

ANNUAL COMPREHENSIVE FINANCIAL REPORT
DALLAS COUNTY, TEXAS



REPORT FOR THE YEAR ENDED
SEPTEMBER 30, 2022

DALLAS COUNTY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2022

Prepared by:
Darryl D. Thomas
Office of County Auditor
500 Elm Street, Suite 4200
Dallas, Texas 75202

DALLAS COUNTY, TEXAS
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022

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INTRODUCTORY SECTION
(Unaudited)



DALLAS COUNTY
DARRYL D. THOMAS
COUNTY AUDITOR

March 31, 2023

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, 2022.

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 Number 87 *Leases* was implemented in FY22. This statement is 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, 2022, 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 decreased approximately 1.05% since the 2020 census while Texas population has increased 3.03%. 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 are 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 \$291.3 billion in 2021 to \$332.5 billion in 2022. 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. 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 \$65,011, which is less than the U.S. median household income of \$69,021 as reported in the latest U.S. Census Bureau data. Persons in poverty as a percentage of population for Dallas County is 14.4% compared to 14.2% for Texas and 11.6% for the United States as reported by the U.S. Census Bureau. Dallas County per capita income was \$35,459 compared to U.S. of \$37,638 and Texas of \$34,255. The unemployment rate for Dallas County, Texas was 3.6% at September 30, 2022, which is higher than the national rate of 3.5%. 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 16.21% in September from a year earlier, according to S&P Case-Shiller Home Price Index as compared to 11.07% for the United States. Construction starts for apartment buildings, offices, and warehouse locations are strong. Research indicates the number of Dallas area homes posted for foreclosure continues to increase which indicates as lower sales of existing homes. Based upon total assessed valuation of principal property taxpayers between 2021 and 2022 indicates a stable economic environment. The combined assessed valuation of the 10 largest taxpayers total 2.46% of the County’s 2022 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 3.9677 cents per hundred tax rate is committed to combined Debt Service and MCDF in fiscal 2022 and 4.947 cents per hundred for fiscal 2021.

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 2022 with bonds with total proceeds in excess of \$150 million. The purpose of this Fund is to improve or restore or acquire several County buildings and facilities, most notably Old Red Courthouse, acquire a new County sub-courthouse, constructing the east Dallas government center and constructing improvements and renovations to existing County buildings and facilities.

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, 2021. 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 41 consecutive years (fiscal years ended 1981 through 2021). 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
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for Excellence
in Financial
Reporting

Presented to

**Dallas County
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

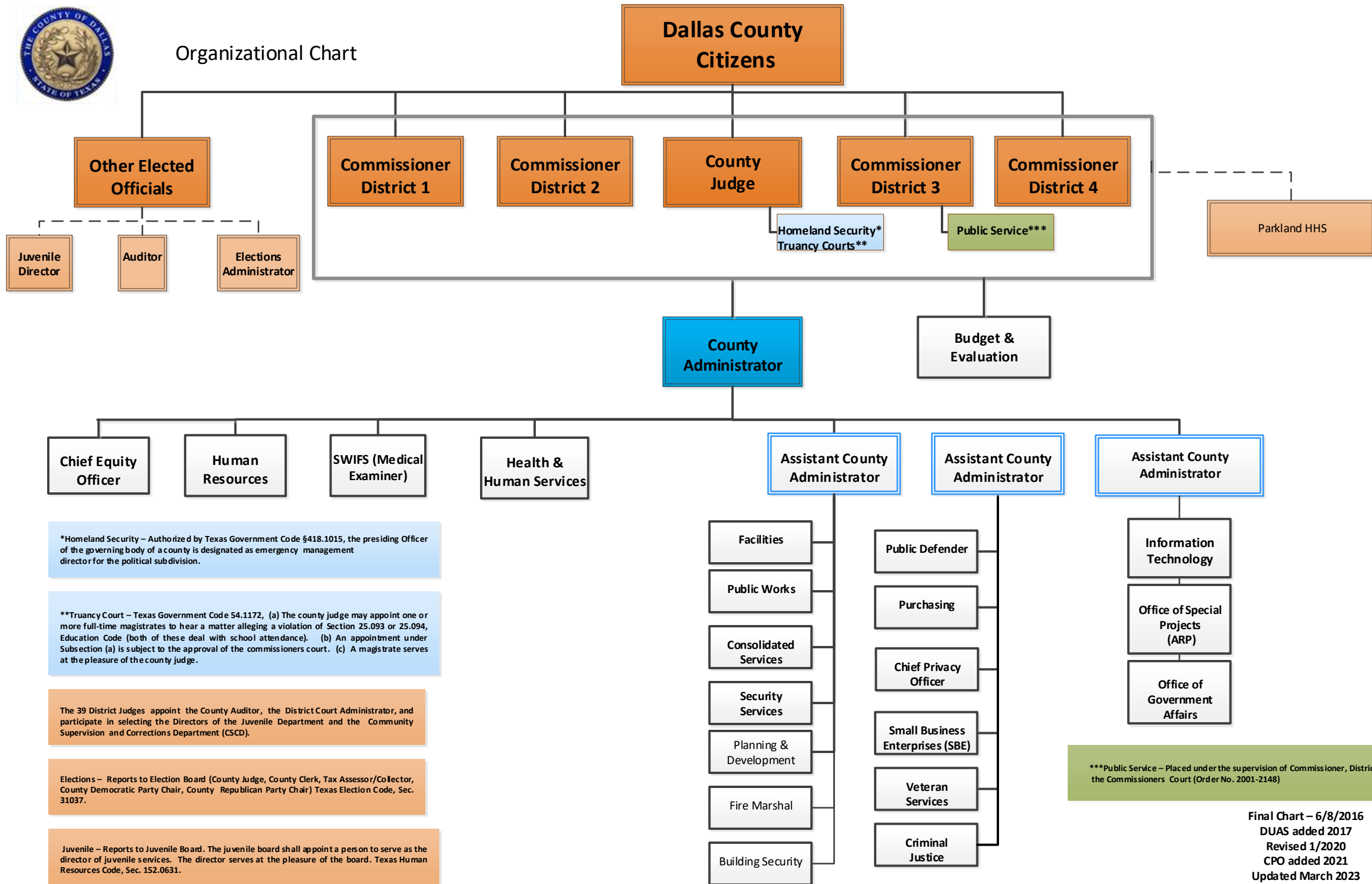
September 30, 2021

Christopher P. Morill

Executive Director/CEO



Organizational Chart



*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.

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.

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.

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

Final Chart – 6/8/2016
 DUAS added 2017
 Revised 1/2020
 CPO added 2021
 Updated March 2023

DALLAS COUNTY, TEXAS

Principal Officials

As of September 30, 2022

Official Title	Incumbent
County Judge	Clay Lewis Jenkins
Commissioner, Precinct 1	Dr. Theresa Daniel
Commissioner, Precinct 2	Andy Sommerman
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

INDEPENDENT AUDITOR'S REPORT

Honorable County Judge and Commissioners Court Dallas County, Texas
Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Dallas County, Texas, as of September 30, 2022, 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.

We did not audit the financial statements of the Dallas County Hospital District, which represents the entire discretely presented component unit as of September 30, 2022. 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I, the County presented its financial statements to reflect the effects of the adoption of Governmental Accounting Standards Board Statement No. 87, Leases, on October 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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, County Building Improvements Special Revenue Fund, American Rescue Plan Fund and related notes, 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 is the responsibility of management and, 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 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.

Supplementary 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 and individual fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual fund financial statements, as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte & Touche LLP

March 31, 2023

FINANCIAL SECTION

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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 provide an overview of the County's financial activities for the fiscal year ended September 30, 2022. 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 \$107,009 from current year operations. Total net position is comprised of:
 - 13.0 % - restricted by external regulators
 - 0.9 % - restricted for debt
 - (3.5) % - unrestricted deficit funds that may be used to meet ongoing obligations to citizens and creditors, negative due to pension and other postemployment benefits (OPEB) liabilities
 - 89.6 % - net investment in capital assets
- Major factors contributing to change in net position are:
 - Salary increases of 2.0% and cost of living adjustments of 3.33% effective January, 2022.
 - OPEB liability increased as a result of actual experience as compared to expected results was significantly favorable in FY21 as compared to FY22.
 - Pension liability decreased from a liability in FY21 to an asset in FY22. This was due to significant net investment gains in FY22 as compared to FY21.
 - Tax revenues realized during the period remained level between FY22 and FY21. Even though taxable values increased, revenues were offset by a decrease in the County's tax rate.

Governmental Funds Financial Statements

- The County's governmental funds reported combined fund balances of \$651,018; compared to \$527,228 in the prior year. The components of fund balance are:
 - 4.1% - nonspendable: inventories and prepaid
 - 0.5% - restricted to major grants
 - 16.8% - restricted to nonmajor governmental funds
 - 1.3% - restricted to debt service
 - 36.9% - committed to major projects
 - 2.0% - committed to nonmajor governmental funds
 - 3.0% - assigned general fund
 - 24.4% - restricted County building improvements
 - 0.2% - restricted to American rescue plan
 - 10.8% - unassigned general fund
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$70,107 or 10.9% of general fund expenditures and represents a \$11,468 increase compared to the prior fiscal period. The budget policy requires this ratio to be 10.5%.

- Tax revenues realized during the period remained level even though FY22 taxable values increased 17% compared to FY21. Increased taxable values were offset by a 4.9% decrease in the County's tax rate.

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 regard to inter-fund activity, payables, and receivables.

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

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year using 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 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 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, a Capital Project Funds, and the following major funds: American Rescue Plan, Debt Service, Major Grants, Major Projects, County Building Improvements, 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, County Building Improvements, 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 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 (Parkland), 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 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 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 an eminent domain, and individual right of ownership of property. The 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 on September 30, 2022, and 2021 are summarized as follows:

Dallas County's Net Position			
Governmental Activities			
(in thousands of dollars)			
	2022	2021	Increase (Decrease)
Current and other assets	\$ 2,131,949	\$ 1,684,411	\$ 447,538
Capital assets (net of depreciation)	<u>1,008,618</u>	<u>982,898</u>	<u>25,720</u>
Total assets	<u>3,140,567</u>	<u>2,667,309</u>	<u>473,258</u>
Deferred outflow of resources	<u>203,909</u>	<u>235,673</u>	<u>(31,764)</u>
Current and other liabilities	619,405	465,875	153,530
Long-term liabilities	<u>649,316</u>	<u>745,700</u>	<u>(96,384)</u>
Total liabilities	<u>1,268,721</u>	<u>1,211,575</u>	<u>57,146</u>
Deferred inflow of resources	<u>1,215,736</u>	<u>914,232</u>	<u>301,504</u>
Net investment in capital assets	770,484	724,157	46,327
Restricted	120,154	136,876	(16,722)
Unrestricted (deficit)	<u>(30,619)</u>	<u>(83,858)</u>	<u>53,239</u>
Total net position	<u>\$ 860,019</u>	<u>\$ 777,175</u>	<u>\$ 82,844</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 cash and cash equivalents from bonds issued in August 2022 and American Rescue Plan Act cash funded by the federal government. Current and other liabilities remained level between FY22 and FY21.

Additionally, long-term liabilities remained level between FY21 and FY22. However, various components of long-term liabilities changed as mentioned earlier.

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 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. The unrestricted deficit is negative due to unfunded OPEB liability and accrued pension costs.

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 \$107,009.

