability as a % of covered payroll	58.63%	39.94%	86.19%	35.86%	67.30%	69.25%

Note: GASB Statement No. 68 was implemented in FY15 and prior years are not available.

DALLAS COUNTY
Required Supplementary Information
Primary Government
Schedule of Employer Pension Contributions
(in thousands of dollars)
(Unaudited)

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2012	\$ 27,406	\$ 27,406	\$ -	\$ 277,896	9.9 %
2013	30,760	30,760	-	289,744	10.6
2014	33,769	33,769	-	297,808	11.3
2015	35,867	35,867	-	311,886	11.5
2016	37,127	37,127	-	322,846	11.5
2017	42,483	42,483	-	353,624	12.0
2018	45,111	45,111	-	368,136	12.3
2019	48,070	48,070	-	387,849	12.4
2020	55,262	55,262	-	420,265	13.0
2021	57,184	57,184	-	434,802	13.0

Methods and assumptions used to determine contribution rates:

<p>Actuarial Cost</p> <p>Amortization Method</p> <p>Remaining Amortization Period</p> <p>Asset Valuation Method</p> <p>Inflation</p> <p>Salary Increases</p> <p>Investment Rate of Return</p> <p>Retirement Age</p>	<p>Method Entry Age</p> <p>Level percentage of payroll, closed.</p> <p>20.0 years (based on contribution rate calculated in 12/31/2020 valuation)</p> <p>5-year smoothed market</p> <p>2.50%</p> <p>Varies by age and service. 4.6% average over career including inflation</p> <p>7.50%, net of administrative and investment expenses, including inflation</p> <p>Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.</p>
<p>Mortality</p>	<p>130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.</p>
<p>Changes in assumptions and methods reflected in the Schedule of Employer Contributions*</p>	<p>2015: New inflation, mortality and other assumptions were reflected.</p> <p>2017: New mortality assumptions were reflected.</p> <p>2019: New inflation, mortality and other assumptions were reflected.</p>
<p>Changes in Plan Provisions reflected in the Schedule of Employer Contributions*</p>	<p>2015: No changes in plan provisions were reflected in the Schedule.</p> <p>2016: No changes in plan provisions were reflected in the Schedule.</p> <p>2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.</p> <p>2018: No changes in plan provisions were reflected in the Schedule.</p> <p>2019: No changes in plan provisions were reflected in the Schedule.</p> <p>2020: No changes in plan provisions were reflected in the Schedule.</p>

*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

DALLAS COUNTY
Required Supplementary Information
Primary Government
Schedule of Changes in Other Post Employment Benefit Liability
(in thousands of dollars)
(Unaudited)

	Total OPEB Liability 2020	Total OPEB Liability 2019	Total OPEB Liability 2018	Total OPEB Liability 2017
Total OPEB Liability - Start of Year	\$ 228,011	\$ 173,700	\$ 300,743	\$ 315,446
Changes for the year:				
Service Cost	13,797	7,086	12,826	15,815
Interest	6,379	7,453	11,300	10,056
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(67,839)	-	(117,539)	-
Changes in assumptions or other inputs	18,196	44,721	(29,077)	(35,297)
Other changes, separately identified if significant	-	-	-	-
Benefit payments	(3,995)	(4,949)	(4,553)	(5,277)
Administrative expense	-	-	-	-
Net change in total OPEB liability	(33,462)	54,311	(127,043)	(14,703)
Total OPEB Liability - End of Year	\$ 194,549	\$ 228,011	\$ 173,700	\$ 300,743
Covered employee payroll	\$ 379,295	\$ 350,346	\$ 340,450	\$ 334,562
Total OPEB liability as a percent of covered employee payroll	51.29%	65.08%	51.02%	89.89%

DALLAS COUNTY
Required Supplementary Information
Discretely Presented Component Unit
Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands of dollars)
(Unaudited)

Total Pension Liability	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Service cost	\$ 65,820	\$ 51,517	\$ 47,055	\$ 44,516	\$ 41,024	\$ 39,886	37,881
Interest on total pension liability	106,382	102,108	95,249	89,044	83,216	78,296	72,677
Effect of plan changes	-	-	-	(4,577)	-	-	-
Effect of economic/demographic gains or (losses)	8,301	(1,105)	7,645	8,896	2,439	(2,122)	8,589
Effect of assumption changes or inputs	(8,557)	207,476	(1,022)	-	-	-	-
Benefit payments	<u>(62,990)</u>	<u>(56,859)</u>	<u>(53,984)</u>	<u>(49,645)</u>	<u>(44,312)</u>	<u>(49,392)</u>	<u>(32,637)</u>
Net change in total pension liability	108,956	303,137	94,943	88,234	82,367	66,668	86,510
Total pension liability, beginning	<u>1,738,257</u>	<u>1,435,120</u>	<u>1,340,177</u>	<u>1,251,943</u>	<u>1,169,576</u>	<u>1,102,908</u>	<u>1,016,398</u>
Total pension liability, ending (a)	<u>\$ 1,847,213</u>	<u>\$ 1,738,257</u>	<u>\$ 1,435,120</u>	<u>\$ 1,340,177</u>	<u>\$ 1,251,943</u>	<u>\$ 1,169,576</u>	<u>1,102,908</u>
Fiduciary Net Pension							
Employer contributions	\$ 59,072	\$ 46,700	\$ 40,000	\$ 27,915	\$ 28,083	\$ 24,500	22,812
Employee contributions	47,987	46,107	44,223	38,686	30,270	29,471	27,378
Investment income net of investment expenses	160,402	192,482	(51,595)	130,137	55,203	(7,945)	43,705
Benefit payments	(62,990)	(56,859)	(53,984)	(49,645)	(44,312)	(49,392)	(32,637)
Administrative expenses	<u>(2,918)</u>	<u>(2,743)</u>	<u>(2,654)</u>	<u>(3,803)</u>	<u>(1,881)</u>	<u>(2,047)</u>	<u>(2,020)</u>
Net change in plan fiduciary net position	201,533	225,687	(24,010)	143,290	67,363	(5,413)	59,238
Fiduciary net position, beginning	<u>1,173,721</u>	<u>948,034</u>	<u>972,044</u>	<u>828,754</u>	<u>761,391</u>	<u>766,804</u>	<u>707,566</u>
Fiduciary net position, ending (b)	<u>\$ 1,375,274</u>	<u>\$ 1,173,721</u>	<u>\$ 948,034</u>	<u>\$ 972,044</u>	<u>\$ 828,754</u>	<u>\$ 761,391</u>	<u>766,804</u>
Net pension liability = (a)-(b)	<u>\$ 471,939</u>	<u>\$ 564,536</u>	<u>\$ 487,086</u>	<u>\$ 368,133</u>	<u>\$ 423,189</u>	<u>\$ 408,185</u>	<u>336,104</u>
Fiduciary net position as a % of total pension liability	74.45%	67.52%	66.06%	72.53%	66.20%	65.10%	69.53%
Covered employee payroll	\$ 706,911	\$ 685,520	\$ 659,891	\$ 632,669	\$ 613,367	\$ 574,215	554,120
Net pension liability as a % of covered payroll	66.76%	82.35%	73.81%	58.19%	68.99%	71.09%	60.66%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Hospital will present information for those years for which information is available.

DALLAS COUNTY
Required Supplementary Information
Discretely Presented Component Unit
Schedule of Employer Pension Contributions
(in thousands of dollars)
(Unaudited)

	December 31,						
	2020	2019	2018	2017	2016	2015	2014
Contributions in relation to the actuarially determined contributions	\$ 59,072	\$ 46,700	\$ 40,000	\$ 27,915	\$ 28,123	\$ 24,500	\$ 22,812
Actuarially determined contributions	<u>59,072</u>	<u>37,005</u>	<u>28,827</u>	<u>27,915</u>	<u>28,083</u>	<u>24,540</u>	<u>22,812</u>
Contribution surplus / deficit	\$ -	\$ 9,695	\$ 11,173	\$ -	\$ 40	\$ (40)	\$ -
Covered employee payroll	<u>\$ 706,911</u>	<u>\$ 685,520</u>	<u>\$ 659,891</u>	<u>\$ 632,669</u>	<u>\$ 613,367</u>	<u>\$ 574,215</u>	<u>\$ 554,120</u>
Contributions as a percentage of covered employee payroll	<u>8.40%</u>	<u>6.80%</u>	<u>6.10%</u>	<u>4.40%</u>	<u>4.60%</u>	<u>4.30%</u>	<u>4.10%</u>

Notes:

(1) *Valuation date:*

Actuarially determined contribution rates are calculated as of January 1st one year prior to the end of the fiscal year in which contributions are reported.

(2) *Methods and assumptions used to determine contribution rates:*

	As of December 31,			
	2020	2019	2018	2017
Actuarial cost method	Entry age normal cost	Entry age normal cost	Entry age normal cost	Entry age normal cost
Amortization method	30 year, closed	30 year, closed	30 year, closed	30 year, closed
Asset valuation method	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in
Inflation	2.5%	2.5%	2.5%	2.5%
Investment rate of return	6.00%, net of pension plan investment expense, including inflation	6.00%, net of pension plan investment expense, including inflation	7.00%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation
Retirement age	65	65	65	65
Mortality	Pub-2010 Public General and MP-2020	Pub-2010 Public General and MP-2019	Pub-2010 Public General and MP-2018	RP-2000, projected

	As of December 31,		
	2016	2015	2014
Actuarial cost method	Entry age normal cost	Entry age normal cost	Entry age normal cost
Amortization method	30 year, closed	30 year, closed	30 year, closed
Asset valuation method	5-year rolling phase-in	5-year rolling phase-in	5-year rolling phase-in
Inflation	2.5%	2.5%	3.0%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation	7.75%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation
Retirement age	65	65	65
Mortality	RP-2000, projected	RP-2000, projected	RP-2000, projected

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Hospital will present information for those years for which information is available.

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SUPPLEMENTARY INFORMATION

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Housing Finance Corporation Fund 180 - used to account for money received from lease payments related to the Dallas County Housing Finance Corporation – Beckley.

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

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

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

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

Judicial Fund 200 - used to account for statutory fees from criminal and civil court filings in County and District Courts restricted to projects for judiciary as approved by Commissioners Court.

Technology Fund 201 - used to account for fees from each civil case filed in Justice Courts restricted for the use of technology projects for the Justice Courts.

Local Government Fund 202 - used to account for a statutory fee and earnings that are restricted for the use of elections, transportation and other projects as defined by statute.

Local Official Fund 203 - used to account for money and property forfeited in criminal seizures restricted for use by County Sheriff, Constables and Special VIT interest managed by the County Assessor–Collector of Taxes.

Record Management Fund 204 - used to account for monies received from each civil case filed in County or District Courts restricted to manage, preserve or digitize County records.

Capital Project Funds

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

County Building Improvement Bonds Funds 415, 433, 440, 441, 482 and 493 - used to account for proceeds from improvements to various County buildings, in addition to the acquisition and improvement of open-space land.

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

DALLAS COUNTY, TEXAS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2021
 (in thousands of dollars)

	Special Revenue										
	District Attorney						District Attorney Forfeitures			Historical Commission	Housing Finance Corporation
	Road and Bridge	Permanent Improvement	Law Library	Major Technology	HIDTA Federal	Special	Federal	State	Other		
ASSETS											
Cash and investments	\$ 36,160	\$ 8,943	\$ 669	\$ 25,249	\$ 1	\$ 231	\$ 1	\$ -	\$ 181	\$ 12	\$ 102
Receivables:											
Taxes - current	-	5,330	-	53,327	-	-	-	-	-	-	-
Less allowance for uncollectible	-	(263)	-	(2,573)	-	-	-	-	-	-	-
Net taxes receivable	-	5,067	-	50,754	-	-	-	-	-	-	-
Accounts	324,529	4	6,544	12	-	-	-	-	-	-	-
Less allowance	(322,107)	-	(6,502)	-	-	-	-	-	-	-	-
Accounts receivable	2,422	4	42	12	-	-	-	-	-	-	-
Accrued interest	17	4	-	12	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	-
Inventories	309	-	-	-	-	-	-	-	-	-	-
Prepayments and advances	30	133	5	7,590	-	-	-	-	-	-	-
Total assets	<u>\$ 38,938</u>	<u>\$ 14,151</u>	<u>\$ 716</u>	<u>\$ 83,617</u>	<u>\$ 1</u>	<u>\$ 231</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 181</u>	<u>\$ 12</u>	<u>\$ 102</u>
LIABILITIES											
Accounts payable	\$ 1,209	\$ 85	\$ 34	\$ 5,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	7	-	-	-	-	-	-	-	-
Due to other governmental units	724	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>1,933</u>	<u>85</u>	<u>41</u>	<u>5,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - other	1,914	2	41	6	-	-	-	-	-	-	-
Unavailable revenue - property taxes	-	5,072	-	50,815	-	-	-	-	-	-	-
Total deferred inflows	<u>1,914</u>	<u>5,074</u>	<u>41</u>	<u>50,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES											
Nonspendable: inventories and prepaids	339	133	5	7,590	-	-	-	-	-	-	-
Restricted	34,752	-	629	-	1	231	1	-	181	12	102
Committed	-	8,859	-	19,495	-	-	-	-	-	-	-
Total fund balances	<u>35,091</u>	<u>8,992</u>	<u>634</u>	<u>27,085</u>	<u>1</u>	<u>231</u>	<u>1</u>	<u>-</u>	<u>181</u>	<u>12</u>	<u>102</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 38,938</u>	<u>\$ 14,151</u>	<u>\$ 716</u>	<u>\$ 83,617</u>	<u>\$ 1</u>	<u>\$ 231</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 181</u>	<u>\$ 12</u>	<u>\$ 102</u>