Governmental activities. Program revenues and expenses are presented net of interfund eliminations. Key elements for the years ended September 30, 2022, and 2021 are as follows:

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

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Revenues:			
Net program revenues:			
Charges for services	\$ 165,695	\$ 164,341	\$ 1,354
Operating grants and contributions	<u>242,392</u>	<u>300,933</u>	<u>(58,541)</u>
Sub-total:	408,087	465,274	(57,187)
General revenues:			
Property taxes	633,034	640,512	(7,478)
Other taxes	52,709	39,583	13,126
Grants and contributions not restricted	66,508	4,452	62,056
Investment earnings	(27,066)	559	(27,625)
Gain (loss) on sale of assets	<u>-</u>	<u>2,762</u>	<u>(2,762)</u>
Total revenues:	<u>725,185</u>	<u>687,868</u>	<u>37,317</u>
Expenses:			
General government	170,106	147,096	23,010
Judicial	187,212	202,170	(14,958)
Public Safety	336,123	341,027	(4,904)
Highways and streets	23,087	39,531	(16,444)
Health	124,535	183,168	(58,633)
Education	7,859	8,065	(206)
Public welfare	159,508	121,810	37,698
Interest and fiscal charges on long-term debt	<u>9,541</u>	<u>7,972</u>	<u>1,569</u>
Total expenses:	<u>1,017,971</u>	<u>1,050,839</u>	<u>(32,868)</u>
Special Item	8,292	-	8,292
Change in net position:	107,009	102,303	4,706
Net position - beginning (as restated)	<u>753,010</u>	<u>674,872</u>	<u>78,138</u>
Net position - ending	<u><u>\$ 860,019</u></u>	<u><u>\$ 777,175</u></u>	<u><u>\$ 82,844</u></u>

General Revenues and Program Revenues

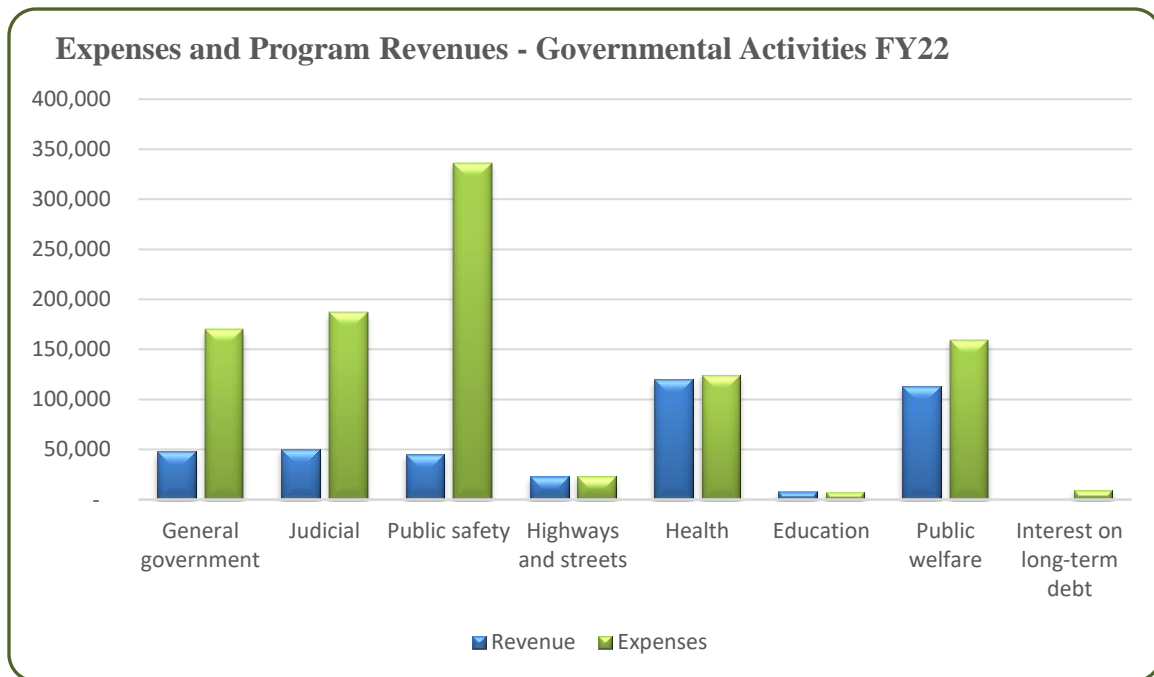
General revenues are not assigned to support a specific function but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes, other tax-related revenues, interest earned from investments, and miscellaneous income. General revenues increased significantly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

General Revenue

- Investment earnings reflect a decrease of \$27,625 as a result of a fair value adjustment of \$41,798 to the County's investments. This adjustment was due to stated interest rate investments with medium terms in an environment with increased interest rates.

Program Revenue

Program revenues increased between FY22 and FY21.



Program revenues of \$408,087 less expenses of \$1,017,971 for FY22 was a net expense of \$609,884. Program revenue less expenses was a net expense of \$585,565 in 2021. Changes between FY22 and FY21 of Governmental Activities, while minor, the following impacted Governmental Activities:

- Salaries increased on October 1 with an adjustment of 2% and a cost of living adjustment of 3.33% effective January 2022. Similarly, pension costs increased as a result of salary increases.
- The Pension liability decreased from a liability in FY21 to an asset in FY22. This was due to significant net investment gains in FY22 as compared to 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 frameworks of the County's strong fiscal management and accountability.

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

The County's aggregate governmental fund balance increased \$123,790 in the current fiscal year to \$651,018. The majority of the increase was due to County Building Improvements Fund which increased \$159,098 due to bonds issued in August, 2022 to fund various building improvements.

Fair value of federal and agency bond investments owned by the County's governmental funds decreased \$41,798 at September 30, 2022. This decrease was a direct result of those investments having a weighted average stated interest rate of 1.14% and 783 weighted average days to maturity. Market interest rates have increased significantly since securities were purchased resulting in values decreasing. For example overnight investments in TexPool and TexPool Prime had yields between 2.41% and 2.61%, respectively, at September 30, 2022. Until maturity, interest rates may change and therefore future security values may continue to change.

Fair value decrease is recognized for financial statement purposes in accordance with Generally Accepted Accounting Principles (GAAP) but will not be realized until actually sold. Because County pools cash, investments and cash equivalents, each governmental fund was allocated a portion of the decrease based upon investable cash each fund held at September 30, 2022.

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 \$70,107 in contrast to \$58,639 in the prior year. The total fund balance is \$98,285 as compared to \$77,980 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 and cost of living adjustments. 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. FY22 reflects unassigned fund balance to total fund expenditures (excluding other financing uses) at 10.9%.

In FY22, the Debt Service fund balance increased between FY21 and FY22 as a result of decreasing debt service requirements with a small decrease in the tax rate allocated to the Debt Service Fund.

The Major Projects Fund reflects a fund balance of \$242,893 in FY22 compared to \$267,667 in FY21. Tax revenue decreased \$16,634 as a result of a tax rate decrease for this individual fund.

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

Nonmajor Governmental Funds did not have an impact on the governmental fund balances, except for reclassification of the County Building Improvements Fund as a major 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)

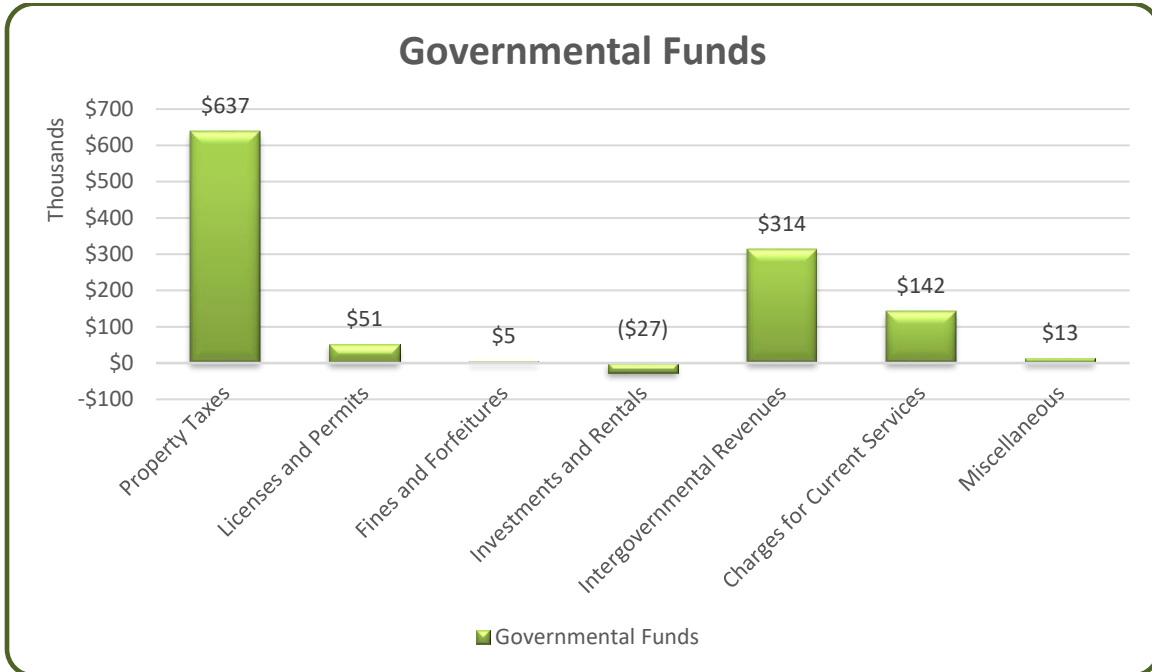
	2022	2021	Increase (Decrease)	Percent Change
Property taxes	\$ 637,317	\$ 637,610	\$ (293)	(0.05) %
Licenses and permits	50,592	45,583	5,009	10.99
Fines and forfeitures	4,851	5,224	(373)	(7.14)
Investments and rentals	(27,073)	5,130	(32,203)	(627.74)
Intergovernmental revenues	314,297	298,229	16,068	5.39
Charges for current services	141,869	123,075	18,794	15.27
Miscellaneous	13,176	29,855	(16,679)	(55.87)
Total	<u>\$ 1,135,029</u>	<u>\$ 1,144,706</u>	<u>\$ (9,677)</u>	(0.85)

- Licenses and permits and fines and forfeitures – revenues increased from sales taxes collected on car sales.
- Investments and rentals-fair value of federal and agency bond investments owned by the County's governmental funds decreased \$41,798 at September 30, 2022. This decrease was a direct result of those investments having a weighted average stated interest rate of 1.14% and 783 weighted average days to maturity. Market interest rates have increased significantly since securities were purchased resulting in values decreasing. For example overnight investments in TexPool and TexPool Prime had yields between 2.41% and 2.61%, respectively, at September 30, 2022. Until maturity interest rates may change and therefore future security values may continue to change.

Fair value decrease is recognized for financial statement purposes in accordance with Generally Accepted Accounting Principles (GAAP) but will not be realized until actually sold. Because County pools cash, investments and cash equivalents, each governmental fund was allocated a portion of the decrease based upon investable cash each fund held at September 30, 2022.

- Intergovernmental revenues increased as a result of the County receiving the final payment of \$255,959 from the American Rescue Plan in July 2022. As of September 30, 2022, \$446,581 remains available to be spent, including interest.
- Charges for current services increased in FY22 from increases in mixed beverage fees, collections from City of Dallas and Parkland.
- Miscellaneous revenues decreased from FY21. FY21 miscellaneous revenues included \$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. Additionally, the County sold several properties for \$4,161.

Revenues Classified by Source – Governmental Activities – FY22



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

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

Function:	2022	2021	Increase (Decrease)	Percent Change
General Government	\$ 173,926	\$ 146,557	\$ 27,369	18.67 %
Judicial	202,178	194,175	8,003	4.12
Public Safety	362,994	337,508	25,486	7.55
Highways and Streets	24,899	40,071	(15,172)	(37.86)
Health	128,556	185,196	(56,640)	(30.58)
Public Welfare	167,535	121,526	46,009	37.86
Education	7,975	8,079	(104)	(1.29)
Capital Outlay	56,156	152,311	(96,155)	(63.13)
Capital Outlay - Leases	107	-	107	-
Debt Service - principal	29,670	25,033	4,637	18.52
Debt Service - interest and fiscal charges	12,146	11,337	809	7.14
Total	\$ 1,166,142	\$ 1,221,793	\$ (55,651)	(4.55)

Salaries increased on October 1 with market adjustments of 2% and cost of living adjustments of 3.33% effective January 2022. Pension expenses increased as a result; the impact of salary increases was reduced by a net gain from invested pension assets in FY22.

- General Government expenditures increased from salary increases of 2% and cost of living adjustment of 3.33%, utilities costs increased and expenditures for technology software and equipment increased along with increased permanent improvement expenditures.
- Public Safety expenditures increased for both salary increases and jail software compliance.
- Highway and street expenditures decreased as a result of road projects winding down.
- Health expenditures decreased due to CARES Act funding in FY21 mostly spent in FY21.
- Public welfare increased from funding of the American Rescue Plan.
- Capital outlay expenditures decreased since County records building renovation project was mostly completed in FY21 and significant leases were funded in FY21.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Commissioners Court on September 29, 2021, adopted the General Fund budget totaling \$726,792 (prior to including prior period carry forward of encumbrances), an increase of \$48,420 from FY21 budget. Valid encumbrances from prior year are added completing the approved budget. The FY22 legally adopted budget for all funds prior to encumbrance and available funds rollovers totaled \$1,570,407.

Highlights from Dallas County FY22 Budget include the following:

- The tax rate was set at 22.7946 cents per \$100 assessed valuation, which decreased from a tax rate in effect for many prior years.
- Salaries increased on October 1 with a market adjustment of 2% and a cost of living adjustment of 3.33% effective January 2022. Accordingly, pension costs budgeted increased.
- Part-time employees are 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 \$621,353 and actuals totaled \$633,306. Budgeted revenues compared to actual revenues, was only a modest variance. However, actual Charges for Current Services exceeded budget by 11.4% due to City of Dallas fees for housing City of Dallas inmates which were due from prior year and collection of fees from Parkland which were due from the prior year.

Budgeted salaries expenditures in each classification (except Judicial and Public Safety) were less than actual expenditures. This was a result of the County's 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. On September 30, 2022, the County had limited tax, unlimited tax, and general obligation bonds outstanding in the amount of \$236,605, with a debt premium of \$30,597. In August, 2022, bonds with total principal and premium of \$159,098 were issued to fund various County buildings and improvements. 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 \$236,605. The debt limits for the two authorizations are \$99,462,057 (25% of real property assessed valuation), and \$22,099,501 (5% of assessed valuation of all taxable property); therefore, the County has legal debt margins on general obligation debt of \$99,462,057, and \$22,099,501, respectively. The County's bond ratings are "AAA" from Standard & Poor's and for general obligation debt. These ratings have been upheld since 1978 with the latest evaluation in a credit rating action in August 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 FY22.

	Beginning Balance as restated (i)	Additions	Reductions	Ending Balance
Governmental Activities:				
Bonded debt obligations	\$ 131,558	\$ 150,969	\$ 15,325	\$ 267,202
Leases	141,528	3,930	17,420	128,038
Other Post Employment Benefits	194,549	18,401	6,032	206,918
Claims and Judgments	2,000	1,191	1,191	2,000
Compensated Absences	40,447	85,525	82,780	43,192
Net Pension Liability/(Asset)	246,648	261,341	600,797	(92,808)
Workers' Compensation	1,746	2,357	2,138	1,965
	<u>\$ 758,476</u>	<u>\$ 523,715</u>	<u>\$ 725,683</u>	<u>\$ 556,508</u>

(i) Restated balance the result of implementation of GASB 87, Leases.

Legal counsel and subject experts are contracted to review workers' compensation claims and other legal matters as needed. The FY22 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 on September 30, 2021. 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. On September 30, 2022, net capital assets of the governmental activities totaled \$1,008,618, reflecting a net increase of \$25,720. Depreciation and amortization of capital assets (except for infrastructure assets, which are reported under the Modified Approach basis) is recognized in the government-wide financial statements. FY22 depreciation and amortization for buildings, improvements, and M&E totaled \$35,087. Depreciation is not recorded for the historical treasure, the 1892 Old Red Courthouse, which has a book value of \$32,042.

A combined tax rate of \$0.039677 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 are revised.

The County has elected to use the “Modified Approach” as defined in GASB for reporting infrastructure assets, which includes 108.88 miles of roads and 26 bridges and culverts. The FY22 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 \$2,317 on County road maintenance for the year ended September 30, 2022. These expenditures delayed deterioration; however, overall road conditions were not significantly improved. Incurred bridge maintenance costs in FY22 were \$186. Additional details on infrastructure assets can be found in the Required Supplementary Information of this report.

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

County's Capital Assets
(net of depreciation and amortization)

	<u>2022</u>	<u>2021</u>
Governmental Activities:		
Land	\$ 39,320	\$ 56,300
Land leased	25,927	-
Historic treasures	32,042	32,042
Buildings	628,935	662,484
Buildings leased	118,421	-
Machinery and equipment	97,983	95,992
Machinery and equipment leased	608	-
Infrastructure	26,671	26,671
Construction in progress	38,711	109,409
Total	<u>\$ 1,008,618</u>	<u>\$ 982,898</u>

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 FY23 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 FY23 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's budget by \$31,087, or an increase of 4.82%. The property tax revenue to be raised from new property added to the tax roll is \$15,712.

Highlights from Dallas County FY23 Budget include the following:

- The overall tax rate decreased from the 2022 tax year. Prior to the FY20 Budget, the overall tax rate remained unchanged for many years.
- Taxable values increased 14.1% compared to the prior budget year.
- Compensation increases for all levels were approved a 3%. All employees will be paid a minimum of \$15 per hour.
- An increase of 51 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, 2022

(in thousands of dollars)

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Hospital District</u>
ASSETS		
Cash, cash equivalents, and investments	\$ 1,200,666	\$ 1,048,133
Receivables (net of allowance for uncollectible)	722,117	253,510
Lease receivable	10,752	3,927
Accrued interest	1,510	-
Net pension asset	92,808	-
Due from other government units	77,541	343,878
Due from third-party reimbursement programs	-	29,728
Inventories	4,642	48,046
Prepayments and advances	21,913	-
Assets limited to use	-	311,022
Other noncurrent assets	-	2,423
Capital assets not being depreciated		
Land	65,247	142,482
Construction - in - progress	38,711	23,162
Infrastructure	26,671	-
Historical treasures	32,042	-
Capital assets (net of accumulated depreciation & amortization)		
Buildings	747,356	1,380,248
Machinery and equipment	98,591	125,838
Total capital assets	<u>1,008,618</u>	<u>1,671,730</u>
Total assets	<u>3,140,567</u>	<u>3,712,397</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow of resources - Other post employment benefit (OPEB)	53,082	-
Deferred outflow of resources - pension	150,827	140,167
Deferred outflows of resources	<u>203,909</u>	<u>140,167</u>
LIABILITIES		
Accounts payable and accrued liabilities	84,274	466,257
Accrued interest payable	1,161	3,742
Other current liabilities	6,652	136,533
Unearned revenues	470,761	-
Due to other government units	56,557	-
Long-term liabilities:		
Due within one year	83,957	16,410
Due in more than one year	362,997	630,838
Due in more than one year - net pension liability	-	384,258
Due in more than one year - OPEB	202,362	-
Total liabilities	<u>1,268,721</u>	<u>1,638,038</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow of resources - OPEB	175,485	-
Deferred inflow of resources - pension	324,431	160,203
Deferred inflow - other	10,753	-
Deferred inflow - property taxes	705,067	-
Total deferred inflows of resources	<u>1,215,736</u>	<u>160,203</u>
NET POSITION		
Net investment in capital assets	770,484	1,031,619
Restricted for:		
Highways and streets	37,310	-
Debt service	7,455	-
Major Grants, HUD Section 8 and Academy for Academic Excellence	10,641	-
Record management and capital projects	64,748	-
Third parties	-	34,647
Unrestricted (deficit) position	<u>(30,619)</u>	<u>988,057</u>
Total net position	<u>\$ 860,019</u>	<u>\$ 2,054,323</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, 2022
(in thousands of dollars)

Functions/Programs					Net (Expense) Revenue and Changes in Net Position	
	Program Revenues				Primary Government	Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Hospital District
Primary government:						
Governmental activities:						
General government	\$ 170,106	\$ 48,120	\$ -	\$ -	\$ (121,986)	\$ -
Judicial	187,212	44,636	5,737	-	(136,839)	-
Public safety	336,123	24,185	20,566	-	(291,372)	-
Highways and streets	23,087	23,227	-	-	140	-
Health	124,535	19,897	100,257	-	(4,381)	-
Education	7,859	-	8,082	-	223	-
Public welfare	159,508	5,630	107,750	-	(46,128)	-
Interest and fiscal charges - debt	9,541	-	-	-	(9,541)	-
Total primary government	\$ 1,017,971	\$ 165,695	\$ 242,392	\$ -	\$ (609,884)	\$ -
Component unit:						
Hospital district	\$ 3,483,912	\$ 2,902,457	\$ -	\$ 2,716	\$ -	\$ (578,739)
General revenues:						
Property taxes				\$ 633,034		\$ 757,736
Alcoholic beverage and other taxes				52,709		-
Grants and contributions not restricted to specific programs				66,508		50,818
Investment earnings/(loss)				(27,066)		(3,639)
Gain on sale of asset				-		34,857
Total general revenue				725,185		839,772
Special Item - (See Note I.A.)				(8,292)		-
Change in net position				107,009		261,033
Net position - beginning of year as restated - (See Note I.A.)				753,010		1,793,290
Net position - ending of year				\$ 860,019		\$ 2,054,323

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

DALLAS COUNTY, TEXAS
 Balance Sheet
 Governmental Funds
 September 30, 2022
 (in thousands of dollars)

	General	Debt Service	Major Projects	Major Grants	American Rescue Plan	County Building Improvements	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash, cash equivalents and investments	\$ 121,502	\$ 8,216	\$ 308,920	\$ -	\$ 449,226	\$ 161,661	\$ 131,407	\$ 1,180,932
Property tax receivables (net of allowance for uncollectible)	512,112	28,905	95,640	-	-	-	65,467	702,124
Accounts receivable (net of allowance for uncollectible)	5,587	356	692	9,983	-	-	3,375	19,993
Lease receivable	2,029	-	5,889	-	-	-	2,834	10,752
Accrued interest	349	-	801	-	-	-	340	1,490
Due from other funds	17,556	75	-	1,182	285	-	83	19,181
Due from other governmental units	9,775	-	3,648	63,404	-	-	742	77,569
Inventories	4,271	-	-	-	-	-	371	4,642
Prepayments and advances	4,342	1	2,569	2,896	112	-	11,993	21,913
Total assets	<u>\$ 677,523</u>	<u>\$ 37,553</u>	<u>\$ 418,159</u>	<u>\$ 77,465</u>	<u>\$ 449,623</u>	<u>\$ 161,661</u>	<u>\$ 216,612</u>	<u>\$ 2,038,596</u>
LIABILITIES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 33,538	\$ -	17,344	\$ 19,122	1,622	\$ 2,563	\$ 9,795	\$ 83,984
Due to other funds	25,126	-	-	17,840	164	-	428	43,558
Due to other governmental units	25	-	55,563	-	-	-	969	56,557
Other current liabilities	-	-	-	-	-	-	-	-
Unearned revenue - other	-	-	-	24,180	446,581	-	-	470,761
Total liabilities	<u>58,689</u>	<u>-</u>	<u>72,907</u>	<u>61,142</u>	<u>448,367</u>	<u>2,563</u>	<u>11,192</u>	<u>654,860</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - other	4,771	-	293	9,983	-	-	2,432	17,479
Unavailable revenue - property taxes	513,395	28,936	95,887	-	-	-	65,621	703,839
Deferred inflows of resources - other	2,383	-	6,179	-	-	-	2,838	11,400
Total deferred inflows	<u>520,549</u>	<u>28,936</u>	<u>102,359</u>	<u>9,983</u>	<u>-</u>	<u>-</u>	<u>70,891</u>	<u>732,718</u>
FUND BALANCES								
Nonspendable: inventories and prepaids	8,613	1	2,569	2,896	112	-	12,364	26,555
Restricted	-	8,616	-	3,444	1,144	159,098	109,255	281,557
Committed	-	-	240,324	-	-	-	12,910	253,234
Assigned	19,565	-	-	-	-	-	-	19,565
Unassigned	70,107	-	-	-	-	-	-	70,107
Total fund balances	<u>98,285</u>	<u>8,617</u>	<u>242,893</u>	<u>6,340</u>	<u>1,256</u>	<u>159,098</u>	<u>134,529</u>	<u>651,018</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 677,523</u>	<u>\$ 37,553</u>	<u>\$ 418,159</u>	<u>\$ 77,465</u>	<u>\$ 449,623</u>	<u>\$ 161,661</u>	<u>\$ 216,612</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.	1,008,618
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.	16,898
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.	35,514
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.	(852,029)
Net position of governmental activities	<u>\$ 860,019</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, 2022
(in thousands of dollars)