(Continued)

DALLAS COUNTY, TEXAS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2021
 (in thousands of dollars)

Special Revenue

	Alternative Dispute Resolution	Appellate Justice System	HUD Section 8 Grants	Academy for Academic Excellence	Judicial	Technology	Local Government	Local Official	Record Management	Total
ASSETS										
Cash and investments	\$ 5,250	\$ 945	\$ 5,637	\$ (376)	\$ 2,056	\$ 275	\$ 20,355	\$ 9,866	\$ 29,637	\$ 145,194
Receivables:										
Taxes - current	-	-	-	-	-	-	-	-	-	58,657
Less allowance for uncollectible	-	-	-	-	-	-	-	-	-	(2,836)
Net taxes receivable	-	-	-	-	-	-	-	-	-	55,821
Accounts	5,351	1,982	-	-	4,804	1,308	5,638	503	15,199	365,874
Less allowance	(5,317)	(1,972)	-	-	(4,730)	(1,280)	(5,061)	(171)	(15,088)	(362,228)
Accounts receivable	34	10	-	-	74	28	577	332	111	3,646
Accrued interest	2	-	-	-	1	-	9	5	14	64
Due from other funds	-	-	79	-	-	-	-	-	-	79
Due from other governmental units	-	-	185	2,513	-	-	-	-	-	2,698
Inventories	-	-	-	-	-	-	-	53	-	362
Prepayments and advances	-	-	3,770	-	-	-	278	59	83	11,948
Total assets	\$ 5,286	\$ 955	\$ 9,671	\$ 2,137	\$ 2,131	\$ 303	\$ 21,219	\$ 10,315	\$ 29,845	\$ 219,812
LIABILITIES										
Accounts payable	3	16	646	181	17	-	567	273	578	9,320
Due to other funds	-	-	443	-	-	-	1	-	-	451
Due to other governmental units	-	-	-	-	-	-	-	-	-	724
Total liabilities	3	16	1,089	181	17	-	568	273	578	10,495
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - other	32	10	-	-	74	28	580	2	115	2,804
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	-	55,887
Total deferred inflows	32	10	-	-	74	28	580	2	115	58,691
FUND BALANCES										
Nonspendable: inventories and prepaids	-	-	3,770	-	-	-	278	112	83	12,310
Restricted	5,251	929	4,812	1,956	2,040	275	19,793	9,928	29,069	109,962
Committed	-	-	-	-	-	-	-	-	-	28,354
Total fund balances	5,251	929	8,582	1,956	2,040	275	20,071	10,040	29,152	150,626
Total liabilities, deferred inflows and fund balances	\$ 5,286	\$ 955	\$ 9,671	\$ 2,137	\$ 2,131	\$ 303	\$ 21,219	\$ 10,315	\$ 29,845	\$ 219,812

(Continued)

DALLAS COUNTY, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021
(in thousands of dollars)

	Capital Project			
	County Building Improvements	Roads	Total	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 15,227	\$ 3,274	\$ 18,501	\$ 163,695
Receivables:				
Taxes - current	-	-	-	58,657
Less allowance for uncollectible	-	-	-	(2,836)
Net taxes receivable	-	-	-	55,821
Accounts	-	-	-	365,874
Less allowance	-	-	-	(362,228)
Accounts receivable	-	-	-	3,646
Accrued interest	-	-	-	64
Due from other funds	-	-	-	79
Due from other governmental units	-	11	11	2,709
Inventories	-	-	-	362
Prepayments and advances	-	-	-	11,948
Total assets	15,227	\$ 3,285	\$ 18,512	\$ 238,324
LIABILITIES				
Accounts payable	1,347	115	1,462	10,782
Due to other funds	-	-	-	451
Due to other governmental units	-	82	82	806
Total liabilities	1,347	197	1,544	12,039
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - other	-	-	-	2,804
Unavailable revenue - property taxes	-	-	-	55,887
Total deferred inflows	-	-	-	58,691
FUND BALANCES				
Nonspendable: inventories and prepaids	-	-	-	12,310
Restricted	13,880	3,088	16,968	126,930
Committed	-	-	-	28,354
Total fund balances	13,880	3,088	16,968	167,594
Total liabilities, deferred inflows and fund balances	15,227	\$ 3,285	\$ 18,512	\$ 238,324

(Concluded)

DALLAS COUNTY, TEXAS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2021
 (in thousands of dollars)

	Special Revenue										
	District Attorney					District Attorney Forfeiture					Housing Finance Commission Corporation
	Road and Bridge	Permanent Improvement	Law Library	Major Technology	HIDTA Federal	Special	Federal	State	Other	Historical Commission	
REVENUES											
Property taxes	\$ -	\$ 4,785	\$ -	\$ 51,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway license fees	22,649	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	4,958	-	-	-	-	-	-	-	-	-	-
Investment income	1	1	-	15	-	-	-	-	-	4	-
Rental revenues	-	-	-	-	-	-	-	-	-	-	100
Intergovernmental revenues	28	-	-	145	-	-	-	-	-	-	-
Charges for current services	2,444	-	977	-	-	-	-	-	-	-	-
Miscellaneous	162	-	-	-	-	30	-	-	-	-	-
Total revenues	30,242	4,786	977	51,490	-	30	-	-	-	4	100
EXPENDITURES											
Current:											
General government	-	1,104	-	47,859	-	-	-	-	-	-	-
Judicial	-	273	912	1,947	-	21	-	-	-	-	-
Public safety	-	688	-	224	-	-	-	-	-	-	-
Highways and streets	11,180	-	-	-	-	-	-	-	-	-	-
Health	-	164	-	1,018	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Public Welfare	-	-	-	-	-	-	-	-	-	-	498
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	11,180	2,229	912	51,048	-	21	-	-	-	-	498
Excess (deficiency) of revenues over (under) expenditures	19,062	2,557	65	442	-	9	-	-	-	4	(398)
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	-	-	8	500
Transfers (out)	(14,906)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(14,906)	-	-	-	-	-	-	-	-	8	500
Net change in fund balance	4,156	2,557	65	442	-	9	-	-	-	12	102
Fund balance - beginning	30,935	6,435	569	26,643	1	222	1	-	181	-	-
Fund balance - ending	\$ 35,091	\$ 8,992	\$ 634	\$ 27,085	\$ 1	\$ 231	\$ 1	\$ -	\$ 181	\$ 12	\$ 102

(Continued)

DALLAS COUNTY, TEXAS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2021
 (in thousands of dollars)

Special Revenue

	Alternative Dispute Resolution	Appellate Justice System	HUD Section 8 Grants	Academy for Academic Excellence	Judicial	Technology	Local Government	Local Official	Record Management	Total
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,115
Highway license fees	-	-	-	-	-	-	-	-	-	22,649
Fines and forfeitures	-	-	7	-	-	-	-	-	-	4,965
Investment income	-	-	2	2	-	-	1	-	45	71
Rental revenues	-	-	-	-	-	-	-	-	-	100
Intergovernmental revenues	-	-	47,126	8,339	-	-	7,474	-	-	63,112
Charges for current services	835	328	44	-	611	135	1,605	6,224	9,910	23,113
Miscellaneous	-	-	46	-	12	-	-	49	-	299
Total revenues	835	328	47,225	8,341	623	135	9,080	6,273	9,955	170,424
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	636	-	49,599
Judicial	227	182	-	-	152	1	412	698	7,646	12,471
Public safety	-	-	-	-	-	-	-	3,871	-	4,783
Highways and streets	-	-	-	-	-	-	-	-	-	11,180
Health	-	-	-	-	-	-	-	-	-	1,182
Education	-	-	-	8,079	-	-	-	-	-	8,079
Public Welfare	-	-	47,383	-	-	-	4,080	-	-	51,961
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	227	182	47,383	8,079	152	1	4,492	5,205	7,646	139,255
Excess (deficiency) of revenues over (under) expenditures	608	146	(158)	262	471	134	4,588	1,068	2,309	31,169
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	508
Transfers (out)	(419)	-	-	(95)	(373)	(1,300)	(1,600)	-	(5,038)	(23,731)
Total other financing sources (uses)	(419)	-	-	(95)	(373)	(1,300)	(1,600)	-	(5,038)	(23,223)
Net change in fund balance	189	146	(158)	167	98	(1,166)	2,988	1,068	(2,729)	7,946
Fund balance - beginning	5,062	783	8,740	1,789	1,942	1,441	17,083	8,972	31,881	142,680
Fund balance - ending	\$ 5,251	\$ 929	\$ 8,582	\$ 1,956	\$ 2,040	\$ 275	\$ 20,071	\$ 10,040	\$ 29,152	\$ 150,626

(Continued)

DALLAS COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021
(in thousands of dollars)

	Capital Project			
	County Building Improvements	Roads	Total	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 56,115
Highway license fees	-	-	-	22,649
Fines and forfeitures	-	-	-	4,965
Investment income	-	-	-	71
Rental revenues	-	-	-	100
Intergovernmental revenues	-	-	-	63,112
Charges for current services	-	-	-	23,113
Miscellaneous	194	-	194	493
Total revenues	194	-	194	170,618
EXPENDITURES				
Current:				
General government	-	-	-	49,599
Judicial	-	-	-	12,471
Public safety	-	-	-	4,783
Highways and streets	-	346	346	11,526
Health	-	-	-	1,182
Education	-	-	-	8,079
Public Welfare	-	-	-	51,961
Capital outlay	35,068	-	35,068	35,068
Total expenditures	35,068	346	35,414	174,669
Excess (deficiency) of revenues over (under) expenditures	(34,874)	(346)	(35,220)	\$ (4,051)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	508
Transfers (out)	-	-	-	(23,731)
Total other financing sources (uses)	-	-	-	(23,223)
Net change in fund balance	(34,874)	(346)	(35,220)	(27,274)
Fund balance - beginning	48,754	3,434	52,188	194,868
Fund balance - ending	13,880	\$ 3,088	\$ 16,968	\$ 167,594

(Concluded)

DALLAS COUNTY, TEXAS
Debt Service - County Wide - Fund
(Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2021
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 21,694	\$ 21,694	\$ 22,216	\$ 522
Investment income	566	566	28	(538)
Total revenues	<u>22,260</u>	<u>22,260</u>	<u>22,244</u>	<u>(16)</u>
EXPENDITURES:				
Debt service				
Principal	13,780	13,780	13,780	-
Interest and fiscal charges	6,171	6,171	6,171	-
Total debt service	<u>19,951</u>	<u>19,951</u>	<u>19,951</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,309</u>	<u>2,309</u>	<u>2,293</u>	<u>(16)</u>
Net change in fund balance	2,309	2,309	2,293	(16)
Fund balance - beginning	<u>5,277</u>	<u>5,277</u>	<u>5,277</u>	<u>-</u>
Fund balance - ending	<u>\$ 7,586</u>	<u>\$ 7,586</u>	<u>\$ 7,570</u>	<u>\$ (16)</u>

(Continued)

DALLAS COUNTY, TEXAS
Road and Bridge Special Revenue Fund
(Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2021
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Highway license fees	\$ 24,223	\$ 24,223	\$ 22,649	\$ (1,574)
Fines and forfeitures	4,500	4,500	4,958	458
Investment income	190	190	1	(189)
Intergovernmental revenues	42	42	28	(14)
Charges for current services	1,561	1,561	2,444	883
Miscellaneous	10	10	162	152
Total revenues	<u>30,526</u>	<u>30,526</u>	<u>30,242</u>	<u>(284)</u>
EXPENDITURES:				
Highways and streets:				
Salaries	6,409	6,397	6,496	(99)
Operating	2,062	4,829	3,586	1,243
Property	1,698	2,546	1,098	1,448
Total highways and streets	<u>10,169</u>	<u>13,772</u>	<u>11,180</u>	<u>2,592</u>
Reserves	21,877	18,274	-	18,274
Total expenditures and reserves	<u>32,046</u>	<u>32,046</u>	<u>11,180</u>	<u>20,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,520)</u>	<u>(1,520)</u>	<u>19,062</u>	<u>20,582</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(24,960)	(24,960)	(14,906)	10,054
Total other financing sources (uses)	<u>(24,960)</u>	<u>(24,960)</u>	<u>(14,906)</u>	<u>10,054</u>
Net change in fund balance	(26,480)	(26,480)	4,156	30,636
Fund balance - beginning	30,935	30,935	30,935	-
Fund balance - ending	<u>\$ 4,455</u>	<u>\$ 4,455</u>	<u>\$ 35,091</u>	<u>\$ 30,636</u>

(Continued)