	General	Debt Service	Major Projects	Major Grants	American Rescue Plan	County Building Improvements	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	\$ 471,030	\$ 18,244	\$ 92,662	\$ -	\$ -	-	\$ 55,381	\$ 637,317
Licenses and permits	28,328	-	-	-	-	-	22,264	50,592
Fines and forfeitures	340	-	-	-	-	-	4,511	4,851
Investment income (loss)	(7,546)	547	(18,387)	235	1,099	-	(7,763)	(31,815)
Rental revenues	3,503	-	1,239	-	-	-	-	4,742
Intergovernmental revenues	6,223	-	1,014	181,856	61,063	-	64,141	314,297
Charges for current services	120,514	-	-	883	-	-	20,472	141,869
Miscellaneous	10,914	-	-	1,563	-	-	699	13,176
Total revenues	<u>633,306</u>	<u>18,791</u>	<u>76,528</u>	<u>184,537</u>	<u>62,162</u>	<u>-</u>	<u>\$ 159,705</u>	<u>1,135,029</u>
EXPENDITURES								
Current:								
General government	99,783	-	11,787	2	-	-	62,354	173,926
Judicial	183,493	-	-	6,561	-	-	12,124	202,178
Public safety	326,103	-	501	22,889	3,389	-	10,112	362,994
Highways and streets	-	-	13,351	-	-	-	11,548	24,899
Health	32,484	-	-	85,721	10,006	-	345	128,556
Education	-	-	-	-	-	-	7,975	7,975
Public welfare	710	-	8,329	57,862	47,523	-	53,111	167,535
Debt service:								
Principal	967	12,250	15,564	282	-	-	607	29,670
Interest and fiscal charges	107	5,498	5,466	40	-	969	66	12,146
Capital outlay	-	-	52,257	-	-	3,899	-	56,156
Capital outlay - Leases	107	-	-	-	-	-	-	107
Total expenditures	<u>643,754</u>	<u>17,748</u>	<u>107,255</u>	<u>173,357</u>	<u>60,918</u>	<u>4,868</u>	<u>158,242</u>	<u>1,166,142</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,448)</u>	<u>1,043</u>	<u>(30,727)</u>	<u>11,180</u>	<u>1,244</u>	<u>(4,868)</u>	<u>1,463</u>	<u>(31,113)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	37,604	-	12,689	6,958	-	-	559	57,810
Transfers (out)	(6,958)	-	(10,559)	(18,203)	-	(883)	(21,207)	(57,810)
Lease proceeds	107	-	3,823	-	-	-	-	3,930
Debt issuance - principal	-	-	-	-	-	132,190	-	132,190
Debt issuance - premium	-	4	-	-	-	18,779	-	18,783
Total other financing sources (uses)	<u>30,753</u>	<u>4</u>	<u>5,953</u>	<u>(11,245)</u>	<u>-</u>	<u>150,086</u>	<u>(20,648)</u>	<u>154,903</u>
Net change in fund balances	20,305	1,047	(24,774)	(65)	1,244	145,218	(19,185)	123,790
Fund balances - beginning	77,980	7,570	267,667	6,405	12	13,880	153,714	527,228
Fund balances - ending	<u>\$ 98,285</u>	<u>\$ 8,617</u>	<u>\$ 242,893</u>	<u>\$ 6,340</u>	<u>\$ 1,256</u>	<u>\$ 159,098</u>	<u>\$ 134,529</u>	<u>\$ 651,018</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, 2022 (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	\$ 123,790
<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>	46,287
<p>The net effect of various transactions (e.g., sale of capital assets). See - Notes to the Basic Financial Statements for details.</p>	(9,182)
<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>	(1,313)
<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>	62,612
<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>	(117,724)
<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>	2,539
Change in net position of governmental activities	\$ <u>107,009</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, 2022

(in thousands of dollars)

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 19,734
Accrued interest	20
Due from other funds	<u>24,377</u>
Total current assets	<u>\$ 44,131</u>
LIABILITIES	
Current Liabilities:	
Medical claims	\$ 6,652
Workers' compensation claims - current	<u>1,544</u>
Total current liabilities	8,196
Non-Current Liability:	
Workers' compensation claims non-current	<u>421</u>
Total liabilities	<u>8,617</u>
NET POSITION	
Unrestricted	<u>35,514</u>
Total net position	<u>\$ 35,514</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, 2022
(in thousands of dollars)

	Governmental Activities- Internal Service Fund
Operating revenues:	
Premiums	\$ <u>87,987</u>
Operating expenses:	
Benefit payments	79,022
Administration	<u>5,982</u>
Total operating expenses	<u>85,004</u>
Operating income	2,983
Non-operating revenues:	
Interest income (loss)	<u>(437)</u>
Change in net position	2,546
Total net position - beginning of year	32,968
Total net position - ending of year	\$ <u><u>35,514</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, 2022
(in thousands of dollars)

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash for premiums and reimbursements	\$ 91,828
Cash payments for benefit claims	(79,586)
Cash payments for administrative fees	(5,982)
Net cash provided by operating activities	6,260
 CASH FLOW FROM INVESTING ACTIVITIES	
Interest (loss) on investments	(437)
Net cash provided by investing activities	(437)
Net increase in cash and cash equivalents	5,823
Cash and cash equivalents at beginning of year	13,911
Cash and cash equivalents at end of year	\$ 19,734
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income	\$ 2,983
Changes in current assets and liabilities:	
Accrued interest	(20)
Due from other funds	3,841
Liabilities	(544)
Net cash operating activities	\$ 6,260

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

DALLAS COUNTY, TEXAS
Statement of Fiduciary Net Position
September 30, 2022
(in thousands of dollars)

	Total
Assets:	
Cash, cash equivalents and investments	\$ 218,549
Accrued interest	6
Account receivable	44
Prepayments and advances	112
Assets held in escrow	6,663
Total assets	\$ 225,376
 Liabilities:	
Accounts payable	\$ 4,958
Unearned revenue - other	145
Due to other governmental units	104,805
Total liabilities	109,908
 Deferred inflows of resources:	
Unavailable revenue - other	2
Total deferred inflows	2
 Net Position:	
Restricted for: Individuals, Organizations or Other Governments	115,466
Total Net Position	115,466
 Total liabilities, deferred inflows and net position	 \$ 225,376

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

DALLAS COUNTY, TEXAS
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2022
(in thousands of dollars)

	<u>Custodial Funds</u>
ADDITIONS:	
Ad valorem tax collections - local government	\$ 758,131
CSCD grant collections	25,261
CSCD participants	9,354
Trust/Escrow contributions	184,730
Inmate accounts	12,724
Investment interest/(loss)	(51)
Miscellaneous	195
Total Additions	<u>990,344</u>
 DEDUCTIONS:	
Ad valorem tax payments - local government	758,032
Administrative costs	94
CSCD program costs	36,929
Election costs	6,035
Inmate accounts	12,624
Trust/Escrow disbursements	166,240
Total Deductions	<u>979,954</u>
Increase in Fiduciary Net Position	10,390
Net Position - beginning	105,076
Net Position - ending	<u>\$ 115,466</u>

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

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(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 Statement was implemented in FY22.

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 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 adoption of GASB 87 resulted in a restatement to beginning balances of the right-to-use assets, leases payable, leases receivable, and deferred inflows of resources. For governmental activities, right-to-use assets and leases payable were restated by \$12,776, whereas leases receivable and deferred inflows of resources were restated by \$6,297. The adoption of GASB 87 also had a decrease on beginning government-wide net position of \$24,165.

A. Reporting Entity

The County is a public corporation and political subdivision of the State of Texas (State). The Commissioners Court is 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).

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

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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, 2022, CARES Act funds received have been fully 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 affect the inputs and assumptions used in significant accounting estimates, including estimated operating revenues, collections of property taxes, bad debts, and contractual adjustments.

The County received and recorded in the American Rescue Plan Fund \$511,918 for the American Rescue Plan Act. As of September 30, 2022, including interest \$446,581 remains to be spent.

Special Item

County management determined that certain software under development and not yet implemented was not suitable for County purposes. In accordance with accounting policies, this was determined to be an impairment. Costs totaling \$8,292 have been removed from the County's construction-in-progress balance.

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
- 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, 2022
(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 inter-fund transfers has been removed from the government-wide financial statements but continues to be reported in the fund financial statements. However, inter-fund services provided and used are not eliminated in the process of consolidation. Governmental activities are supported mainly by taxes, intergovernmental revenues, and charges for services. The primary government is reported separately from the component unit within the government-wide statements.

The Statement of Activities reflects the degree to which 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. General, Debt Service, Major Projects, Major Grants, American Rescue Plan and County Building Improvements Funds are reported as *major governmental funds*. Each major fund is reported in a separate column in the fund financial statements. Other nonmajor funds include Special Revenue and Capital Project Funds. 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 nonmajor governmental fund. This year this fund is included as a major governmental fund. The impact is an increase of \$13,880 to the beginning fund balance in the major governmental funds with a corresponding decrease of nonmajor governmental 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.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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's end. Grants policy includes recognition of revenues, so long as such amounts are collectible within 120 days or soon enough afterward 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, 2022, and became due October 1, 2022, have been assessed to finance the budget of the fiscal year beginning October 1, 2022, 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 on September 30, 2022.

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 the 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 the investment of idle funds for 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 the 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 2022.

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 is included in Other Nonmajor Governmental Funds.

County Building Improvements Fund This fund was previously included with non-major governmental funds. In August 2022, bonds were issued with an aggregate principal and premium of \$150,969 to fund improvements to certain County buildings. As a result, the fund has been reclassified as a major governmental fund.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Nonmajor Funds include special revenue funds and a capital project fund. 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 on the 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 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 agents 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 the measurement of the 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 issued by Dallas County Housing Finance Corporation (HFC).

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

District Attorney Restitution Fund - Used to account for the receipt and distribution of restitution payments made by the defendants

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

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

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

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

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

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

Sheriff Inmate 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 the dissolution of DCS. Prior to FY19, neither was 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.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2022, debt obligations payable from ad valorem taxes have interest rates of 5.00% and are expected to be fully paid including interest by March 31, 2023.

As of September 30, 2022, \$16,463 was available in the DCS Administration 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 the date of purchase to be cash and cash equivalents. Texas statutes and the County's official investment policy authorize the County to invest in fully collateralized security repurchase agreements, fully serviced certificates of deposit at the depository, obligations of 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. 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.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. 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 non spendable fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of current assets. The inventory policy on government-wide statements is consistent with fund statements.

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

3. 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);

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Restricted Assets/Funds (Continued)

- County Building Improvements: (Amount restricted for expenditures of projects funded by debt obligation issued in FY2022.)
- 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 and Major Technology Fund balances (committed by the 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 the governing body).

4. 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 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.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Capital Assets (Continued)

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.

5. 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, 2022, 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 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 assets that applies to future periods and represent an acquisition of Net Position that applies to future periods, respectively. 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.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Deferred Outflows / Inflows of Resources (Continued)

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 assets 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 four types of items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes and leases. 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 postemployment 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 postemployment 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.

9. Leases

Leases are defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. The lease term is defined as the period during which a lessee has a noncancelable right to use an underlying asset, plus any applicable periods covered by any renewal options that are reasonably certain to be exercised, or options to terminate that are not reasonably certain to be exercised. Contracts that transfer ownership of the underlying asset are recognized as financed purchases in the financial statements. Leases that have a maximum term of less than 12 months are considered short-term leases. Short-term lease payments are recognized in the period of payment.

As a lessor, the County recognizes a lease receivable and a corresponding deferred inflow of resources. At the commencement of a lease, the lease receivable is recorded at the net present value of the future fixed lease payments, discounted at either the explicit interest rate in the agreement or the County's incremental borrowing rate at lease inception. The account "deferred inflow of resources – other" is recognized as inflows (revenue) on a straight-line basis over the term of the lease.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Leases (Continued)

As a lessee, the County recognizes a lease payable and an intangible right-to-use lease asset. At the commencement of a lease, the lease payable is recorded at the net present value of the future fixed lease payments, discounted at either the explicit interest rate in the agreement or the County's incremental borrowing rate at lease inception. The right-to-use leased asset is initially recorded at the amount of the lease liability plus any prepayments less lease incentives received prior to lease commencement. The right-to-use leased asset is amortized on a straight-line basis over the term of the lease or the asset's useful life for leases where the County is reasonably certain that the bargain purchase option will be exercised.

10. Unemployment and Workers' Compensation Benefits

The County is a reimbursing employer for unemployment compensation benefits. Reimbursements are made on the basis of billings received from the Texas 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).