DALLAS COUNTY, TEXAS
 Permanent Improvement Special Revenue Fund
 (Unaudited)
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September, 2021
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 4,664	\$ 4,664	\$ 4,785	\$ 121
Investment income	30	30	1	(29)
Total revenues	<u>4,694</u>	<u>4,694</u>	<u>4,786</u>	<u>92</u>
EXPENDITURES:				
General government	9,862	2,249	1,104	1,145
Public safety	999	762	688	74
Judicial	226	400	273	127
Health	42	189	164	25
Total expenditures	<u>11,129</u>	<u>3,600</u>	<u>2,229</u>	<u>1,371</u>
Reserves	-	7,529	-	7,529
Total expenditures and reserves	11,129	11,129	2,229	8,900
Excess (deficiency) of revenues over (under) expenditures	<u>(6,435)</u>	<u>(6,435)</u>	<u>2,557</u>	<u>8,992</u>
Net change in fund balance	(6,435)	(6,435)	2,557	8,992
Fund balance - beginning	6,435	6,435	6,435	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,992</u>	<u>\$ 8,992</u>

(Continued)

DALLAS COUNTY, TEXAS
 Law Library Special Revenue Fund
 (Unaudited)
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2021
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ 1,010	\$ 1,010	\$ 977	\$ (33)
Investment income	<u>1</u>	<u>1</u>	-	<u>(1)</u>
Total revenues	<u>1,011</u>	<u>1,011</u>	<u>977</u>	<u>(34)</u>
EXPENDITURES:				
Judicial:				
Salaries	539	583	582	1
Operating	<u>462</u>	<u>462</u>	<u>330</u>	<u>132</u>
Total Judicial	1,001	1,045	912	133
Reserves	<u>160</u>	<u>116</u>	-	<u>116</u>
Total expenditures and reserves	<u>1,161</u>	<u>1,161</u>	<u>912</u>	<u>249</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(150)</u>	<u>(150)</u>	<u>65</u>	<u>215</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(175)</u>	<u>(175)</u>	-	<u>175</u>
Total other financing sources (uses)	<u>(175)</u>	<u>(175)</u>	-	<u>175</u>
Net change in fund balance	(325)	(325)	65	390
Fund balance - beginning	<u>569</u>	<u>569</u>	<u>569</u>	<u>-</u>
Fund balance - ending	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 634</u>	<u>\$ 390</u>

(Continued)

DALLAS COUNTY, TEXAS
Major Technology Special Reveune Fund
(Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2021
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 49,951	\$ 49,951	\$ 51,330	\$ 1,379
Investment income	150	150	15	(135)
Intergovernmental revenues	-	-	145	145
Total revenues	<u>50,101</u>	<u>50,101</u>	<u>51,490</u>	<u>1,389</u>
EXPENDITURES:				
General government:				
Salaries	16,777	15,986	16,317	(331)
Operating	28,629	25,368	25,129	239
Property	<u>3,556</u>	<u>23,421</u>	<u>6,413</u>	<u>17,008</u>
Total general government	<u>48,962</u>	<u>64,775</u>	<u>47,859</u>	<u>16,916</u>
Judicial:				
Property	<u>890</u>	<u>2,743</u>	<u>1,947</u>	<u>796</u>
Total judicial government	<u>890</u>	<u>2,743</u>	<u>1,947</u>	<u>796</u>
Public safety:				
Property	<u>277</u>	<u>5,787</u>	<u>224</u>	<u>5,563</u>
Total public safety government	<u>277</u>	<u>5,787</u>	<u>224</u>	<u>5,563</u>
Health:				
Property	<u>657</u>	<u>851</u>	<u>1,018</u>	<u>(167)</u>
Total health government	<u>657</u>	<u>851</u>	<u>1,018</u>	<u>(167)</u>
Reserves	<u>23,370</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and reserves	<u>74,156</u>	<u>74,156</u>	<u>51,048</u>	<u>23,108</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,055)</u>	<u>(24,055)</u>	<u>442</u>	<u>24,497</u>
Net change in fund balance	(24,055)	(24,055)	442	24,497
Fund balance - beginning	26,643	26,643	26,643	-
Fund balance - ending	<u>\$ 2,588</u>	<u>\$ 2,588</u>	<u>\$ 27,085</u>	<u>\$ 24,497</u>

(Continued)

DALLAS COUNTY, TEXAS
Historical Commission Special Revenue Fund
(Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2021
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	4	4	4	-
Total revenues	4	4	4	-
EXPENDITURES:				
General government:				
Operating	\$ 3	\$ 3	\$ -	\$ 3
Total general government	3	3	-	3
Reserves	1	1	-	1
Total expenditures and reserves	4	4	-	4
Excess (deficiency) of revenues over (under) expenditures	-	-	4	4
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	8	8
Total other financing sources(uses)	-	-	8	8
Net change in fund balance	-	-	12	4
Fund balance - ending	\$ -	\$ -	\$ 12	\$ 4

(Continued)

DALLAS COUNTY, TEXAS

Alternate Dispute Resolution Special Revenue Fund
(Unaudited)

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

For the Year Ended September 30, 2021
(in thousands of dollars)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES:				
Investment income	\$ 24	\$ 24	\$ -	\$ (24)
Charges for current services	<u>850</u>	<u>850</u>	<u>835</u>	<u>(15)</u>
Total revenues	<u>874</u>	<u>874</u>	<u>835</u>	<u>(39)</u>
EXPENDITURES:				
Judicial:				
Salaries	236	223	226	(3)
Operating	<u>113</u>	<u>113</u>	<u>1</u>	<u>112</u>
Total Judicial	349	336	227	109
Reserves	<u>5,168</u>	<u>5,181</u>	<u>-</u>	<u>5,181</u>
Total expenditures and reserves	<u>5,517</u>	<u>5,517</u>	<u>227</u>	<u>5,290</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,643)</u>	<u>(4,643)</u>	<u>608</u>	<u>5,251</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(419)</u>	<u>(419)</u>	<u>(419)</u>	<u>-</u>
Total other financing sources (uses)	<u>(419)</u>	<u>(419)</u>	<u>(419)</u>	<u>-</u>
Net change in fund balance	(5,062)	(5,062)	189	5,251
Fund balance - beginning	<u>5,062</u>	<u>5,062</u>	<u>5,062</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,251</u>	<u>\$ 5,251</u>

(Continued)

DALLAS COUNTY, TEXAS
 Appellate Judicial System Special Revenue Fund
 (Unaudited)
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2021
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ 300	\$ 300	\$ 328	\$ 28
Investment income	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Total revenues	<u>302</u>	<u>302</u>	<u>328</u>	<u>26</u>
EXPENDITURES:				
Judicial:				
Operating	396	396	182	214
Property	<u>21</u>	<u>21</u>	<u>-</u>	<u>21</u>
Total Judicial	417	417	182	235
Reserves	<u>474</u>	<u>474</u>	<u>-</u>	<u>474</u>
Total expenditures and reserves	<u>891</u>	<u>891</u>	<u>182</u>	<u>709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(589)</u>	<u>(589)</u>	<u>146</u>	<u>735</u>
Net change in fund balance	(589)	(589)	146	735
Fund balance - beginning	<u>783</u>	<u>783</u>	<u>783</u>	<u>-</u>
Fund balance - ending	<u>\$ 194</u>	<u>\$ 194</u>	<u>\$ 929</u>	<u>\$ 735</u>

(Continued)

DALLAS COUNTY, TEXAS
 HUD Section 8 Grants Special Revenue Fund
 (Unaudited)
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 10	\$ 10	\$ 2	\$ (8)
Charges for current services	9	9	44	35
Fines and forfeitures	-	-	7	7
Intergovernmental revenues	45,528	45,528	47,126	1,598
Miscellaneous	8	8	46	38
Total revenues	<u>45,555</u>	<u>45,555</u>	<u>47,225</u>	<u>1,670</u>
EXPENDITURES:				
Public welfare	47,745	47,745	47,383	362
Total public welfare	<u>47,745</u>	<u>47,745</u>	<u>47,383</u>	<u>362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,190)</u>	<u>(2,190)</u>	<u>(158)</u>	<u>2,032</u>
Transfers (out)	<u>(2,582)</u>	<u>(2,582)</u>	<u>-</u>	<u>2,582</u>
Total other financing sources (uses)	<u>(2,582)</u>	<u>(2,582)</u>	<u>-</u>	<u>2,582</u>
Net change in fund balance	(4,772)	(4,772)	(158)	4,614
Fund balance - beginning	8,740	8,740	8,740	-
Fund balance - ending	<u>\$ 3,968</u>	<u>\$ 3,968</u>	<u>\$ 8,582</u>	<u>\$ 4,614</u>

(Continued)

DALLAS COUNTY, TEXAS
 Academy for Academic Excellence Grants Special Revenue Fund
 (Unaudited)
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 15	\$ 15	\$ 2	\$ (13)
Intergovernmental revenues	8,435	8,435	8,339	(96)
Total revenues	<u>8,450</u>	<u>8,450</u>	<u>8,341</u>	<u>(109)</u>
EXPENDITURES:				
Education	8,198	8,198	8,079	119
Total education	<u>8,198</u>	<u>8,198</u>	<u>8,079</u>	<u>119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>252</u>	<u>252</u>	<u>262</u>	<u>10</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(95)	(95)	(95)	-
Total other financing sources (uses)	<u>(95)</u>	<u>(95)</u>	<u>(95)</u>	<u>-</u>
Net change in fund balance	157	157	167	10
Fund balance - beginning	1,789	1,789	1,789	-
Fund balance - ending	<u>\$ 1,946</u>	<u>\$ 1,946</u>	<u>\$ 1,956</u>	<u>\$ 10</u>

(Concluded)



FIDUCIARY SECTION

DALLAS COUNTY, TEXAS
FIDUCIARY FUNDS – ALL CUSTODIAL FUNDS

Custodial 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 Custodial Funds:

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

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

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

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

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

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

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

DCS - Administration (Fund 600) - used to account for ad valorem tax revenue and reserved funds available to pay all outstanding debts and obligations of Dallas County Schools described in the final judgment of the 134th Judicial District Court in Cause No. DC-18-04952. For further information see I. Summary of Significant Accounting Policies.

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

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

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

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

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

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

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

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

DALLAS COUNTY, TEXAS
 Combining Statement of Fiduciary Net Position
 September 30, 2021
 (in thousands of dollars)

Fee Office Funds

	<u>Administrative Fund Escrow</u>	<u>Sheriff Inmate Funds</u>	<u>State Reports</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>	<u>Justices of the Peace</u>	<u>Constables</u>	<u>Community Supervision and Corrections</u>	<u>Housing Finance Corporation - 1993 Refunding</u>
Assets:										
Cash, cash equivalents and investments	\$ 15,487	\$ 574	\$ 3,192	\$ 45,833	\$ 37,754	\$ 284	\$ 1,665	\$ 170	\$ 14,151	\$ 73
Accrued interest	-	-	-	-	-	-	-	-	1	-
Accounts receivable	200	-	-	-	-	-	-	-	-	-
Prepayments and advances	3	-	-	-	-	-	-	-	113	-
Assets held in escrow	8,291	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 23,981</u>	<u>\$ 574</u>	<u>\$ 3,192</u>	<u>\$ 45,833</u>	<u>\$ 37,754</u>	<u>\$ 284</u>	<u>\$ 1,665</u>	<u>\$ 170</u>	<u>\$ 14,264</u>	<u>\$ 73</u>
Liabilities:										
Accounts payable and other liabilities	\$ 2,079	\$ 796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ -
Unearned revenue - other	145	-	-	-	-	-	-	-	-	-
Due to other governmental units	21,561	-	3,143	-	-	-	-	-	1,059	-
Total liabilities	<u>23,785</u>	<u>796</u>	<u>3,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,064</u>	<u>-</u>
Deferred inflows of resources:										
Unavailable revenue - other	196	-	-	-	-	-	-	-	-	-
Total deferred inflows	<u>196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:										
Restricted for: Individuals, Organizations or Other Governments	-	(222)	49	45,833	37,754	284	1,665	170	13,200	73
Total Net Position	<u>-</u>	<u>(222)</u>	<u>49</u>	<u>45,833</u>	<u>37,754</u>	<u>284</u>	<u>1,665</u>	<u>170</u>	<u>13,200</u>	<u>73</u>
Total liabilities, deferred inflows and net position	<u>\$ 23,981</u>	<u>\$ 574</u>	<u>\$ 3,192</u>	<u>\$ 45,833</u>	<u>\$ 37,754</u>	<u>\$ 284</u>	<u>\$ 1,665</u>	<u>\$ 170</u>	<u>\$ 14,264</u>	<u>\$ 73</u>

Continued

DALLAS COUNTY, TEXAS
Combining Statement of Fiduciary Net Position
September 30, 2021
(in thousands of dollars)

	<u>Departmental Special Funds</u>					<u>District Attorney Seized Funds</u>					<u>Total</u>
	<u>Juvenile Department Child Support</u>	<u>Dallas County School Funds - Administration</u>	<u>Housing Finance Corporation - 1994 Refunding</u>	<u>Community Supervision and Corrections Special</u>	<u>Youth Village</u>	<u>Tax Assessor - Collector</u>	<u>Police Agencies</u>	<u>Attorney General</u>	<u>Gambling</u>	<u>Narcotics</u>	
Assets:											
Cash, cash equivalents and investments	\$ 601	\$ 14,774	\$ 1,026	\$ 4,326	\$ 1	\$ 62,288	\$ 39	\$ 28	\$ 62	\$ 187	\$ 202,515
Accrued interest	-	-	-	-	-	1	-	-	-	-	2
Accounts receivable	-	-	-	-	-	-	-	-	-	-	200
Prepayments and advances	-	-	-	-	-	-	-	-	-	-	116
Assets held in escrow	-	-	-	-	-	-	-	-	-	-	8,291
Total assets	<u>\$ 601</u>	<u>\$ 14,774</u>	<u>\$ 1,026</u>	<u>\$ 4,326</u>	<u>\$ 1</u>	<u>\$ 62,289</u>	<u>\$ 39</u>	<u>\$ 28</u>	<u>\$ 62</u>	<u>\$ 187</u>	<u>\$ 211,124</u>
Liabilities:											
Accounts payable	\$ -	\$ 83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,964
Unearned revenue - other	-	-	-	-	-	-	-	-	-	-	145
Due to other governmental units	-	14,691	-	-	-	62,289	-	-	-	-	102,743
Total liabilities	<u>-</u>	<u>14,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,852</u>
Deferred inflows of resources:											
Unavailable revenue - other	-	-	-	-	-	-	-	-	-	-	196
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196</u>
Net Position:											
Restricted for: Individuals, Organizations or Other Governments	601	-	1,026	4,326	1	-	39	28	62	187	105,076
Total Net Position	<u>601</u>	<u>-</u>	<u>1,026</u>	<u>4,326</u>	<u>1</u>	<u>-</u>	<u>39</u>	<u>28</u>	<u>62</u>	<u>187</u>	<u>105,076</u>
Total liabilities, deferred inflows and net position	<u>\$ 601</u>	<u>\$ 14,774</u>	<u>\$ 1,026</u>	<u>\$ 4,326</u>	<u>\$ 1</u>	<u>\$ 62,289</u>	<u>\$ 39</u>	<u>\$ 28</u>	<u>\$ 62</u>	<u>\$ 187</u>	<u>\$ 211,124</u>

DALLAS COUNTY, TEXAS
 Combining Statement of Changes in Fiduciary Net Position
 For the Year Ended September 30, 2021
 (in thousands of dollars)

	<u>Fee Office Funds</u>									
	<u>Administrative Fund Escrow</u>	<u>Sheriff Inmate Funds</u>	<u>State Reports</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>	<u>Justices of the Peace</u>	<u>Constables</u>	<u>Community Supervision and Corrections</u>	<u>Housing Finance Corporation - 1993 Refunding</u>
ADDITIONS:										
Ad valorem tax collections - local government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CSCD grant collections	-	-	-	-	-	-	-	-	27,456	-
CSCD participants	-	-	-	-	-	-	-	-	9,749	-
Trust/Escrow contributions	23,327	-	-	52,948	34,566	11,274	356	798	-	-
Inmate accounts	-	12,499	-	-	-	-	-	-	-	-
Investment interest	1	-	-	-	-	-	-	-	10	-
Miscellaneous	-	-	-	45	144	-	-	-	12	-
Total Additions	<u>\$ 23,328</u>	<u>\$ 12,499</u>	<u>\$ -</u>	<u>\$ 52,993</u>	<u>\$ 34,710</u>	<u>\$ 11,274</u>	<u>\$ 356</u>	<u>\$ 798</u>	<u>\$ 37,227</u>	<u>\$ -</u>
DEDUCTIONS:										
Ad valorem tax payments - local government	-	-	-	-	-	-	-	-	-	-
Administrative costs	-	-	-	-	-	-	-	-	-	-
CSCD program costs	-	-	-	-	-	-	-	-	34,140	-
Election costs	5,516	-	-	-	-	-	-	-	-	-
Inmate accounts	-	13,467	-	-	-	-	-	-	-	-
Trust/Escrow disbursements	17,811	-	-	45,674	25,613	11,204	410	709	-	-
Total deductions	<u>23,327</u>	<u>13,467</u>	<u>-</u>	<u>45,674</u>	<u>25,613</u>	<u>11,204</u>	<u>410</u>	<u>709</u>	<u>34,140</u>	<u>-</u>
Net change in fiduciary net position	-	(968)	-	7,319	9,097	70	(54)	89	3,087	-
Net Position - beginning	-	746	49	38,514	28,657	214	1,719	81	10,115	73
Net Position - ending	<u>\$ -</u>	<u>\$ (222)</u>	<u>\$ 49</u>	<u>\$ 45,833</u>	<u>\$ 37,754</u>	<u>\$ 284</u>	<u>\$ 1,665</u>	<u>\$ 170</u>	<u>\$ 13,202</u>	<u>\$ 73</u>

Continued

DALLAS COUNTY, TEXAS
 Combining Statement of Changes in Fiduciary Net Position
 For the Year Ended September 30, 2021
 (in thousands of dollars)

	Departmental Special Funds					District Attorney Seized Funds					Total
	Juvenile Department Child Support	Dallas County School Funds - Administration	Housing Finance Corporation - 1994 Refunding	Community Supervision and Corrections Special	Youth Village	Tax Assessor - Collector	Police Agencies	Attorney General	Gambling	Narcotics	
ADDITIONS:											
Ad valorem tax collections - local government	\$ -	\$ 27,122	\$ -	\$ -	\$ -	\$ 725,460	\$ -	\$ -	\$ -	\$ -	\$ 752,582
CSCD grant collections	-	-	-	-	-	-	-	-	-	-	27,456
CSCD participants	-	-	-	-	-	-	-	-	-	-	9,749
Trust/Escrow contributions	160	80	-	2,513	-	-	-	-	185	-	126,207
Inmate accounts	-	-	-	-	-	-	-	-	-	-	12,499
Investment interest	-	-	1	-	-	-	-	-	-	-	12
Miscellaneous	-	-	-	-	-	-	-	-	-	-	201
Total Additions	<u>\$ 160</u>	<u>\$ 27,202</u>	<u>\$ 1</u>	<u>\$ 2,513</u>	<u>\$ -</u>	<u>\$ 725,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 928,706</u>
DEDUCTIONS:											
Ad valorem tax payments - local government	-	26,778	-	-	-	725,460	-	-	-	-	752,238
Administrative costs	-	424	-	-	-	-	-	-	-	-	424
CSCD program costs	-	-	-	-	-	-	-	-	-	-	34,140
Election costs	-	-	-	-	-	-	-	-	-	-	5,516
Inmate accounts	-	-	-	-	-	-	-	-	-	-	13,467
Trust/Escrow disbursements	163	-	-	1,703	-	-	-	-	-	85	103,372
Total deductions	<u>163</u>	<u>27,202</u>	<u>-</u>	<u>1,703</u>	<u>-</u>	<u>725,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85</u>	<u>909,157</u>
Net change in fiduciary net position	(3)	-	1	810	-	-	-	-	-	100	19,549
Net Position - beginning	605	-	1,025	3,512	1	-	39	28	62	87	85,527
Net Position - ending	<u>\$ 602</u>	<u>\$ -</u>	<u>\$ 1,026</u>	<u>\$ 4,322</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 28</u>	<u>\$ 62</u>	<u>\$ 187</u>	<u>\$ 105,076</u>

STATISTICAL SECTION
(Unaudited)

STATISTICAL SECTION

This part of the County’s annual comprehensive 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.

Contents	Page
Financial Trends	142
These schedules contain trend information to aid in understanding how the County’s financial performance and wellbeing have changed over time.	
Revenue Capacity	147
These schedules contain information to aid in assessing the County’s most significant local revenue source – property tax.	
Debt Capacity	152
These schedules present information to aid in assessing the County’s ability to issue additional debt in the future.	
Demographic and Economic Information	157
These schedules offer demographic and economic indicators to aid in understanding the environment within which the County’s financial activities take place.	
Operating Information	159
These schedules contain service and infrastructure data to aid in understanding how the information in the County’s financial report relates to services the County provides and the activities it performs.	

Table 1

DALLAS COUNTY, TEXAS
 Net Position of Primary Government
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (in thousands of dollars)
 (unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 454,302	\$ 496,797	\$ 511,162	\$ 536,199	\$ 559,389	\$ 581,267	\$ 607,806	\$ 654,323	\$ 683,253	\$ 724,157
Restricted	78,434	81,686	76,172	78,822	87,072	87,893	107,194	112,738	115,265	136,876
Unrestricted	30,807	(32,000)	(50,551)	(93,878)	(126,204)	(190,639)	(105,235)	(135,953)	(123,646)	(83,858)
Total governmental activities net position	<u>\$ 563,543</u>	<u>\$ 546,483</u>	<u>\$ 536,783</u>	<u>\$ 521,143</u>	<u>\$ 520,257</u>	<u>\$ 478,521</u>	<u>\$ 609,765</u>	<u>\$ 631,108</u>	<u>\$ 674,872</u>	<u>\$ 777,175</u>

Source: Dallas County Financial Records

Table 2

Table 2

DALLAS COUNTY, TEXAS
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands of dollars)
(unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 149,009	\$ 156,248	\$ 152,854	\$ 144,978	\$ 168,648	\$ 192,894	\$ 121,734	\$ 149,704	\$ 151,512	\$ 147,096
Judicial	133,061	147,927	156,170	153,781	179,924	193,293	203,030	215,018	199,758	202,170
Public Safety	222,386	236,798	238,937	240,701	275,315	305,656	314,959	346,225	345,599	341,027
Highways and Streets	27,349	23,756	25,894	25,404	25,378	24,927	44,619	35,959	35,268	39,531
Health	50,924	48,216	49,190	54,826	55,674	63,496	60,760	71,518	105,794	183,168
Education	9,340	9,009	8,158	7,618	6,879	7,819	8,086	8,725	8,591	8,065
Public Welfare	76,449	70,960	68,769	73,541	72,374	76,760	66,980	73,438	164,493	121,810
Libraries	-	-	-	-	-	-	-	-	-	-
Interest on long term debt	4,681	3,683	3,400	2,459	2,757	4,476	5,026	7,166	7,653	7,972
Total primary government expenses	\$ 673,199	\$ 696,597	\$ 703,372	\$ 703,308	\$ 786,949	\$ 869,321	\$ 825,194	\$ 907,753	\$ 1,018,668	\$ 1,050,839
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 44,792	\$ 50,236	\$ 50,306	\$ 53,390	\$ 44,338	\$ 57,254	\$ 48,066	\$ 53,561	\$ 46,362	\$ 42,576
Judicial	44,746	46,204	42,780	39,802	53,533	53,506	54,042	50,389	45,268	47,737
Public Safety	22,422	24,490	24,267	22,822	24,869	30,363	24,991	29,336	28,787	24,387
Highways and Streets (1)	26,511	25,193	26,494	26,619	25,425	26,200	25,630	27,684	23,120	25,319
Health	6,138	7,483	6,585	7,396	7,028	7,899	8,262	8,684	9,204	10,064
Public Welfare	1,237	1,269	1,122	1,079	7,626	6,625	9,738	6,954	6,151	9,085
Operating grants and contributions										
General government	971	-	-	387	-	-	-	-	-	-
Judicial	13,309	11,825	13,595	14,162	2,732	2,817	4,987	5,187	5,825	5,420
Public Safety	8,875	11,204	11,841	12,594	20,754	20,807	17,894	19,642	18,860	21,353
Health	32,932	30,037	29,716	33,613	37,985	28,412	34,470	39,734	87,417	150,612
Education	10,165	9,199	7,938	7,718	6,920	6,907	8,108	7,771	7,600	8,339
Public Welfare	67,718	63,191	58,330	71,255	61,037	60,932	55,364	59,328	152,156	115,209
Capital grants and contributions:										
Judicial	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Public Welfare	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	\$ 279,816	\$ 280,331	\$ 272,974	\$ 290,837	\$ 292,247	\$ 301,722	\$ 291,552	\$ 308,270	\$ 430,750	\$ 460,101
Total net (expense) revenue	\$ (393,383)	\$ (416,266)	\$ (430,398)	\$ (412,471)	\$ (494,702)	\$ (567,599)	\$ (533,642)	\$ (599,483)	\$ (587,918)	\$ (590,738)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 366,998	\$ 370,052	\$ 384,097	\$ 407,431	\$ 436,426	\$ 476,351	\$ 509,444	\$ 552,091	\$ 596,936	\$ 640,512
Alcoholic beverage taxes (1)	21,300	25,961	32,943	37,708	40,062	41,873	42,226	43,565	39,287	39,583
Unrestricted grants and contributions	1,392	2,115	1,622	2,092	7,430	2,388	2,252	2,494	3,598	4,452
Investment earnings	3,259	1,078	2,036	2,973	2,945	5,251	10,159	22,676	7,677	559
Gain (Loss) on Sale	-	-	-	-	-	-	2,181	-	-	2,762
Insurable gain, net of insurance proceeds	57	-	-	-	-	-	-	-	-	-
Donated Capital Asset	-	-	-	-	6,953	-	-	-	-	-
Special Item	-	-	-	-	-	-	-	-	(15,816)	-
Total primary government	\$ 393,006	\$ 399,206	\$ 420,698	\$ 450,204	\$ 493,816	\$ 525,863	\$ 566,262	\$ 620,826	\$ 631,682	\$ 687,868
Other activities:										
Insurable loss, net of insurance proceeds	-	-	-	-	-	-	-	-	-	-
Loss on retirement of capital assets	-	-	-	-	-	-	-	-	-	-
Interest paid - advance refunding	-	-	-	-	-	-	-	-	-	-
Total other expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	\$ (377)	\$ (17,060)	\$ (9,700)	\$ 37,733	\$ (886)	\$ (41,736)	\$ 32,620	\$ 21,343	\$ 43,764	\$ 102,303
Total primary government	\$ (377)	\$ (17,060)	\$ (9,700)	\$ 37,733	\$ (886)	\$ (41,736)	\$ 32,620	\$ 21,343	\$ 43,764	\$ 102,303