11. 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 is 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, 2022, is composed of \$8,616 restricted as a result of bond requirements for future debt service, \$3,444 restricted by State and federal authorities for grants awarded to the County, \$1,144 restricted for American Recue Plan and \$159,098 for County Building Improvements. The Special Revenue Fund balance of \$109,255 is restricted by federal and State statutes.
- 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, 2022, Major Project Fund committed balance is \$240,324. The balance of committed fund balance \$12,910 is for permanent building improvements and major technology projects.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Fund Balances (Continued)

- 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, 2022, the assigned fund balance of \$19,565 is primarily composed of amounts assigned by officials for various operational expenditures.
- The unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

The General Fund target reserve policy is established 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 the 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.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2022 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. A 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
September 30, 2022
(in thousands of dollars)

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net 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 the current year which remain uncollected	
within 60 days of year-end	\$ (1,228)
Other receivables and accrued interest – which remain uncollected	
within 60 days of year-end	18,126
Net adjustment to increase fund balance – total governmental funds to arrive at net position - governmental activities	\$ <u>16,898</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	\$ (236,605)
Premium on bonds payable	(30,597)
Leases payable	(128,038)
Other post employment benefits	(206,918)
Accrued interest payable	(1,161)
Accrued liabilities	1,646
Claims and judgments	(2,000)
Workers’ compensation	(1,965)
Compensated absences	(43,192)
Net pension asset	92,808
Deferred inflow resources – OPEB	(175,485)
Deferred outflow of resources – OPEB	53,082
Deferred outflow of resources – pension	150,827
Deferred inflow of resources – pension	(324,431)
Net adjustment to decrease fund balance – total government funds to arrive at net position - governmental activities	\$ <u>(852,029)</u>

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(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	\$	77,442
Leases executed		3,932
Depreciation/Amortization expense		(35,087)
Net adjustment to increase net changes in fund balances - total government funds to arrive at changes in net position of governmental activities.	\$	46,287

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	\$	(9,182)
Net adjustment to decrease net changes in fund balances – total government funds to arrive at changes in net position of governmental activities	\$	(9,182)

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, 2021	Unavailable Revenue	\$ (657,692)
September 30, 2022	Unavailable Revenue	721,318
September 30, 2022	Deferred Inflows of resources - other	11,400
Statement of Net Position		
September 30, 2021	Deferred Inflows	639,481
September 30, 2022	Deferred Inflows	(705,067)
September 30, 2022	Deferred Inflows	(10,753)
		\$ (1,313)

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

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	\$	(2,745)
Workers Compensation		(219)
Pension		69,449
Accrued interest		(475)
Other postemployment benefits		704
Accounts payable and accrued liabilities		(100)
Lease obligation		(3,932)
Other current liabilities		(70)
Net adjustment to increase net changes in fund balances	\$	<u>62,612</u>

Another element of the reconciliation states, “The issuance of long-term debt (e.g., bonds, tax notes, 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	\$	12,250
Lease principal payments		17,920
Debt principal issued		(132,190)
Debt premium issued		(18,783)
Amortization of debt premium		3,079
Net adjustment to decrease net changes in fund balances	\$	<u>(117,724)</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 on par value. The collateral fair value shall be a minimum of 102% of the 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, 2022
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III. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES (Continued)

Deposits

At September 30, 2022, the carrying amount of the County’s demand deposits and investments was as follows:

	<u>Governmental Funds</u>	<u>Proprietary Fund</u>	<u>Total</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash ^(a)	\$ (37,811)	\$ 12,525	\$ (25,286)	\$ 218,427	\$ 193,141
Investments and cash equivalents ^(a)	1,260,022	7,728	1,267,750	131	1,267,881
Unrealized loss-investments (fair value adjustment).	<u>(41,279)</u>	<u>(519)</u>	<u>(41,798)</u>	<u>(9)</u>	<u>(41,807)</u>
Total cash, cash equivalents and investments	<u>\$ 1,180,932</u>	<u>\$ 19,734</u>	<u>\$ 1,200,666</u>	<u>\$ 218,549</u>	<u>\$ 1,419,215</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
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III. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES (Continued)

Investments

At September 30, 2022, 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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Investments, Cash and Cash Equivalents</u>	<u>Weighted Average Days to Maturity</u>	<u>Weighted Average Stated Interest Rate</u>	<u>Rating</u>
Federal Home Loan Bank Notes	\$ 421,181	29.68 %	799	1.16 %	Note 1
Federal Home Loan Mortgage Corporation Notes	66,733	4.70	702	1.57	Note 1
Federal National Mortgage Association Notes	24,958	1.76	727	0.46	Note 1
Federal Farm Credit Bank Notes	49,857	3.51	923	0.54	Note 1
Certificates of Deposit Investments	<u>18,523</u>	<u>1.31</u>	<u>390</u>	<u>1.84</u>	
	<u>581,252</u>	<u>40.96</u>	<u>783</u>	<u>1.14</u>	
TexPool Prime Deposits	115,925	8.17	1	2.61	Note 2
TexPool Deposits	<u>528,896</u>	<u>37.26</u>	<u>1</u>	<u>2.41</u>	Note 2
Cash Equivalents	<u>644,821</u>	<u>45.43</u>	<u>1</u>	<u>2.45</u>	
Cash	<u>193,141</u>	<u>13.61</u>	<u>-</u>	<u>-</u>	
Investments, Cash and Cash Equivalents	<u>\$ 1,419,215</u>	<u>100.00 %</u>	<u>385</u>	<u>1.81 %</u>	

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

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

On September 30, 2022, the County had the following investments and cash equivalents, and maturities:

	<u>Investment Maturities (in years)</u>					
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 – 2</u>	<u>2 – 3</u>	<u>3 – 4</u>	<u>4 – 5</u>
U.S. agencies and government sponsored enterprises	\$ 562,729	\$ 116,618	\$ 133,669	\$ 164,370	\$ 130,161	\$ 17,911
Certificates of Deposit	18,523	10,656	5,112	2,306	227	222
Investment Pools:			-	-	-	
TexPool Prime ⁽¹⁾	115,925	115,925	-	-	-	-
TexPool ⁽¹⁾	<u>528,896</u>	<u>528,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments and cash equivalents	<u>\$ 1,226,073</u>	<u>\$ 772,095</u>	<u>\$ 138,781</u>	<u>\$ 166,676</u>	<u>\$ 130,388</u>	<u>\$ 18,133</u>

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

DALLAS COUNTY
Notes to the Basic Financial Statements
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III. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES (Continued)

GAAP categorizes financial instruments within three different levels of risk depending 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. The 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 14 and 25 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 invested in federal agencies as of September 30, 2022, with investment in Federal Home Loan Bank notes.

IV. PROPERTY TAXES AND OTHER RECEIVABLES

Property taxes attach as an enforceable lien on the property as of January 1. Taxes are levied before 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 49 public improvement districts (PIDs) as authorized by V.T.C.A., Tax Code §6.24.

DALLAS COUNTY
Notes to the Basic Financial Statements
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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 (greater than 20% of the appraised valuation or \$5), over 65 additional homestead exemption of \$69, effective January 1, 2008, and 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 every month to the following funds (amounts are for each one hundred dollars of valuation): General (\$0.168439), Debt Service (\$0.006517), Major Projects (\$0.033160), Nonmajor Funds - Permanent Improvement (\$0.0018), and Major Technology (\$0.018030). 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 FY22 total \$859. 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) The 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 the benefit of a tax abatement are due and payable to the County within 60 days.
- 7) The County does not have other commitments for the reduction of taxes.
- 8) In FY22, gross tax revenues abated \$628.

Housing projects:

- 1) Provide development of housing projects within a priority area, strategic area, or distressed area of Dallas city's 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 on the location of a project. Different locations require different amounts of housing units, time, and amount of County tax base increases. New housing units must include affordable housing units of at least 10%.
- 5) The 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 the benefit of a tax abatement are due and payable to the County within 60 days.
- 7) The County does not have other commitments for the reduction of taxes.
- 8) In FY22, gross tax revenues abated \$231.

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

Property tax receivables are affected by participation in several Tax Increment Finance (TIF) Districts. In the fiscal year that ended September 30, 2022, the County either financially participated in or had the authorization to participate in 23 TIF districts at various percentage participation levels. The 2022 total incremental taxable value prior to participation and new construction after participation decreased from the prior year's value.

The County's decision to participate is influenced by the level of the proposed development in blighted/distressed areas. The 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. The 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 before the fiscal year-end. The County has recorded property taxes receivable including an amount for unavailable revenue as of September 30, 2022.

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

<u>Unavailable and Unearned Arising From</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Major Grants</u>	<u>American Rescue Plan</u>	<u>Other Nonmajor Governmental</u>	<u>Total</u>
Unavailable and unearned property taxes	\$ 513,395	\$ 28,936	\$ 95,887	\$ -	\$ -	\$ 65,621	\$ 703,839
Unearned revenue – other	-	-	-	24,180	446,581	-	470,761
Unavailable revenue – other	4,771	-	293	9,983	-	2,432	17,479
Unavailable and unearned – Fund Basis	<u>\$ 518,166</u>	<u>\$ 28,936</u>	<u>\$ 96,180</u>	<u>\$ 34,163</u>	<u>\$ 446,581</u>	<u>\$ 68,053</u>	1,192,079
Unavailable property taxes							1,288
OPEB							175,485
Pension							324,431
Unavailable – other							(6,786)
					Deferred inflows and unearned revenue – Government wide		<u>\$ 1,686,497</u>

DALLAS COUNTY
Notes to the Basic Financial Statements
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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 2021 and 2022 for each FY21 and FY22 was \$0.23974 and \$0.227946 per one hundred dollars of assessed value, respectively.

Receivables as of September 30, 2022, 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>Major Grants</u>	<u>Other Non-major Governmental Funds</u>	<u>Total</u>
Receivables:						
Property taxes	\$ 539,472	\$ 30,713	\$ 101,276	\$ -	\$ 68,724	\$ 740,185
Less allowance for uncollectable property taxes	<u>(27,360)</u>	<u>(1,808)</u>	<u>(5,636)</u>	<u>-</u>	<u>(3,257)</u>	<u>(38,061)</u>
Subtotal	<u>512,112</u>	<u>28,905</u>	<u>95,640</u>	<u>-</u>	<u>65,467</u>	<u>702,124</u>
Accounts receivable	152,557	356	692	9,983	327,922	491,510
Less allowance for uncollectable accounts receivable	<u>(146,970)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(324,547)</u>	<u>(471,517)</u>
Subtotal	<u>5,587</u>	<u>356</u>	<u>692</u>	<u>9,983</u>	<u>3,375</u>	<u>19,993</u>
Total net receivables	<u>\$ 517,699</u>	<u>\$ 29,261</u>	<u>\$ 96,332</u>	<u>\$ 9,983</u>	<u>\$ 68,842</u>	<u>\$ 722,117</u>

DALLAS COUNTY
Notes to the Basic Financial Statements
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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 is as follows:

	<u>Beginning Balance, as restated (i)</u>	<u>Increases / Decreases</u>	<u>Decreases / Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 30,374	\$ 8,946	\$ -	\$ 39,320
Land - leased	25,927	-	-	25,927
Construction-in-progress	35,118	27,326	(23,733)	38,711
Infrastructure	26,671	-	-	26,671
Historical treasures	32,042	-	-	32,042
Total capital assets, not being depreciated or amortized:	<u>150,132</u>	<u>36,272</u>	<u>(23,733)</u>	<u>162,671</u>
Capital assets, being depreciated:				
Buildings	931,944	41,420	(1,191)	972,173
Buildings - leased	115,074	3,825	-	118,899
Machinery and equipment	243,153	15,309	(3,472)	254,990
Machinery and equipment - leased	527	107	-	634
Total capital assets, being depreciated/amortized:	<u>1,290,698</u>	<u>60,661</u>	<u>(4,663)</u>	<u>1,346,696</u>
Less accumulated depreciation and amortization for:				
Buildings	(322,156)	(21,653)	571	(343,238)
Buildings - leased	-	(478)	-	(478)
Machinery and equipment	(147,161)	(12,930)	3,084	(157,007)
Machinery and equipment - leased	-	(26)	-	(26)
Total accumulated depreciation and amortization	<u>(469,317)</u>	<u>(35,087)</u>	<u>3,655</u>	<u>(500,749)</u>
Total capital assets, being depreciated and amortized, net	<u>821,381</u>	<u>25,574</u>	<u>(1,008)</u>	<u>845,947</u>
Governmental activities capital assets, net	<u>\$ 971,513</u>	<u>\$ 61,846</u>	<u>\$ (24,741)</u>	<u>\$ 1,008,618</u>

(i) Restated balance the result of implementation of GASB 87, Leases.

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

	<u>Amortization</u>		
	<u>Depreciation</u>	<u>Building</u>	<u>Machinery and Equipment</u>
Governmental activities:			
General Government	\$ 25,670	\$ 478	\$ 26
Public Safety	5,431	-	-
Health	264	-	-
Highways and Streets	648	-	-
Public Welfare	477	-	-
Education	644	-	-
Judicial	1,449	-	-
Total depreciation and amortization expense:	<u>\$ 34,583</u>	<u>\$ 478</u>	<u>\$ 26</u>

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

Long-Term Debt

The following are bonded debts outstanding on September 30, 2022.

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	5.00 %	2013	2025	\$ 10,515	\$ 3,670
Certificates of Obligation Series 2016	3.00 – 5.00	2016	2031	167,900	100,745
Certificates of Obligation Series 2022	5.00	2022	2042	132,190	132,190
Subtotal					236,605
Premium on Debt – amortized over the life of debt using a method that approximates an effective interest rate.					30,597
Total					\$ 267,202

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 the 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 FY22, net revenue from these parking facilities was approximately \$1,028. In FY22, debt service for these bonds was \$11,190 and \$5,261 for principal and interest, respectively.

Changes in Long-Term Liabilities

Long-term liabilities for the year ended September 30, 2022, were as follows:

	Beginning Balance as restated (i)	Additions	Reductions	Ending Balance	Due Within One Year	Funding for Liquidation
Governmental Activities:						
Bonded debt obligations	\$ 131,558	\$ 150,969	\$ 15,325	\$ 267,202	\$ 18,930	a
Leases	141,528	3,930	17,420	128,038	18,070	b,c
Other Post Employment Benefits	194,549	18,401	6,032	206,918	4,556	c
Claims and Judgments	2,000	1,191	1,191	2,000	600	c
Compensated Absences	40,447	85,525	82,780	43,192	40,257	c
Net Pension Liability/(Asset)	246,648	261,341	600,797	(92,808)	-	c
Workers' Compensation	1,746	2,357	2,138	1,965	1,544	c
	<u>\$ 758,476</u>	<u>\$ 523,715</u>	<u>\$ 725,683</u>	<u>\$ 556,508</u>	<u>\$ 83,957</u>	

(i) Restated balance the result of implementation of GASB 87, Leases.

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 the General Government in the Statement of Activities and may not be reasonably allocated as a direct expense to other functions/programs in the Statement of Activities. Other postemployment 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:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 18,930	\$ 11,219
2024	19,030	10,548
2025	19,115	9,596
2026	17,800	8,641
2027	17,805	7,751
2028 - 2032	77,830	25,847
2033 - 2037	33,050	13,219
2038 - 2042	33,045	4,956
Subtotal	236,605	91,777
Premium on debt	30,597	-
Total	<u>\$ 267,202</u>	<u>\$ 91,777</u>

The Debt Service Fund has \$8,616 available to service bonded debt retirements.

VII. INTERFUND RECEIVABLES AND PAYABLE BALANCES AND TRANSFERS

The composition of interfund balances as of September 30, 2022, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Major Grants	\$ 17,555
General	Other-Non Major	1
Debt Service	General	75
Major Grants	General	705
Major Grants	American Rescue Plan	81
Major Grants	Other-Non Major	396
American Rescue Plan	Major Grants	285
Other-Non Major	American Rescue Plan	83
Internal Service	General	24,346
Internal Service	Other-Non Major	31
Total		<u>\$ 43,558</u>

The Internal Service Fund receivable from General and Other Nonmajor Governmental relates to health insurance liabilities expected to be funded in FY22.

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

<u>Transfer Out:</u>	<u>Transfer In:</u>				Total
	General	Major Projects	Major Grants	Other Nonmajor Governmental Funds	
General	\$	\$	\$ 6,958	\$	\$ 6,958
Major Projects	10,000			559	10,559
Major Grants	18,203				18,203
County Building Improvements		883			883
Other Nonmajor Governmental Funds	9,401	11,806			21,207
Total	<u>\$ 37,604</u>	<u>\$ 12,689</u>	<u>\$ 6,958</u>	<u>\$ 559</u>	<u>\$ 57,810</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 \$21,207. 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 FY22, the General Fund provided matching funds aggregating \$6,958. The majority of these transfers were for health, juvenile, and law enforcement grants.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Approximately 25.9% of the \$83,984 balance in accounts payable and accrued liabilities at September 30, 2022, 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 TCDRS Board of Trustees is responsible for the administration of the statewide agent multiemployer public employee retirement system consisting of more than 830 nontraditional defined benefit pension plans. TCDRS 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 (TCDRS Act) governing TCDRS. Members employed by the County are vested and may retire at age 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after combined 10 years of employment with any organization(s) with an accredited plan (not just the County) but must leave their accumulated contributions in the plan to receive any employer-financed benefit.

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

On December 31, 2021, the following inactive or active County employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,819
Inactive employees entitled but not yet receiving benefits	4,493
Active employees	6,285
Total	14,597

(b) Funding Policy

The County has chosen a fixed rate plan under the provisions of the TCDRS Act. County employees with 1,000 or more hours of service a year are members of the plan. The plan is funded by biweekly contributions from both the County and its employees based on the covered payroll of employee members. Regulated by the TCDRS Act, the previously required 13.09% contribution rate by the County (effective January 1, 2021) increased to 13.93% January 1, 2022, 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 TCDRS Act. If a plan has had an adverse experience, the TCDRS Act provisions allow an employer to contribute a fixed supplemental contribution rate determined by the TCDRS actuary above the regular rate for 30 years, or to reduce benefits earned in the future.

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

(c) Net Pension Asset

The County's net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset 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 (level percent of Pay) (1)
Amortization Method	
Recognition of economic / demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or	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	4.70% 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 1.7% 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	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.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality Depositing members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

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

Long-term expected rate of return. The 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

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

(c) Net Pension Asset (continued)

by TCDRS' investment consultant, Cliffwater LLC. The amounts are based on January 2022 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is reassessed in detail 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 2022 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with relevant actuarial standards of practice. Milliman, TCDRS' actuarial consultant, relies on the expertise of Cliffwater LLC in the 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%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	3.80%
International Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
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%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited – Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate – Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90 Day U.S. Treasury	2.00%	-1.05%

⁽¹⁾ Target asset allocation adopted at the March 2022 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.6%, per Cliffwater LLC's 2022 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
Notes to the Basic Financial Statements
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VIII. RETIREMENT COMMITMENTS (Continued)

(c) Net Pension Asset (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 a 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 and the municipal bond rate does not apply.

The beginning balance of \$246,648 and ending balance of (\$92,808) represent an increase in net pension asset of \$339,456 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, 2020	\$ 2,535,969	\$ 2,289,321	\$ 246,648
Changes for the year:			
Service cost	60,364	-	60,364
Interest on total pension liability ⁽¹⁾	198,433	-	198,433
Effect of plan changes ⁽²⁾	-	-	-
Effect of economic/demographic gains or losses	2,433	-	2,433
Effect of assumptions changes or inputs	(1,804)	-	(1,804)
Refund of contributions	(4,085)	(4,085)	-
Benefit payments	(119,724)	(119,724)	-
Administrative expenses	-	(1,532)	1,532
Member contributions	-	30,394	(30,394)
Net investment gain	-	513,588	(513,588)
Employer contributions	-	56,815	(56,815)
Other ⁽³⁾	-	(383)	383
Balance as of December 31, 2021	<u>\$ 2,671,586</u>	<u>\$ 2,764,394</u>	<u>\$ (92,808)</u>

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

⁽²⁾ No plan changes.

⁽³⁾ Relates to allocation of system-wide items.

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

(c) Net Pension Asset (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 asset 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%	Current	1%
	Decrease	Discount Rate	Increase
	6.60%	7.60%	8.60%
Total pension liability	\$ 3,120,207	\$ 2,671,586	\$ 2,434,838
Fiduciary net position	2,764,394	2,764,394	2,764,394
Net pension (asset)/liability	\$ 355,813	\$ (92,808)	\$ (329,556)

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

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

For the year ended September 30, 2022, the County recognized pension income of \$5,083.

		January 1, 2021, to December 31, 2021
Service cost	\$	60,364
Interest on total pension liability		198,433
Administrative expenses		1,532
Member contributions		(30,394)
Expected investment return (net of investment expenses)		(177,721)
Recognition of deferred inflow/outflow of resources		
Economic/demographic (gain) or loss		3,100
Assumption changes or inputs		31,919
Investment (gain) or loss		(92,699)
Other		383
Pension expense (income)	\$	(5,083)

DALLAS COUNTY
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VIII. RETIREMENT COMMITMENTS (Continued)

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

As of September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Inflows / Outflows of Resources

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,147
Changes of assumptions	1,353	91,160
Net difference between projected and actual earnings	323,078	-
Contributions made subsequent to measurement date ⁽¹⁾	-	51,520
	\$ 324,431	\$ 150,827

(1) Amounts will be recognized as an increase of the Net Pension asset 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 (income) as follows:

Year ending December 31,	Amount
2022	\$ (37,092)
2023	(75,505)
2024	(45,354)
2025	(67,173)
	\$ (225,124)

(e) Payable to the Pension Plan

At September 30, 2022, the County reported a payable of \$4,701 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2022.

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 that 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

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

Public Agency Retirement Services (continued)

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 FY22, employee and County contributions were \$270 and \$49, 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 of 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, 2022, combined County and retiree contributions totaled \$12,386 for the Plan. Retiree Plan members receiving benefits contributed \$3,915 or approximately 31.61% of the total cost through their required contributions. No assets are accumulated in a trust that meets the criteria of GAAP.

Employees are covered by benefit terms. On September 30, 2021, 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 \$206,918 was measured as of September 30, 2021, 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)

Total OPEB Liability (continued)

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2021, 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	2.26 %
Healthcare cost trend rates	7.00 % for 2021, decreasing 0.25 % per year to ultimate rate of 4.0 % for 2035 and later years
Medicare cost trend rates	7.00 % for 2021, decreasing 0.25 % per year to ultimate rate of 4.0 % for 2035 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, 2021 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 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	<u>(33,462)</u>	<u>54,311</u>	<u>(127,043)</u>	<u>(14,703)</u>
Total OPEB Liability - End of Year	\$ 194,549	\$ 228,011	\$ 173,700	\$ 300,743
Covered employee payroll	<u>\$ 379,295</u>	<u>\$ 350,346</u>	<u>\$ 340,450</u>	<u>\$ 334,562</u>
Total OPEB liability as a percent of covered employee payroll	<u>51.29%</u>	<u>65.08%</u>	<u>51.02%</u>	<u>89.89%</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 2.66% as of September 30, 2019, 4.18% as of September 30, 2018 and 3.64% as of September 30, 2017 based on the Bond Buyer 20-Bond-Go Index, as reported in The Bond Buyer.

Note 2 - GASB Statement No. 75 was implemented in FY18 and prior years are not available.

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VIII. RETIREMENT COMMITMENTS (Continued)

Total OPEB Liability (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 (1.26 %) or 1% higher (3.26%) than the current discount rate:

	1% Decrease <u>1.26%</u>	Discount Rate <u>2.26%</u>	1% Increase <u>3.26%</u>
Total OPEB liability	\$ <u>247,647</u>	\$ <u>206,918</u>	\$ <u>175,182</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 %) or 1% higher (8%) than the current healthcare cost trend rates:

	1% Decrease <u>6%</u>	Healthcare Cost Trend Rate <u>7%</u>	1% Increase <u>8%</u>
Total OPEB liability	\$ <u>170,205</u>	\$ <u>206,918</u>	\$ <u>255,528</u>

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$2,500.

OPEB Expense	
Service cost	\$ 13,843
Interest cost	4,558
Assumption changes and other inputs ⁽¹⁾	(302)
Difference between expected and actual experience	<u>(15,599)</u>
OPEB Expense	<u>\$ 2,500</u>

⁽¹⁾Assumption changes and other inputs reflect a change in the discount rate of 2.21 % in 2020 to 2.26 % in 2021.

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

Total OPEB Liability (continued)

On September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions after measurement date	\$ 4,556	\$ -
Assumptions changes or other inputs	48,526	41,215
Difference between expected and actual experience	-	134,270
Total	<u>\$ 53,082</u>	<u>\$ 175,485</u>

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

<u>Year ending September 30,</u>	<u>Amount</u>
2019	\$ (15,901)
2020	(15,901)
2021	(15,901)
2022	(15,901)
2023	(15,901)
Thereafter	<u>(47,454)</u>
Total	<u>\$ (126,959)</u>

IX. LEASES

Lease Liabilities

The County has entered into various leases as a lessee. These leases vary in the nature, substance, terms and conditions dependent upon the asset being leased. Examples of assets leased includes office space, clinics, and office equipment. Beginning FY 2022, leases are presented in the financial statements and accompanying footnotes in accordance with GASB 87. GASB 87 requires leases be categorized as either short-term (12 months or less in length, including renewal options) or long-term. In determining future minimum lease payments and receipts, the County includes the right to extend option terms in the non-cancelable lease term. Short-term lease transactions are reflected in the government-wide and fund financial statements.

DALLAS COUNTY
Notes to the Basic Financial Statements
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IX. LEASES (Continued)

The following is a schedule of future minimum lease payments for lease liabilities as of September 30, 2022 :

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 18,448	\$ 5,153	\$ 23,601
2024	17,525	4,381	21,906
2025	17,820	3,598	21,418
2026	18,143	2,787	20,930
2027	18,903	1,943	20,846
2028-2032	37,199	1,921	39,120
Total	<u>\$ 128,038</u>	<u>\$ 19,783</u>	<u>\$ 147,821</u>

There were no payments for residual value guarantees or termination penalties during the reporting period.