Source: Dallas County Financial Records

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

Table 3

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Property Taxes	\$ 366,998	\$ 370,052	\$ 384,097	\$ 407,431	\$ 436,426	\$ 476,351	\$ 509,444	\$ 552,091	\$ 596,936	\$ 640,512
Alcoholic beverage / other taxes	21,300	25,961	32,943	37,708	40,062	41,873	42,226	43,565	39,287	39,583
Total Taxes	\$ 388,298	\$ 396,013	\$ 417,040	\$ 445,139	\$ 476,488	\$ 518,224	\$ 551,670	\$ 595,656	\$ 636,223	\$ 680,095

Source: Dallas County Financial Records

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

Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund (GASB 54)										
Nonspendable	\$ 3,366	\$ 3,794	\$ 3,120	\$ 3,160	\$ 3,995	\$ 5,126	\$ 4,064	\$ 4,020	\$ 5,266	\$ 5,741
Assigned	7,778	6,786	6,537	6,237	12,255	10,061	10,432	14,835	13,600	13,600
Unassigned	<u>78,044</u>	<u>80,371</u>	<u>75,533</u>	<u>73,023</u>	<u>57,522</u>	<u>33,826</u>	<u>35,563</u>	<u>30,180</u>	<u>43,560</u>	<u>58,639</u>
Total General Fund	<u>\$ 89,188</u>	<u>\$ 90,951</u>	<u>\$ 85,190</u>	<u>\$ 82,420</u>	<u>\$ 73,772</u>	<u>\$ 49,013</u>	<u>\$ 50,059</u>	<u>\$ 49,035</u>	<u>\$ 62,426</u>	<u>\$ 77,980</u>
All Other Governmental Funds (GASB 54)										
Nonspendable	\$ 208	\$ 283	\$ 219	\$ 425	\$ 2,287	\$ 3,389	\$ 7,436	\$ 11,575	\$ 16,304	\$ 17,755
Restricted	108,777	129,988	91,947	90,010	293,504	276,287	269,703	217,749	164,790	137,574
Committed	<u>173,340</u>	<u>175,582</u>	<u>186,661</u>	<u>215,245</u>	<u>245,943</u>	<u>279,075</u>	<u>285,134</u>	<u>298,984</u>	<u>299,214</u>	<u>293,919</u>
Total all other governmental funds	<u>\$ 282,325</u>	<u>\$ 305,853</u>	<u>\$ 278,827</u>	<u>\$ 305,680</u>	<u>\$ 541,734</u>	<u>\$ 558,751</u>	<u>\$ 562,273</u>	<u>\$ 528,308</u>	<u>\$ 480,308</u>	<u>\$ 449,248</u>

Source: Dallas County Financial Records

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

Table 5

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property taxes	\$ 367,478	\$ 371,263	\$ 383,772	\$ 407,712	\$ 436,192	\$ 475,867	\$ 509,422	\$ 555,198	\$ 597,853	\$ 637,610
Licenses and permits	36,009	39,154	42,191	43,716	46,558	47,200	46,661	47,474	46,078	45,583
Fines and forfeitures	16,206	14,151	13,061	11,106	9,473	10,280	8,659	7,320	5,752	5,224
Investment income and rental revenues	6,221	4,269	5,947	7,788	7,558	9,569	14,774	27,486	11,801	5,130
Intergovernmental revenues	120,670	125,820	114,511	125,783	133,226	137,222	138,637	142,332	282,173	298,229
Charges for current services	115,139	117,558	125,497	131,988	128,935	124,854	133,565	132,157	125,082	123,075
Miscellaneous revenues	11,275	11,241	10,350	13,352	17,521	16,199	20,120	19,995	12,405	29,855
Total revenues	672,998	683,456	695,329	741,445	779,463	821,191	871,838	931,962	1,081,144	1,144,706
Expenditures										
General government and judicial	223,855	242,869	249,064	255,361	272,284	295,662	298,659	318,179	332,882	340,732
Public safety	213,771	225,436	233,675	239,729	262,171	284,174	295,887	308,740	328,686	337,508
Highways and streets	26,790	23,244	24,646	25,963	25,267	24,914	43,709	35,434	35,394	40,071
Health	50,829	48,154	49,058	54,964	54,927	62,247	59,524	68,883	104,871	185,196
Public welfare	75,603	70,475	67,898	73,128	71,024	75,417	65,874	71,850	163,742	121,526
Libraries	-	-	-	-	-	-	-	-	-	-
Education	9,224	8,888	8,021	7,628	6,523	7,381	7,698	8,049	8,436	8,079
Capital outlay (1)	15,188	54,018	64,788	29,985	31,670	41,119	108,663	150,542	110,171	152,311
Debt service										
Principal	22,780	20,075	25,080	25,840	24,645	28,435	28,751	26,423	28,854	25,033
Interest	6,708	5,383	5,886	4,937	4,724	9,582	10,220	11,657	11,549	11,337
Total expenditures (a)	644,748	698,542	728,116	717,535	753,235	828,931	918,985	999,757	1,124,585	1,221,793
Excess of revenues over (under) expenditures	28,250	(15,086)	(32,787)	23,910	26,228	(7,740)	(47,147)	(67,795)	(43,441)	(77,087)
Other financing sources (uses)										
Transfers in	47,154	40,841	42,101	38,941	32,777	36,259	28,185	40,213	58,784	50,690
Transfers (out)	(47,154)	(40,841)	(42,101)	(38,941)	(32,777)	(36,259)	(28,185)	(40,213)	(58,784)	(50,690)
Debt issuance - advance refunding bonds	-	10,515	-	11,115	-	-	-	-	-	-
Debt issuance - limited tax notes	-	35,825	-	-	-	-	-	-	-	-
Debt issuance - Costs	-	-	-	-	-	-	-	-	-	-
Debt issuance - Principal	-	-	-	-	167,900	-	-	-	-	-
Debt issuance - Premium	-	-	-	-	33,278	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	51,715	32,805	8,832	61,581
Premium on advance refunding bonds	-	1,669	-	958	-	-	-	-	-	-
Premium on limited tax notes	-	4,423	-	-	-	-	-	-	-	-
Interest on advance refunding bonds	-	-	-	-	-	-	-	-	-	-
Interest on limited tax notes	-	-	-	-	-	-	-	-	-	-
Payment to advance refunded bond escrow agent	-	(12,055)	-	(11,900)	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	57	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	57	40,377	-	173	201,178	-	51,715	32,805	8,832	61,581
Net change in fund balance	\$ 28,307	\$ 25,291	\$ (32,787)	\$ 24,083	\$ 227,406	\$ (7,740)	\$ 4,568	\$ (34,990)	\$ (34,609)	\$ (15,506)
Sum of expenditures (a)	644,748	698,542	728,116	717,535	753,235	828,931	918,985	999,757	1,124,585	1,221,793
Less: Expenditures capitalized for government-wide statement of net position. (1)	(18,988)	(55,629)	(62,464)	(33,716)	(53,312)	(38,210)	(102,747)	(133,357)	(96,442)	(155,375)
Non-capital expenditures	\$ 625,760	\$ 642,913	\$ 665,652	\$ 683,819	\$ 699,923	\$ 790,721	\$ 816,238	\$ 866,400	\$ 1,028,143	\$ 1,066,418
Debt service as a percentage of non-capital expenditures	4.7%	4.0%	4.7%	4.5%	4.2%	4.8%	4.8%	4.4%	3.9%	3.4%

Source: Dallas County Financial Records

Notes:

(1) Some purchases are considered capital expenditures and are recorded at the functional level in the fund basic financials in addition to being recorded as capital outlay.

Expenditures capitalized for governmentwide financials are less than amounts included in Capital Outlay because some amounts do not meet the County's capitalization threshold.

DALLAS COUNTY, TEXAS
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars, except for Note 1)
(unaudited)

Table 6

Year (3)	Real Property		Personal Property		Total		Total Primary Government Direct Tax Rate	Statutory Ratio of Assessed Value to True Value
	Assessed Value Notes (1) & (4)	Estimated True Value Note (2)	Assessed Value Notes (1) & (4)	Estimated True Value Note (2)	Assessed Value Notes (1) & (4)	Estimated True Value Note (2)		
2012	\$ 176,477,746	\$ 177,340,633	\$ 31,732,599	\$ 31,732,599	\$ 208,210,345	\$ 209,073,232	\$ 0.24310	99.59 %
2013	183,537,954	184,293,875	31,732,599	31,732,599	215,270,553	216,026,474	0.24310	99.65
2014	196,639,097	197,090,173	32,644,515	32,644,515	229,283,612	229,734,688	0.24310	99.80
2015	212,019,082	212,646,789	34,815,379	34,815,379	246,834,461	247,462,168	0.24310	99.75
2016	234,902,414	235,437,422	36,749,521	36,749,521	271,651,935	272,186,943	0.24310	99.80
2017	252,142,781	254,467,411	37,440,442	37,440,442	289,583,223	291,907,853	0.24310	99.20
2018	280,850,606	282,733,570	38,454,754	38,454,754	319,305,360	321,188,324	0.24310	99.41
2019	304,062,931	307,920,728	41,963,966	41,963,966	346,026,897	349,884,694	0.24310	98.90
2020	308,504,346	325,903,891	41,897,149	41,897,149	350,401,495	367,801,040	0.23974	95.27
2021	337,907,778	344,788,733	44,497,261	44,497,261	382,405,039	389,285,994	0.22795	98.23

Source: Dallas County Tax Assessor-Collector.

Note (1) Assessed values shown in this table includes rolling stock and amounts allowed for all exemptions. The Dallas County Commissioners Court approved the greater of 20% or \$5,000 allowance for homestead exemptions for all taxpayers. The Dallas County Commissioners Court approved an additional \$69,000 allowance for homestead exemptions for taxpayers 65 years of age or older. The approved allowance for disabled veterans is \$5,000 for disabilities of 10% but less than 30%, \$7,500 for disabilities of 30% but less than 50%, \$10,000 for disabilities of 50% but less than 70%, and \$12,000 for disabilities greater than 70%.

Note (2) The differences between assessed value and estimated true value are the result of property items whose values were in dispute at the time of certification of values by the Appraisal District.

Note (3) Effective January 1, 2008 the Dallas County Commissioners Court approved a deferral on the total taxes imposed by the County on property held by disabled and 65 or older homeowners.

Note (4) The assessment date is January 1.

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

Table 7

Tax Year	General Fund	Major Technology Fund	Permanent Improvement Fund	Major Capital Development Fund	Debt Service Funds	Total Primary Government	Component Unit	Total Reporting Entity
Rates (1)								
2012	\$ 0.18270	\$ 0.01360	\$ 0.00180	\$ 0.02990	\$ 0.01510	\$ 0.24310	\$ 0.27100	\$ 0.51410
2013	0.17615	0.01360	0.00180	0.03184	0.01971	0.24310	0.27600	0.51910
2014	0.17615	0.01360	0.00180	0.03405	0.01750	0.24310	0.28600	0.52910
2015	0.17415	0.01560	0.00180	0.03625	0.01530	0.24310	0.28600	0.52910
2016	0.17315	0.01733	0.00180	0.03071	0.02011	0.24310	0.27940	0.52250
2017	0.17315	0.01733	0.00180	0.03372	0.01710	0.24310	0.27940	0.52250
2018	0.17115	0.01933	0.00180	0.03946	0.01136	0.24310	0.27940	0.52250
2019	0.17115	0.01933	0.00180	0.04116	0.00966	0.24310	0.26950	0.51260
2020	0.16914	0.01933	0.00180	0.04116	0.00831	0.23974	0.26610	0.50584
2021	0.16844	0.01803	0.00180	0.03316	0.00652	0.22795	0.25500	0.48295
Tax levies (1) (in thousands of dollars)								
2012	286,951	21,361	2,827	46,961	23,716	381,816 (a)	428,355	810,171
2013	288,053	22,240	2,943	52,067	32,231	397,534 (b)	454,275	851,809
2014	306,407	23,657	3,131	59,229	30,441	422,865 (c)	502,058	924,923
2015	324,639	29,081	3,355	67,575	28,521	453,171 (d)	541,282	994,453
2016	353,896	35,420	3,679	62,767	41,102	496,864 (e)	582,178	1,079,042
2017	377,435	37,776	3,924	73,503	37,275	529,913 (f)	623,342	1,153,255
2018	408,197	46,103	4,293	94,113	27,094	579,800 (g)	683,317	1,263,117
2019	437,130	49,370	4,597	105,126	24,672	620,896 (h)	708,080	1,328,975
2020	432,806	49,463	4,606	105,323	21,264	613,461 (i)	702,644	1,316,106
2021	477,602	51,123	5,104	94,024	18,479	646,332 (j)	747,292	1,393,624

Note (1) Tax levy figures are shown net of exemptions. Tax rates shown are amounts per hundred dollars of net assessed value. Effective January 1, 2008 the Dallas County Commissioners Court approved a tax limitation "freeze" on the total taxes imposed by the County on property held by disabled and over 65 homeowners.