The following is a schedule of right-to-use lease assets by major classes at September 30, 2022:

<u>Lease assets</u>	<u>Amount</u>
Land	\$ 25,927
Buildings	118,899
Machinery and equipment	634
Subtotal	145,460
Less: accumulated amortization	(504)
Total	<u>\$ 144,956</u>

Lease Receivables

As lessor, the County leases land, office space, and parking space. Future minimum rental payments to be received under non-cancelable leases are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 752	\$ 309	\$ 1,061
2024	716	289	1,005
2025	794	269	1,063
2026	652	250	902
2027	671	231	902
2028-2032	3,116	881	3,997
2033-2119	4,052	6,158	10,210
Total	<u>\$ 10,753</u>	<u>\$ 8,387</u>	<u>\$ 19,140</u>

For the year ended September 30, 2022, the County received \$648 of lease payments and \$291 of interest income.

DALLAS COUNTY
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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 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 insurance is purchased to mitigate certain risks including cyber coverage. Property insurance deductible limits include buildings at \$1,000; boiler and machinery at \$1,000; data, IT equipment, and media at \$5,000 after a period of interruption exceeds 48 hours; radio equipment at \$1,000; and builders risk for certain construction projects at \$1,000. The current premium is \$2,558.

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 benefits 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 ending September 30, 2022. The County has not recently experienced any losses which exceeded stop-loss coverage.

Changes in the medical and workers' compensation claim liability amounts in FY21 and FY22 follow:

	Beginning Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability
2021 Medical	\$ 5,198	\$ 77,351	\$ 75,134	\$ 7,415
2022 Medical	7,415	77,627	78,390	6,652
2021 Workers' compensation	2,896	955	2,105	1,746
2022 Workers' compensation	1,746	2,357	2,138	1,965

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 \$1,191. 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, 2022.

General Fund	
Public welfare contracts	\$ 2,708
Professional services	8,056
Equipment	4,059
Maintenance and supplies	3,763
Rental contracts	549
Other	430
	<u>\$ 19,565</u>
Major Projects Fund	
Thoroughfares and trails	\$ 53,509
Public works projects - local cities	44,830
Buildings and improvements	16,966
Professional services	10,274
Equipment	6,339
Building maintenance and supplies	2,967
Computer software	1,930
Rental Contracts	219
Leases	3,215
	<u>\$ 140,249</u>
Major Grants	
Professional services	\$ 16,592
Equipment	546
Rental contracts	59
Maintenance and supplies	594
Public welfare contracts	470
Other	2,565
	<u>\$ 20,826</u>

XI. COMMITMENTS AND CONTINGENCIES (Continued)

Nonmajor Governmental Funds	
Special Revenue Funds	
Maintenance and supplies	\$ 1,933
Buildings and improvements	1,798
Building maintenance and supplies	17
Thoroughfares and trails	85
Professional services	41,940
Repairs	2,982
Bridge repairs	270
Rental contracts	167
Computer software	7,130
Public Welfare contracts	3
Equipment	6,182
Utilities	56
Other	4,480
Total	\$ <u>67,043</u>
Capital projects	\$ <u>32</u>

XII. DALLAS COUNTY HOSPITAL DISTRICT

Organization

The Dallas County Hospital District, dba Parkland Health (Parkland), is a political subdivision of the State and is a discretely presented component unit of the County. The components of Parkland are Parkland Health (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, Parkland is generally exempt from federal income taxes under Section 115 of the Internal Revenue Code (Code). However, Parkland is subject to federal income tax on any unrelated business taxable income. Parkland also holds dual status as a 501(c)(3) organization. During 2022, all income was related to essential government functions. Parkland, PCCI, and Foundation have fiscal years ending September 30. The Health Plan’s fiscal year ends on December 31. As an essential government function of the County, the Hospital 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 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 an eminent domain, and individual right of ownership of property. The financial data of Dallas County Hospital District is presented separately to emphasize that it is legally separate from the County.

Parkland operates 745 inpatient beds, 95 neonatal beds, numerous outpatient clinics, and an emergency department. Parkland also operates Community Oriented Primary Care clinics and Acute Response Clinics in the community. Additionally, Parkland 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. Parkland also manages the County’s jail health system. The County’s jail is the ninth largest jail in the nation with an average population of 5,930 inmates.

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

Organization (continued)

Parkland 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 Parkland's patients by allowing Parkland to track their nursing home care. The arrangement also gives uninsured patients easier access to nursing home beds, rather than extended stays at Parkland. Each nursing home is eligible to receive supplemental Medicaid funding with Parkland 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.

The members of the Parkland's Board of Managers (Board) are appointed by the County Commissioners Court. County taxpayers provide ad valorem tax revenues to Parkland, but the County does not hold title to any of the Parkland's assets and does not have any rights to Parkland's surpluses. The County Commissioners Court approves Parkland'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 Parkland's Board and Parkland can impose its will on the Health Plan. It is discretely presented because its board is not substantively the same as Parkland'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 Parkland. 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 Parkland's Board and Parkland can impose its will on PCCI. 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 Parkland. 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.

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

Organization (continued)

Parkland maintains the Dallas County Hospital District Retirement Income Plan (Plan), a single-employer defined benefit pension plan. The Plan is administered by Parkland and is fiscally dependent on Parkland. The Plan is reported as a fiduciary fund in Parkland's statements and has a December 31, fiscal year end. 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.

Principles of Reporting

Parkland's financial statements include the accounts of Parkland, Health Plan, Foundation, and PCCI, as described above. In accordance with GASB Statement No. 84, the assets and net position of the Plan are presented separately from those of Parkland. The Plan is used to account for assets held in trust for the benefit of the employees of the System for the defined benefit pension plan. The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions to the Plan are recognized when due. Benefits are recognized when due and payable in accordance with the terms of the Plan.

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 and lease assets, net of accumulated depreciation and amortization, 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 or liabilities incurred to lease 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).

DALLAS COUNTY
Notes to the Basic Financial Statements
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(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

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 property taxes, 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 positions available, it is Parkland's policy to apply those expenditures to restricted net position, to the extent that such are available, and then to the 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.

Cash, Cash Equivalents, and Investments

Parkland considers all highly liquid investments with original maturities of less than 90 days at the 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 Parkland 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) on September 30, 2022, 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.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Receivables and Payables

The carrying amount of receivables and payables are reported in the Statement of Net Position at approximate fair value due to the short maturity of these instruments. Lease receivables are initially measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectable amounts.

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 are 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 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 2022.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Parkland only recognizes lease assets related to lease arrangements with more than \$5 of payments over the lease term.

Deferred Outflows of Resources and Deferred Inflows of Resources

Parkland reports the consumption of net position and the acquisition of net position that is attributable to future reporting periods as deferred outflows of resources and deferred inflows of resources, respectively, in a separate section of its Statement of Net Position.

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 Parkland, due to the timing of cash flows, to temporarily use Board designated funds to fund operating activities.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Uncompensated Care

Parkland 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. Parkland recognized ad valorem tax revenues of approximately \$757,736 in 2022, to fund services for qualified patients and debt service obligations.

Parkland 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 include services provided to Medicaid beneficiaries, the uninsured, and patients enrolled in other indigent programs. During the year ended September 30, 2022, the estimated cost of uncompensated care is approximately \$1,364,311, of which approximately \$746,000 was charity care.

Ad Valorem Taxes

Parkland received approximately 25% of its total revenues from ad valorem taxes in 2022. Parkland's ad valorem taxes receivable is net of an allowance for uncollectible taxes of \$21,912 as of September 30, 2022.

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>
2022	\$ 299,050,646	\$ 0.236	\$ 757,736	\$ 1,364,311	\$ 606,575

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

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, Parkland may use the funds to benefit the indigent in either current or future periods. Parkland 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. The total revenue recognized related to the disproportionate share program was \$89,200 in 2022. Any difference between amounts accrued at the end of the prior reporting period is included in the Statement of Activities in the year those differences become known. Government program revenues were increased by \$9,800 in 2022 as a result of the recognition of those differences.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

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 the quality of care for Texas recipients using Delivery System Reform Incentive Payments (DSRIP) funds. The program divides the State into 20 Regional Health Partnerships (RHPs), creating an environment where regional collaboration is essential to earn available monies. Parkland serves as an anchor hospital (administrative lead) for one of these regions.

On April 22, 2022, Centers for Medicare and Medicaid Services (CMS) approved an extension of the Waiver through September 30, 2030. The extension provides for the continuation of the UC pool. The DSRIP program ended on September 30, 2021 and was not extended under the Waiver extension. Revenue recognized related to the 1115 Waiver was \$362,100 in 2022 which is recognized in the Statement of Activities. CMS has approved an expansion of directed payment programs, which transitions participating hospitals away from the DSRIP program, which are discussed more fully below.

Parkland receives supplemental payments through the Public Hospital Medicaid Graduate Medical Education (GME) program. The GME program provides reimbursement to support teaching hospitals that operate approved medical residency training programs in recognition of the higher costs incurred by teaching hospitals. Revenue recognized related to the GME program was \$ 21,100 in 2022 and is recognized in the Statement of Activities.

In 2022, Parkland began participating in the Public Hospital Augmented Reimbursement Program (HARP). HARP is a statewide supplemental program that provides Medicaid payments to certain hospitals for inpatient and outpatient services that serve Texas Medicaid fee-for-service patients. The program serves as a financial transition for providers historically participating in the DSRIP program and provides additional funding to participating hospitals to assist in offsetting the cost hospitals incur while providing Medicaid services. HARP revenue was \$133,700 in 2022 and is recognized in the Statement of Activities.

In 2022, Parkland also began participating in the Texas Incentives for Physicians and Professional Services Program (TIPPS). TIPPS is a directed payment program for certain physician practice groups providing health care services to children and adults enrolled in the STAR, STAR+PLUS and STAR Kids Medicaid managed care programs. Eligible physician practice groups include health-related institutions (HRIs), indirect medical education physician practice groups affiliated with hospitals and other physician practice groups. TIPPS revenue was \$9,200 in 2022 and is recognized in the Statement of Activities.

Parkland is also a participant in the Network Access Improvement Program (NAIP). NAIP aims to increase the availability and effectiveness of primary care for Medicaid beneficiaries by providing incentive payments to participating HRIs. Participation is voluntary and requires HRIs to create a proposal in partnership with a managed care organization (MCO). When the proposal is approved by HHSC, the costs associated with the incentive payments are added to the monthly capitation rates paid to the MCO and the MCOs are responsible for making payments to the HRIs, such as Parkland. This program runs through 2027. Revenue recognized related to NAIP was \$37,600 in 2022 and is recognized in the Statement of Activities.

DALLAS COUNTY
Notes to the Basic Financial Statements
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(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

1115 Transformation Waiver Funds (continued)

Revenue recognized from these programs described above involve a considerable amount of judgment and are subject to audit and final reconciliation by HHSC. Parkland 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 \$25,800 in 2022, as a result of recognition of those differences.

Another new directed payment programs is the Comprehensive Hospital Increased Reimbursement Program (CHIRP), which adds a quality component to the existing Uniform Hospital Rate Increase Program (UHRIP). Participating hospitals may opt into this second component. Under UHRIP and CHIRP, 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 UHRIP program transitioned on August 31, 2021, and the CHIRP program began on September 1, 2021. CHIRP will require annual approval by CMS and has been approved through August 31, 2023. Revenue from UHRIP and CHIRP are recognized the Statement of Activities.

The programs described above are subject to review and scrutiny by both the Texas Legislature and CMS, and the programs could be modified or terminated based on new legislation or regulation in future periods. Funding Parkland has historically received from these programs is not representative of funding to be received in future years.

Local Provider Participation Fund

During 2017, a Local Provider Participation Fund (LPPF) was created in the County. Parkland 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.

During 2022, Parkland collected \$345,800 from LPPF in mandatory payments and made intergovernmental transfers of \$375,800. At September 30, 2022, Parkland held \$57,400, in mandatory payments.

Net Patient Services Revenue

Parkland has agreements with third-party payors that provide for reimbursement to Parkland at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between Parkland's established rates for services and the amounts reimbursed by the third-party payors. Parkland's more significant third-party payors are the Medicare and Medicaid programs, which accounted for gross charges of approximately 16.3% and 26.7%, respectively in 2022. 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 \$7,400,000 for the year ended September 30, 2022.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Net Patient Services Revenue (Continued)

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 Parkland at a tentative rate, with final settlement determined after the submission of annual cost reports by Parkland, 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 \$9,300 in 2022. Parkland's cost reports have generally been audited and settled by the administrative contractors through 2018 for Medicare and 2017 for Medicaid. Cost reports for both programs are subject to certain re-openings and appeals as per federal and State regulations.