Tax levy figures also include tax increment financing (listed below) for collection by Dallas County with remittance to the City without actual revenue recognition totaling:

Note (2) Legal Limitation

Original - Texas Constitution, Article 8, Section 9	\$ 0.80000
Additional authorized by voters - Texas Constitution	0.15000
Additional authorized by Texas Constitution Article 9, Section 9	<u>0.75000</u>
Legal limitation includes provision for debt service	<u>\$ 1.70000</u>

- (a) \$ 2.9 million
- (b) \$ 3.1 million
- (c) \$ 4.6 million
- (d) \$ 5.5 million
- (e) \$ 7.1 million
- (f) \$ 9.6 million
- (g) \$ 12.2 million
- (h) \$ 13.9 million
- (i) \$ 14.26 million
- (j) \$ 11.38 million

Taxes due: October 1

Taxes delinquent: February 1 year following levy

Tax lien and assessment date: January 1 year of levy

Taxes added to delinquent roll: April 1 (personal property) or July 1 (real property) in the year following levy

Delinquent tax penalty and interest:

- February of delinquent year - 6% penalty plus 1% interest
- March of delinquent year - 7% penalty plus 2% interest
- April of delinquent year - 8% penalty plus 3% interest
- May of delinquent year - 9% penalty plus 4% interest
- June of delinquent year - 10% penalty plus 5% interest
- After July 1 of delinquent year - 12% penalty plus 1% interest per month delinquent

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

Table 8

<u>Name</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Dallas County	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.23974	\$ 0.22795
Dallas County Schools	0.00994	0.01000	0.01000	0.01000	0.00927	0.01	0.01	0.01	0.01	0.01
Dallas County Hospital Dist.	0.27100	0.27600	0.28600	0.28600	0.27940	0.27940	0.27940	0.27940	0.26610	0.25500
Dallas County Community College District	0.11938	0.12470	0.12478	0.12365	0.12293	0.12423	0.12400	0.12400	0.12400	0.12351
School Districts										
Carrollton-Farmers Branch	1.33060	1.32350	1.30330	1.28170	1.39170	1.38100	1.37000	1.37000	1.25470	1.20125
Cedar Hill	1.44000	1.52500	1.52500	1.52500	1.51600	1.51600	1.37600	1.37600	1.28330	1.23840
Coppell	1.41880	1.43240	1.44900	1.43900	1.49270	1.47770	1.46050	1.46050	1.31000	1.29200
Dallas	1.29035	1.28209	1.28209	1.28209	1.28209	1.28209	1.41204	1.41204	1.29674	1.24824
DeSoto	1.44000	1.49000	1.47000	1.46000	1.46000	1.49000	1.49000	1.49000	1.52909	1.38860
Duncanville	1.43000	1.41000	1.41000	1.52950	1.52148	1.52148	1.52000	1.52000	1.36760	1.31590
Ferris	1.31000	1.31000	1.32500	1.35500	1.35500	1.38730	1.51730	1.51730	1.31380	1.27430
Garland	1.25330	1.25330	1.25330	1.35330	1.46000	1.46000	1.46000	1.46000	1.25630	1.25630
Grand Prairie	1.46500	1.46500	1.46500	1.59500	1.59500	1.59500	1.59500	1.59500	1.50970	1.37630
Grapevine-Colleyville	1.32010	1.32010	1.32010	1.32010	1.39670	1.39670	1.39670	1.39670	1.30310	1.27510
Highland Park	1.13420	1.12670	1.11810	1.11190	1.15270	1.20320	1.23550	1.23550	1.15190	1.13100
Irving	1.46500	1.46500	1.43500	1.44500	1.44500	1.43140	1.40110	1.40110	1.27510	1.20770
Lancaster	1.41800	1.41800	1.37012	1.54000	1.54000	1.54000	1.53000	1.53000	1.49990	1.47040
Mesquite	1.42000	1.41000	1.41000	1.41000	1.46000	1.46000	1.52000	1.52000	1.44640	1.31200
Richardson	1.34005	1.34005	1.34005	1.34005	1.39005	1.39005	1.52000	1.52000	1.40470	1.39090
Sunnyvale	1.41000	1.41000	1.41000	1.41000	1.42600	1.52000	1.52000	1.52000	1.38920	1.34200
Special Districts										
Dallas County FCD #1	3.05000	2.75000	2.75000	2.65000	2.25000	2.00000	1.80000	1.80000	1.40000	1.30000
Dallas County URD	1.84000	1.79100	1.98300	1.59000	1.29500	1.24900	1.11130	1.11130	0.93700	0.81670
Denton County LID #1	0.20700	0.18500	0.18500	0.18500	0.18400	0.18300	0.18200	0.18200	0.18200	0.17000
Denton County RUD #1+	0.01000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Grand Prairie Metro URD	0.60000	0.60000	0.60000	0.60000	0.60000	0.60000	0.60000	0.60000	0.60000	0.60000
Irving FCD, Section I	0.46530	0.50000	0.50470	0.52000	0.45300	0.44600	0.45500	0.45500	0.50600	0.52700
Irving FCD, Section III	0.13900	0.14210	0.14410	0.12800	0.12500	0.12500	0.12500	0.12500	0.12360	0.12360
Lancaster MUD #1	1.06000	1.06000	1.06000	1.06000	1.06000	1.00000	1.00000	1.00000	0.95000	0.92000
Northwest Dallas Co FCD	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
Valwood Improvement Auth	0.30750	0.29000	0.27000	0.27000	0.25000	0.22000	0.20000	0.20000	0.18000	0.01700
Cities and Towns										
Addicks	0.58000	0.57180	0.56180	0.57915	0.56047	0.55000	0.55000	0.55000	0.60868	0.61466
Balch Springs	0.80300	0.77000	0.80300	0.80300	0.80300	0.80300	0.80300	0.80300	0.80300	0.79463
Carrollton	0.61788	0.61788	0.61538	0.61288	0.60370	0.59970	0.59497	0.59497	0.58750	0.58250
Cedar Hill	0.69569	0.69876	0.69876	0.69876	0.69876	0.69876	0.69703	0.69703	0.68810	0.69703
Cockrell Hill	0.82315	0.81191	0.81166	1.13244	1.11941	1.05883	0.98895	0.98895	0.85057	0.82302
Combine	0.25000	0.27000	0.29000	0.31000	0.33000	0.35000	0.35000	0.35000	0.35000	0.35000
Coppell	0.67046	0.63750	0.60649	0.58400	0.57950	0.57950	0.56950	0.56950	0.58000	0.58000
Dallas	0.79700	0.79700	0.79700	0.79700	0.78250	0.78040	0.77670	0.77670	0.77630	0.77330
Desoto	0.75740	0.75740	0.75740	0.74990	0.74490	0.73990	0.72139	0.72139	0.70155	0.70155
Duncanville	0.73769	0.75845	0.75845	0.75845	0.75845	0.75845	0.74845	0.74845	0.71685	0.70000
Farmers Branch	0.52950	0.55310	0.60227	0.60227	0.60227	0.60227	0.59951	0.59951	0.58900	0.58900
Ferris	0.68713	0.68713	0.68713	0.68713	0.68713	0.68713	0.68713	0.68713	0.60860	0.84730
Garland	0.70460	0.70460	0.70460	0.70460	0.70460	0.70460	0.70460	0.70460	0.76960	0.75697
Glenn Heights	0.79500	0.79500	0.79500	0.79340	0.93553	0.88543	0.87918	0.87918	0.80443	0.76915
Grand Prairie	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.66500
Grapevine	0.34570	0.34250	0.33244	0.32844	0.28927	0.28927	0.28927	0.28927	0.28260	0.27181
Highland Park	0.22000	0.22000	0.22000	0.22000	0.22000	0.22000	0.22000	0.22000	0.23000	0.23000
Hutchins	0.66091	0.69091	0.71091	0.68246	0.68246	0.68246	0.68246	0.68246	0.68246	0.68246
Irving	0.59860	0.59860	0.59410	0.59410	0.59410	0.59410	0.59410	0.59410	0.59410	0.59410
Lancaster	0.86750	0.86750	0.86750	0.86750	0.86750	0.86750	0.86750	0.86750	0.81974	0.76929
Lewisville	0.44021	0.44021	0.43609	0.43609	0.43609	0.43609	0.43609	0.43609	0.44330	0.44330
Mesquite	0.64000	0.64000	0.64000	0.64000	0.68700	0.68700	0.73400	0.73400	0.70862	0.70862
Ovita	0.66750	0.67190	0.67190	0.70000	0.70000	0.68040	0.66000	0.66000	0.66000	0.66000
Richardson	0.63516	0.63516	0.63516	0.63516	0.62516	0.62516	0.62516	0.62516	0.62516	0.61516
Rowlett	0.74717	0.74717	0.78717	0.78717	0.78173	0.77717	0.75717	0.75717	0.74500	0.74500
Sachse	0.77082	0.77082	0.77082	0.75728	0.75728	0.74728	0.72000	0.72000	0.72000	0.70073
Seagoville	0.69085	0.71379	0.71380	0.71380	0.74380	0.74380	0.74380	0.74380	0.78880	0.78880
Sunnyvale	0.40796	0.40796	0.40796	0.40796	0.40796	0.41309	0.41290	0.41290	0.45670	0.45300
University Park	0.27845	0.27432	0.26979	0.25893	0.24876	0.24876	0.24538	0.24538	0.26475	0.26439
Wilmer	0.36682	0.38944	0.43660	0.47660	0.50300	0.50300	0.51290	0.51290	0.56290	0.56190
Wylie	0.88890	0.88390	0.87890	0.86890	0.84890	0.78100	0.72585	0.72585	0.67198	0.64375

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

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

+ Denton County RUD #1 was dissolved in 2013 and will no longer collect taxes.

DALLAS COUNTY, TEXAS
Principal Property Taxpayers
September 30, 2021
(in thousands of dollars)
(unaudited)

Table 9

Name of Taxpayer	Nature of Business	2021			2012		
		Total Assessed Valuation	Rank	Percent of Dallas County Assessed Valuation (1)	Total Assessed Valuation	Rank	Percent of Dallas County Assessed Valuation (2)
Oncor Electric Delivery	Electric Utility	\$ 2,054,597	1	0.54 %	\$ 1,271,159	1	0.73 %
AT&T Mobility LLC	Telephone Utility	966,992	2	0.25	943,990	2	0.54
Atmos Energy	Electric	678,664	3	0.18	—	—	—
NorthPark Land Partners	Real Estate	802,600	4	0.21	578,775	6	0.33
Texas Instruments	Electronics	669,134	5	0.17	679,272	4	0.39
Wal-Mart Stores Inc.	Retail	667,911	6	0.17	652,358	5	0.38
Southwest Airlines Co.	Airline	614,170	7	0.16	465,773	7	0.27
PPF AMLI 1400 HI LINE DR LP	Real Estate	599,306	8	0.16	—	—	—
FM Village Fixed Rate LLC	Real Estate	597,964	9	0.16	—	—	—
Post Apartment Homes LP	Real Estate	562,745	10	0.15	—	—	—
SP Millenium Center LP	Real Estate	—	—	—	440,259	8	0.25
PC Village Apartments Dallas	Real Estate	—	—	—	299,138	9	0.17
Verizon	Telephone Utility	—	—	—	294,436	10	0.17
Crescent Real Estate Group	Real Estate	—	—	—	693,300	3	0.40
Total		\$ 8,214,081		2.15 %	\$ 6,318,460		3.63 %

Notes:

- (1). Prior to 2020 Dallas County assessed value includes only real property.
- (2). Appraisal roll excludes property under protest.

Source: Dallas County Tax Assessor-Collector.

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

Table 10

<u>Year</u>	<u>Tax Levies (f)(g)</u>	<u>Collections of Current Tax Levy During Fiscal Period (a)</u>	<u>Percentage of Collected During Fiscal Period (a)</u>	<u>Collections of Delinquent Tax During Fiscal Period (b)</u>	<u>Total Collections (e)</u>	<u>Percentage of Total Collections to Tax Levies</u>
2012	\$ 804,531 (c)	\$ 795,230	98.84 %	\$ 4,859	\$ 800,089	99.45 %
2013	843,739 (c)	834,645	98.92	4,677	839,322	99.48
2014	914,827 (c)	905,875	99.02	4,569	910,444	99.52
2015	985,722 (c)	975,742	98.99	4,882	980,624	99.48
2016	1,067,106 (c)	1,056,699	99.02	5,884	1,062,583	99.58
2017	1,152,203 (c)	1,141,591	99.08	4,642	1,146,233	99.48
2018	1,258,660 (c)	1,246,931	99.07	1,317	1,248,248	99.17
2019	1,328,975 (c)	1,320,541	99.37	276	1,320,817	99.39
2020	1,316,106 (c)	1,400,094	106.38	3,269	1,403,363	106.63
2021	1,393,624 (d)					

Source: Dallas County Financial Records.

- Notes:
- (a) Current fiscal period collections are those collected between October 1 and September 30.
 - (b) Delinquent taxes include taxes collected in subsequent fiscal years.
 - (c) Total levy as of the last supplement processed during the fiscal year.
 - (d) Collections on the 2021 tax roll are incomplete until the end of the fiscal year, September 30, 2022
 - (e) Tax collections exclude TIF payments and are reported net of commission for the office of the Tax Assessor-Collector.
 - (f) Original levy excludes property under protest which is subsequently added to tax rolls as a result of arbitration.
 - (g) Tax levies include Dallas County and its component unit. Refer to Table 7 for tax levies and tax rates for Dallas County and its component unit.

Taxes due: October 1

Taxes delinquent: February 1 year following levy

Tax lien and assessment date: January 1 year of levy

Taxes added to delinquent roll: April 1 (for personal property) or July 1 (for real property) in the year following levy

Delinquent tax penalty and interest:

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

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

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

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

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

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

Records of uncollected taxes are provided to the County's law firm under a contract authorized by the Commissioners

DALLAS COUNTY, TEXAS
Ratios of Outstanding Debt
Last Ten Fiscal Years
(in thousands of dollars, except per capita amount)
(unaudited)

Table 11

Year	Estimated Population (2)	Assessed Value	Bonded Debt (1)	Capital Leases	Total Debt	Bonded Debt and Capital Leases Percentage of Assessed Value	Bonded Debt and Capital Leases Percentage of Personal Income	Bonded Debt and Capital Leases Per Capita
2012	2,386	\$ 209,073,232	\$ 127,203	-	\$ 127,203	0.06084 %	0.1120 %	53
2013	2,454	216,026,474	146,138	-	146,138	0.06765	0.1264	60
2014	2,480	229,734,688	118,781	-	118,781	0.05170	0.1016	48
2015	2,519	247,462,168	90,517	-	90,517	0.03658	0.0778	36
2016	2,553	272,186,943	264,933	-	264,933	0.09733	0.2243	104
2017	2,618	291,907,853	230,874	-	230,874	0.07909	0.1908	88
2018	2,638	321,188,324	198,567	50,244	248,811	0.07747	0.1997	94
2019	2,638	349,884,694	173,431	77,396	250,827	0.07169	0.1971	95
2020	2,636	367,801,040	148,618	78,424	227,042	0.06173	0.1774	86
2021	2,614 (3)	389,325,394	131,558	128,752	260,310	0.06686	0.1933	100

Source: Dallas County Financial Records.

Note: Assessed Value includes rolling stock, values under protest as claimed by property owners and adjusted market value.

(1) Bonded debt for the primary government includes all general obligation bonds including premiums.

(2) See schedule of Demographic and Economic Statistics on (Table 15) for personal income data.

(3) US Census Bureau population Estimated (<http://quickfacts.census.gov>). 2020 US Census Bureau population estimate not available, 2019 U.S. Census Bureau population used. (<http://quickfacts.census.gov>).

DALLAS COUNTY, TEXAS
Computation of Direct and Overlapping Bonded Debt
September 30, 2021
(in thousands of dollars)
(unaudited)

Table 12

Name	Indebtedness as of	Direct Debt	Percentage of Debt Applicable to Dallas County	Dallas County's Share of Debt
Dallas County	9/30/2021	\$ 260,310	100.00%	\$ 260,310
Total direct		<u>\$ 260,310</u>		<u>\$ 260,310</u>
Overlapping Debt:				
Intermediate educational agency:				
Dallas County Schools	9/30/2021	\$ 16,680	100.00%	\$ 16,680
Independent school districts:				
Carrollton-Farmers Branch	9/30/2021	375,315	81.62%	306,332
Cedar Hill	9/30/2021	101,108	100.00%	101,108
Coppell	9/30/2021	351,914	100.00%	351,914
Dallas	9/30/2021	3,259,600	100.00%	3,259,600
Desoto	9/30/2021	120,420	100.00%	120,420
Duncanville	9/30/2021	195,310	100.00%	195,310
Ferris	9/30/2021	28,998	6.15%	1,783
Garland	9/30/2021	464,615	100.00%	464,615
Grand Prairie	9/30/2021	427,000	100.00%	427,000
Grapevine-Colleyville	9/30/2021	362,389	2.24%	8,118
Highland Park	9/30/2021	349,910	100.00%	349,910
Irving	9/30/2021	346,060	100.00%	346,060
Lancaster	9/30/2021	190,202	100.00%	190,202
Mesquite	9/30/2021	724,608	100.00%	724,608
Richardson	9/30/2021	689,695	100.00%	689,695
Sunnyvale	9/30/2021	90,428	100.00%	90,428
Total intermediate educational agency		<u>\$ 8,094,251</u>		<u>\$ 7,643,782</u>
Special districts:				
Dallas County FCD #1	9/30/2021	115,750	100.00%	115,750
Dallas County Community College	9/30/2021	20,675	100.00%	20,675
Dallas County Hospital District	9/30/2021	575,530	100.00%	575,530
Dallas County Utility & Reclamation Dist.	9/30/2021	153,755	100.00%	153,755
Denton County LID #1	9/30/2021	6,150	4.99%	307
Irving FCD, Section I	9/30/2021	3,840	100.00%	3,840
Lancaster MUD #1	9/30/2021	9,310	100.00%	9,310
Northwest Dallas Co FCD	9/30/2021	12,510	100.00%	12,510
Valwood Improvement Authority	9/30/2021	10,145	100.00%	10,145
Water Control and Imp. District No. 6	9/30/2021	5,270	100.00%	5,270
Total special districts		<u>\$ 912,935</u>		<u>\$ 907,092</u>

Source: County Auditor's Office and Municipal Advisory Council of Texas, *Estimated Overlapping Debt Statement*

- Notes:
- Overlapping governments are those taxing entities that are within the geographic boundaries of Dallas County.
 - Percentages of Debt Applicable to Dallas County are based on the Market Value of properties within each entity.
 - Information was not provided by the Municipal Advisory Council of Texas for the Water Control and Improvement District No. 6; entity provided information to the Dallas County Auditor's Office.
 - Direct debt includes bonds, notes, loans and capital leases. Bonds total \$131,558 and capital leases total \$128,752.

DALLAS COUNTY, TEXAS
Direct and Overlapping Bonded Debt
September 30, 2021
(in thousands of dollars)
(unaudited)

Table 12-2

<u>Name</u>	<u>Indebtedness as of</u>	<u>Gross Debt Less Sinking Funds</u>	<u>Percentage of Debt Applicable to Dallas County</u>	<u>Dallas County's Share of Debt</u>
Overlapping Debt (Continued):				
Cities and towns:				
Addison	9/30/2021	\$ 127,185	100.00%	\$ 127,185
Balch Springs	9/30/2021	12,700	100.00%	12,700
Carrollton	9/30/2021	179,375	44.07%	79,051
Cedar Hill	9/30/2021	93,835	97.23%	91,236
Cockrell Hill	9/30/2021	4,505	100.00%	4,505
Combine	9/30/2021	1,410	10.13%	143
Coppell	9/30/2021	124,515	97.78%	121,751
Dallas	9/30/2021	1,936,980	94.63%	1,832,965
Desoto	9/30/2021	83,915	100.00%	83,915
Duncanville	9/30/2021	21,700	100.00%	21,700
Farmers Branch	9/30/2021	53,370	100.00%	53,370
Ferris	9/30/2021	9,960	8.48%	845
Garland	9/30/2021	321,250	98.25%	315,628
Glenn Heights	9/30/2021	13,630	68.27%	9,305
Grand Prairie	9/30/2021	377,990	48.44%	183,098
Grapevine	9/30/2021	149,285	2.51%	3,747
Hutchins	9/30/2021	19,259	100.00%	19,259
Irving	9/30/2021	459,780	100.00%	459,780
Lancaster	9/30/2021	67,495	100.00%	67,495
Lewisville	9/30/2021	136,690	0.76%	1,039
Mesquite	9/30/2021	192,405	98.81%	190,115
Ovilla	9/30/2021	3,435	7.58%	260
Richardson	9/30/2021	320,365	64.74%	207,404
Rowlett	9/30/2021	110,125	85.65%	94,322
Sachse	9/30/2021	49,315	58.87%	29,032
Seagoville	9/30/2021	16,290	99.35%	16,184
Sunnyvale	9/30/2021	26,030	100.00%	26,030
Wilmer	9/30/2021	19,931	100.00%	19,931
Wylie	9/30/2021	74,420	1.50%	1,116
Total cities and towns		<u>\$ 5,007,145</u>		<u>\$ 4,073,111</u>
Total Overlapping		<u>\$ 14,014,331</u>		<u>\$ 12,623,985</u>
Total Direct and Overlapping		<u>\$ 14,274,641</u>		<u>\$ 12,884,295</u>

Source: County Auditor's Office and Municipal Advisory Council of Texas, *Estimated Overlapping Debt Statement*

- Notes:
- Overlapping governments are those taxing entities that are within the geographic boundaries of Dallas County.
 - Percentages of Debt Applicable to Dallas County are based on the Market Value of properties within each entity.

DALLAS COUNTY, TEXAS
Legal Debt Margin - Primary Government
Last Ten Fiscal Years
(in thousands of dollars)
unaudited

Table 13

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit (Article 3, Section 52 of the Texas Constitution)	\$ 44,114,339	\$ 45,878,850	\$ 49,152,098	\$ 52,996,003	\$ 58,715,672	\$ 63,024,754	\$ 70,200,955	\$ 76,003,985	\$ 77,114,475	\$ 95,588,489 (1)
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 44,114,339	\$ 45,878,850	\$ 49,152,098	\$ 52,996,003	\$ 58,715,672	\$ 63,024,754	\$ 70,200,955	\$ 76,003,985	\$ 77,114,475	\$ 95,588,489
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt Limit (Under Texas General Law)	\$ 10,331,630	\$ 10,762,400	\$ 11,462,645	\$ 12,339,970	\$ 13,580,611	\$ 14,476,973	\$ 15,962,929	\$ 17,298,995	\$ 17,517,753	\$ 19,461,746 (2)
Total net debt applicable to limit	117,884	133,610	107,451	82,039	225,927	194,457	191,100	164,902	143,342	123,989
Legal debt margin	\$ 10,213,746	\$ 10,628,790	\$ 11,355,194	\$ 12,257,931	\$ 13,354,684	\$ 14,282,516	\$ 15,771,829	\$ 17,134,093	\$ 17,374,411	\$ 19,337,757
Total net debt applicable to the limit as a percentage of debt limit	1.14%	1.24%	0.94%	0.66%	1.66%	1.34%	1.20%	0.95%	0.82%	0.64%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed valuation of real property*	\$ 382,353,956
Assessed valuation of all taxable property*	<u>389,234,911</u>
Bonds issued under Article 3, Section 52b of the Texas Constitution:	
Debt limit, one-fourth of real property assessed valuation	95,588,489 (1)
Amount of debt applied to debt limit:	
Bonded debt	—
Less debt service funds - appropriation for future debt payments	<u>—</u>
Total amount of debt applicable to debt limit	<u>—</u>
Legal debt margin, bonds issued under Article 3, section 52b, of the Texas Constitution	<u>\$ 95,588,489</u>
Bonds issued under Texas General Laws:	
Debt limit, five percent of assessed valuation of all taxable property	— 19,461,746 (2)
Amount of debt applied to debt limit:	
Bonded debt	(131,558)
Less debt service funds - appropriation for future debt payments	<u>7,569</u>
Total amount of debt applicable to debt limit	<u>(123,989)</u>
Legal debt margin, bonds issued under Texas General Laws	<u>\$ 19,337,757</u>

(1) As to bonds issued under Article 3, Section 52b of the Texas Constitution, counties "may issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of such district or territory."

(2) Government Code 1301.003 (c) "total indebtedness for the purposes described by this chapter may not be increased by the issuance of bonds to an amount that exceeds five percent of the county's taxable values."

* Assessed values
Rolling Stock
Adjusted Assessed Values

	<u>Real Property</u>	<u>Real and Personal</u>	<u>Real and Personal</u>
	337,907,778	\$ 382,405,039	\$ 389,285,994
	<u>(51,083)</u>	<u>(51,083)</u>	<u>(51,083)</u>
	<u>337,856,695</u>	<u>\$ 382,353,956</u>	<u>\$ 389,234,911</u>

DALLAS COUNTY, TEXAS

Table 14

**Pledged Revenue Coverage
Last Ten Fiscal Years
(in thousands of dollars)
(unaudited)**

Tax and Parking Garage Revenue Bonds							
Debt Service							
Fiscal Year (1)	Total Resources	Less: Operating Expenses (1)	Net Available Revenue	Principal	Interest	Total	Coverage (2)
2012	\$ 1,340	\$ 176	\$ 1,164	\$ 560	\$ 649	\$ 1,209	0.96 %
2013 (3)	1,448	176	1,272	605	569	1,174	1.08
2014 (3)	864	133	731	650	26	676	1.08
2015 (4)	-	-	-	-	-	-	-
2016 (5)	-	-	-	-	-	-	-
2017 (5)	1,444	228	1,216	11,190	6,977	18,167	0.07
2018 (5)	1,568	262	1,306	11,195	7,500	18,695	0.07
2019 (5)	1,556	302	1,254	11,195	6,940	18,135	0.07
2020 (5)	1,099	257	842	11,190	6,380	17,570	0.05
2021 (5)	730	264	466	11,195	5,821	17,016	0.03

- (1) Operating expenses for Founders Plaza and George Allen parking garage systems.
- (2) Funds on deposit in sinking fund in addition to net available revenue provide adequate coverage in compliance with bond covenants.
- (3) Debt service is net of amounts attributable to advance refunded debt.
- (4) Total resources decreased due to parking garage debt paid in full FY 2014.
- (5) On September 15, 2016, the County issued debt for which net revenues of \$1 from certain parking operations are pledged.

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

Table 15

Year	Population (1)	Personal Income (in millions of dollars) (2)	Wage Mean (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2012	2,385,990	\$ 113,590	\$ 48,808	32.4	158,932	6.7
2013	2,453,843	115,607	48,596	32.6	159,713	6.6
2014	2,480,331	116,890	49,682	33.1	160,253	5.3
2015	2,518,638	116,412	50,690	32.9	158,604	4.2
2016	2,553,385	118,113	51,898	33.1	157,886	4.2
2017	2,513,054	121,017	53,174	33.2	156,832	3.5
2018	2,618,148	124,595	54,049	33.3	155,119	3.6
2019	2,637,772	127,241	55,464	33.5	153,861	3.2
2020	2,635,516	127,963	53,800	33.7	145,113	8.1
2021	2,613,539	134,674	59,148	33.7	143,558	4.8

Source:

- 1) The North Texas Commission was used for population estimate for all years except in 2014. (ntc-dfw.org/ntpoppepest.html) For years 2014-2018, the US Census Bureau population figure was used. (<http://quickfacts.census.gov>)
- 2) Texas Workforce Commission LMI Tracer (www.texasindustryprofiles.com/apps/win/eds.php) was used for amounts through Fiscal Year 2012. For fiscal years 2013 and on, LWDA Wages figures are used. (www.texaswages.com)
- 3) U.S. Census Bureau - ACS Survey (factfinder.census.gov) for Dallas County, TX.
- 4) U.S. Census Bureau (factfinder.census.gov) for Dallas County, TX.
- 5) Dallas Independent School District Financial Report
- 6) U.S. Department of Labor (Bureau of Labor Statistics) for Dallas Counties and equivalents: Dallas County, Texas. (<http://www.bls.gov/lau/data.htm>)

DALLAS COUNTY, TEXAS
Principal Employers
September 30, 2021
(unaudited)

Table 16

2021					2012				
Company	Product	Employees	Rank	Percentage of Total County Employment	Company	Product	Employees	Rank	Percentage of Total County Employment
Texas Health Resources	Non-Profit HealthCare	26,000	1	0.99 %	AMR Corporation (American Airlines)	Airline, Technology and Management	24,700	1	1.04 %
Lockheed Martin	Military Aircraft Design & Production	22,950	2	0.88	Bank of America	Financial Services	20,000	2	0.84
UT Southwestern Medical Center	Health Care Provider	20,167	3	0.77	Texas Health Resources	Non-profit HealthCare	19,230	3	0.81
Baylor Scott & White Health	HealthCare Provider	18,195	4	0.69	Dallas Public Schools	Public Independent School District	18,314	4	0.77
Medical City Healthcare	Health Care Provider	17,000	5	0.65	Baylor HealthCare Systems	HealthCare Provider	17,097	5	0.72
University of North Texas Systems	Higher Education	14,730	6	0.56	AT&T	Telecommunications	15,800	6	0.66
Bank of America	Financial Institution	13,650	7	0.52	Lockheed Martin Aeronautics	Military Aircraft Design & Production	14,126	7	0.59
Parkland Health & Hospital Systems	HealthCare Provider	13,095	8	0.50	JP Morgan Chase	Financial Services	13,500	8	0.57
JPMorgan Chase	Financial Services	13,050	9	0.50	UT Southwestern Medical Center	HealthCare Provider	13,122	9	0.55
City of Dallas	Municipality	12,695	10	0.48	City of Dallas	Municipality	12,836	10	0.54
Fort Worth ISD	Educational Institution	11,000	11	0.42	HCA North Texas Division	Health Care Provider	12,000	11	0.50
General Motors	Car Manufacturer	10,507	12	0.40	U.S. Postal Service	Package Distribution Company	10,439	12	0.44
SouthWest Airlines	Educational Institution	9,915	13	0.38	Kroger L.P.I	Retail Grocery	10,097	13	0.42
StateFarm	Insurance Provider	9,800	14	0.37	Texas Instruments Incorporated	Electronics and Semi-Conductors	9,100	14	0.38
Dallas County	Government	8,715	15	0.33	Raytheon Co.	Defense Systems & Electronics	8,700	15	0.36
Methodist Health Systems	HealthCare Provider	8,638	16	0.33	Target	Retail	8,674	16	0.36
Raytheon Technologies	Defense Systems & Electronics	8,600	17	0.34	United Parcel Service Inc	Package Distribution Company	8,555	17	0.36
Garland ISD	Educational Institution	8,400	18	0.32	Parkland Health & Hospital	HealthCare Provider	8,134	18	0.34
The University of Texas @ Arlington	Educational Institution	7,657	19	0.29	J.C. Penney	Retail	7,964	19	0.33
JPS Health Network	HealthCare Provider	7,132	20	0.27	Dallas County	Government	7,411	20	0.31

Source: 2021 Dallas Business Journal Book of Lists

DALLAS COUNTY, TEXAS

Table 17

**Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years
(unaudited)**

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	660	671	681	695	722	738	732	757	784	784
Judicial										
Truancy	35	37	36	35	33	29	20	18	17	17
Courts	1,375	1,404	1,419	1,428	1,452	1,479	1,477	1,521	1,519	1,519
Public Safety										
Constable	114	115	111	109	114	121	113	112	111	111
Sheriff	2,201	2,200	2,210	2,144	2,231	2,188	1,915	1,859	2,044	2,044
Juvenile	666	669	661	659	640	674	640	667	639	639
Other	206	212	261	258	277	277	435	471	454	481
Highways and streets										
Road and Bridge	71	62	63	72	70	67	72	76	76	76
Public Works	56	57	53	57	60	63	64	59	59	59
Health	270	278	273	266	258	255	263	260	272	272
Education	129	116	107	101	109	115	115	115	114	114
Public Welfare	221	216	215	212	206	206	190	174	182	182
Total	6,004	6,037	6,090	6,036	6,172	6,212	6,036	6,089	6,271	6,298

Source: Dallas County Financial Records

- Full-time equivalent county employee totals are filled positions.
- Total full-time equivalent County employee totals do not include temporary employees. Temporary employees are considered to be those who are working but are not employed directly through the County.
- Truancy classification includes full-time equivalent County employees in addition to 7 Truancy Judges.
- In 2017, 40 positions were added.
- In 2018, 263 positions were deleted. The reduction in Truancy is due to the HB 2398 rule change
- In 2019, 53 positions were added and 43 positions deleted.
- In 2020 budget approved 48 positions and 12 positions deleted.
- In 2021 budget approved 9 positions.

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

Table 18

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessor-Collector of Taxes:										
Budgeted employees	223	222	222	215	253	228	226	226	231	227
Ad valorem assessment notices issued	799,639	802,161	804,627	806,081	811,123	804,151	809,913	803,986	779,425	812,792
Motor vehicle registrations	2,094,546	2,110,732	2,155,088	2,147,841	2,180,294	2,224,525	2,202,744	2,230,741	2,033,904	2,203,620
Number of entity collection contracts	74	74	78	77	78	80	84	85	86	89
Constables:										
Budgeted employees	125	124	120	109	114	121	113	112	111	112
Civil process papers served	76,636	72,107	70,771	74,840	87,768	88,247	88,794	93,533	64,440	65,880
County Clerk										
Budgeted employees	207	201	199	194	198	184	200	203	193	189
Marriage licenses	16,038	16,359	16,024	17,683	19,067	20,989	17,809	16,358	11,658	13,244
Civil suits	10,349	9,785	8,482	8,170	7,911	7,820	7,776	9,866	6,385	6,268
Probate cases	12,268	12,582	12,741	13,266	12,419	12,570	11,189	11,719	11,778	11,900
Criminal cases	57,296	58,240	43,853	46,369	42,974	45,440	41,501	44,265	23,683	27,077
District Clerk:										
Budgeted employees	249	257	260	241	243	243	230	211	207	192
Civil process cases	47,007	48,002	47,502	47,884	49,211	50,360	50,971	52,880	45,450	45,645
Criminal cases	23,130	23,131	23,214	25,262	22,994	23,326	17,814	23,486	19,638	19,797
Jurors	108,911	116,967	106,714	101,417	103,660	105,151	99,501	97,523	47,239	21,356
Justice of the Peace Courts:										
Budgeted employees	144	128	110	107	109	106	97	101	101	96
Cases	196,264	166,138	165,626	149,337	142,156	173,729	172,232	176,611	123,891	104,137
Sheriff:										
Budgeted employees	2,169	2,157	1,878	2,091	2,269	2,134	2,012	1,955	2,157	2,105
Daily average in county jail	6,018	6,028	6,127	5,808	5,334	5,277	5,010	4,921	5,339	5,570
Persons booked	85,001	82,537	74,337	69,988	67,822	82,972	64,847	62,639	47,738	48,261
Civil process papers served (4)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Truancy Courts (1) :										
Budgeted employees	32	37	41	23	31	20	18	16	15	15
Cases Filed	36,673	35,127	30,604	30,216	30,216	15,708	14,502	24,602	16,977	10,308
County Treasurer										
Budgeted employees	14	14	14	14	15	15	15	15	15	16
Total Receipts (2) (3) (5)	\$ 41,055,225	\$ 24,793,695	\$ 23,512,483	\$ 3,533,943	\$ 3,133,254	\$ 3,274,700	\$ 3,972,430	\$ 3,980,280	4,282,578	4,415,645
Total Disbursements (2) (3) (5)	\$ 41,059,939	\$ 24,856,829	\$ 23,550,432	\$ 3,529,020	\$ 3,142,155	\$ 3,337,904	\$ 3,896,625	\$ 4,078,920	4,197,565	4,551,944
Investment Earnings (2)	\$ 5,166	\$ 2,805	\$ 2,603	\$ 3,478	\$ 4,093	\$ 7,232	\$ 13,163	\$ 18,847	9,543	1,956

Sources: Dallas County Financial Records

Note (1): Dallas County currently operates four Truancy courts.

(2): In thousands of dollars.

(3): Dallas County switched most short term investments to TexPool in FY 2009. The method resulted in a dramatic decrease in overall transactions as investments are not matured and reinvested daily.

(4): Civil Process served by Sheriff cannot be determined at this time.

(5): County Treasurer's office implemented a new policy for rolling over investments in which investments are recorded monthly. Past years encompassed rolling investments daily.

DALLAS COUNTY, TEXAS
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

Table 19

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
Number of buildings	22	23 (a)	23	22	22	23 (c)	23	23	22 (g)	21 (h)
Public Safety										
Number of buildings	9	9	9	6	6	6	6	5 (e)	5	5
Number of jails	4	4	4	4	4	4	4	4	4	4
Number of vehicles	718	709	691	688	687	683	681	730	728	710
Highways and streets										
Number of buildings	4	4	4	3 (d)	3	3	3	3	3	3
Streets (lane miles)	124	122 (b)	120	120	112	108	108	108	108	108
Number of bridges	28	26 (b)	26	26	26	26	26	26	26	26
Health										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Public Welfare										
Number of buildings	2	2	2	2	2	2	2	2	2	2
Judicial										
Number of buildings	7	7	7	7	7	7	7	5 (f)	5	5
Number of Juvenile beds	618	618	618	714	714	714	714	702	702	702
Number of courts	71	71	71	70	71	71	71	71	71	73 (i)

Source: Operating Indicators were provided by the various operating departments.

Notes:

- (a) Building purchased for record storage in January 2013.
- (b) See infrastructure assets for more information.
- (c) Building purchased for Auto Service Center.
- (d) Reduction due to the sale of Road & Bridge #1 building - 11/4/2014.
- (e) Reduction due to the sale of 2627 Zelrich Lane - 7/2/19.
- (f) Reduction due to the sale Oak Cliff Sub-Courthouse 5/7/19 and Irving Sub-Courthouse 3/19/19.
- (g) Reduction due to the sale of the North Dallas Government Center 1/24/20.
- (h) Reduction due to the sale of the Lancaster Sub-Courthouse - 5/6/21.
- (i) Auxiliary Courts 1 and 8 were added.