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. Premiums 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

Parkland 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. Parkland records the interest subsidy received or receivable from the U.S. Treasury as General Revenue in the Statement of Activities when Parkland has met all of the eligibility criteria to receive the subsidy. Parkland recorded approximately \$7,300 in 2022, for the BAB interest subsidy. The BAB subsidy was reduced by 5.7% in 2022, as part of the federal sequestration spending reductions.

Compensated Absences

Parkland accrues an estimated liability for compensated absences as they are earned by employees based on Parkland's policy. Parkland's liability related to compensated absences was \$49,700 for 2022 and is recorded in the financial statements in accounts payable and accrued liabilities.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Pharmaceutical Costs

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

Risk Management

Parkland 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.

Parkland is self-insured for a portion of its exposure to the 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.

Change in Accounting Principle

On October 1, 2021, Parkland adopted GASB Statement No 87, *Leases*, (GASB 87) using a retrospective method of adoption to all leases in place and not yet completed at the beginning of the earliest period presented. GASB 87 requires lessees to recognize a lease liability, measured at the present value of payments expected to be made during the lease term, and an intangible lease asset. At October 1, 2020, Parkland recognized \$41,600 in lease assets, \$45,200 in lease liabilities, \$4,600 in lease receivables and \$4,500 in deferred inflows of resources as a result of the adoption of GASB 87. The adoption of GASB 87 had no impact on Net Position as of October 1, 2020.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Deposits and Investments

As of September 30, 2022, Parkland had deposits and investments as follows:

Description	Fair Value	Weighted Average Days to Maturity
Bank deposits	\$ 3,163	N/A
TexPool deposits	515,608	1
Money market funds	6,510	1
Commercial paper	121,975	75
FNMA	60,314	1,038
FHLB	133,972	520
FHLMC	96,951	650
U.S. Treasury	131,818	453
Municipal bonds	9,064	138
	<u>\$ 1,079,375</u>	

Descriptions on Statement of Net Position	Hospital	Foundation, Health Plan and PCCI	Total
Cash, cash equivalents and investments	\$ 768,353	\$ 279,780	\$ 1,048,133
Assets limited to use			
Current portion	296,072	-	296,072
Noncurrent portion	14,950	-	14,950
	<u>\$ 1,079,375</u>	<u>\$ 279,780</u>	<u>\$ 1,359,155</u>

Investment Maturities	
One year or less	\$ 351,239
After one through five years	188,612
After five through ten years	7,230
After ten years	13,523
Investments	<u>560,604</u>
Bank deposits	3,163
TexPool deposits	515,608
Total	<u>\$ 1,079,375</u>

Estimated fair values have been determined by Parkland using appropriate valuation methodologies by third parties, quoted market prices and information available to management as of September 30, 2022. The investments are recorded at fair value with the exception of TexPool deposits which are recorded at amortized cost. Parkland 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 \$2,600 as of September 30, 2022.

Parkland 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 (Parkland does not value any of its investments using Level 3 inputs).

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Deposits and Investments (continued)

The following is a summary of the hierarchy of the fair value of investments of Parkland as of September 30, 2022:

	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	\$ 131,818	\$ -	\$ 131,818
U.S. Government obligations	124,825	166,412	291,237
Money market funds	6,510		6,510
Commercial Paper	-	121,975	121,975
Municipal Bonds	-	9,064	9,064
Total investments and cash equivalents by fair value level	\$ 263,153	\$ 297,451	\$ 560,604

These amounts exclude investments in local government investment pools which are recorded at amortized cost. These investments total \$515,608 as of September 30, 2022.

Interest Rate Risk

Parkland 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

Parkland 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 Parkland held in safekeeping at a third-party bank on behalf of Parkland's depository institutions with the exception of \$3,200 of cash held at the individual nursing homes.

Concentration of Credit Risk

Per Parkland'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 12.4% as of September 30, 2022.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Deposits and Investments (continued)

Custodial Credit Risk

Per Parkland’s investment policy, all investments are held in Parkland’s name in safekeeping at Parkland’s trust or custodial institutions.

Investment Income

Investment income (loss) for the year ended September 30, 2022, consists of the following:

Hospital:	<u>Amount</u>
Interest income, including realized gains and BAB subsidy	\$ 15,966
Unrealized (loss) on investments	(16,862)
Health Plan	(310)
PCCI	(1,179)
Foundation	<u>(1,254)</u>
Total (Loss)	<u>\$ (3,639)</u>

Assets Limited to Use

Assets limited to use on September 30, 2022, consist of the following funds which are all investments in TexPool and U.S. government-sponsored enterprises:

	<u>Amount</u>
Debt service	\$ 2,588
Designated for capital uses	295,912
Other designated	<u>12,522</u>
Total	311,022
Less current	<u>(296,072)</u>
Noncurrent	<u>\$ 14,950</u>

Debt Service

Assets limited 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 include funds designated by the Board to fund Parkland’s professional liability program.

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Capital Assets

Capital assets on September 30, 2022, 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	\$ 145,551	\$ 1,519	\$ (4,588)	\$ 142,482
Buildings	1,424,014	249,824	(568)	1,673,270
Equipment	854,851	25,228	(3,409)	876,670
Total capital assets	<u>2,424,416</u>	<u>276,571</u>	<u>(8,565)</u>	<u>2,692,422</u>
Less accumulated depreciation:				
Land and improvements	(11,924)	(1,394)	-	(13,318)
Buildings	(275,107)	(46,190)	243	(321,054)
Equipment	(722,742)	(36,431)	1,183	(757,990)
Total accumulated depreciation	<u>(1,009,773)</u>	<u>(84,015)</u>	<u>1,426</u>	<u>(1,092,362)</u>
Net	1,414,643	192,556	(7,139)	1,600,000
Construction in progress	217,659	84,290	(278,787)	23,162
Capital assets, net	<u>\$ 1,632,302</u>	<u>\$ 276,846</u>	<u>\$ (285,926)</u>	<u>\$ 1,623,222</u>

The above does not include PCCI leases which net \$7,158.

Lease assets activity for the year ended September 30, 2022 was:

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Retirements/ Transfers Out</u>	<u>Ending Balance</u>
Buildings	\$ 58,008	\$ 7,874	\$ (14,313)	\$ 51,569
Less accumulated amortization	(7,159)	(8,242)	4,881	(10,520)
Lease assets, Net	<u>\$ 50,849</u>	<u>\$ (368)</u>	<u>(9,432)</u>	<u>41,049</u>

Lease Receivable

Parkland leases building space and parking to various third-parties, the terms of which expire 2023 through 2088. Revenue recognized under lease contracts during the year ended September 30, 2022, was \$19 which includes both lease revenue and interest.

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

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities, on September 30, 2022, consist of the following:

Hospital:	Amount
Accounts payable	\$ 44,362
Accrued expenses	165,100
Accrued payroll	81,982
Employee health care and benefit liability	26,853
Other employee benefits	7,003
Health Plan	139,772
PCCI	1,143
Foundation	42
Total accounts payable and accrued liabilities	\$ 466,257

The liabilities, described in the table below as of September 30, 2022, are based on requirements that a liability for claims be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These liabilities include estimates for both reported claims and incurred, but not reported claims. As a result of settled claims, the frequency of new claims, and other economic and social factors, claims liabilities are re-evaluated periodically.

	Balance at Beginning of the Year	Current Year Claims & Changes in Estimates	Claim Payments	Balance at End of the Year
Hospital professional and general liability				
2021	\$ 11,814	\$ 529	\$ (1,523)	\$ 10,820
2022	10,820	2,255	(1,051)	12,024
Employee health care benefit liability				
2021	16,788	145,750	(145,178)	17,360
2022	17,360	165,546	(156,053)	26,853
Worker's compensation liability				
2021	3,458	4,225	(2,375)	5,308
2022	5,308	1,294	(1,393)	5,209

Hospital Professional and General Liability – Parkland is involved in certain legal actions and claims arising in the ordinary course of operations. Parkland records estimated self-insurance costs for medical malpractice and general liabilities as accounts payable and accrued liabilities and other long-term liabilities in the Statement of Net Position. The estimated liability is reported in long-term liabilities in the Statement of Net Position.

Employees Health Care Benefit Liability – Parkland manages a self-insurance plan that provides for the payment of employee health claims. Parkland 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

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Employees Health Care Benefit Liability (continued)

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

Lease Liabilities

Parkland leases medical office, warehouse and office space, the terms of which expire in various years through 2037. During the year ended September 30, 2022, Parkland recognized approximately \$33,317, of rental expense for variable payments, short-term and cancelable leases that are not included in the measurement of the the lease liability.

The following is a summary of lease liability transactions for the year ended September 30, 2022:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2022	\$ 56,431	\$ 7,874	\$ 18,840	\$ 45,465	\$ 7,298

The 2022 deduction includes the removal of a lease liability related to a lease asset that was purchased in 2022 in the amount of \$12,337.

The following is a schedule by year of payments under the leases as of September 30, 2022:

Year Ending September,	Total to Be Paid	Principal	Interest
2023	\$ 8,742	\$ 7,298	\$ 1,444
2024	8,056	6,772	1,284
2025	6,492	5,421	1,071
2026	6,317	5,448	869
2027	5,916	5,290	626
2028-2032	12,788	11,369	1,419
2033-2037	4,145	3,867	278
	<u>\$ 52,456</u>	<u>\$ 45,465</u>	<u>\$ 6,991</u>

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

Retirement Plans

Defined Benefit Plan

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

Plan participation as of January 1, 2022, includes 11,610 active participants, 4,570 inactive employees entitled to but not yet receiving benefits, and 3,396 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, 2021, which is included in the actuarial valuation as of January 1, 2022, was approximately \$721,279.

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

Parkland'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.

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Actuarial methods and assumptions

Valuation date	January 1, 2022
Measurement date	December 31, 2021
Investment rate of return	6.00%
Inflation	2.50%
Actuarial cost method	Entry age normal
Amortization method	30 years, 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-2021 (generational with convergence to the long term rate of 0.75% in 2037).

The long term expected rate of return on pension plan investments was determined using a building block method in which the best estimated 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 weighting 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:

<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	0.76 %	-0.26 %
Core Fixed Income	Barclays Aggregate	17.97 %	1.28 %
Government Bonds	Barclays Government	2.60 %	1.00 %
Long Government Bonds	Barclays Long Government	2.12 %	1.22 %
Mortgages	Barclays Mortgage	6.21 %	1.94 %
Municipal Bonds	Barclays Muni	0.33 %	0.50 %
Inflation Indexed Bonds	Barclays US TIPs	0.13 %	0.48 %
Large Caps	S&P 500	26.85 %	3.46 %
Small and Mid Caps	Russell 2500	9.26 %	3.91 %
Non US Equity	MSCI ACWI xUS NR	7.83 %	4.94 %
Foreign Developed Equity	MSCI EAFE NR	8.17 %	4.52 %
Emerging Markets Equity	MSCI EM NR	3.65 %	5.31 %
Non US Small Cap	MSCI EAFE Small Cap NR	4.48 %	4.60 %
REITs	FTSE NAREIT Equity REIT	9.64 %	3.48 %
Assumed Inflation - Mean			2.50 %
Portfolio Nominal Mean Return			6.20 %
Portfolio Standard Deviaiton			12.11 %
Long Term Expected Rate of Return			6.00 %

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Actuarial methods and assumptions (continued)

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 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:

- Parkland 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.

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

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (Asset) (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances of December 31, 2020	\$ 1,847,213	\$ 1,375,274	\$ 471,939
Changes for the year			
Service cost	68,967	-	68,967
Interest on total pension liability	112,920	-	112,920
Effect of economic/demographic gains or (losses)	15,847	-	15,847
Effect of assumption changes or inputs	8,495	-	8,495
Contributions - employee	-	50,396	(50,396)
Contributions - employer	-	72,500	(72,500)
Net investment income	-	174,667	(174,667)
Benefit payments, including refunds of employee contributions	(69,373)	(69,373)	-
Administrative expenses	-	(3,653)	3,653
Net changes	<u>136,856</u>	<u>224,537</u>	<u>(87,681)</u>
Balances on December 31, 2021	<u>\$ 1,984,069</u>	<u>\$ 1,599,811</u>	<u>\$ 384,258</u>

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

Sensitivity Analysis

The following presents the net pension liability of Parkland, 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</u> <u>5.0%</u>	<u>Current Rate</u> <u>6.0%</u>	<u>Increase to</u> <u>7.0%</u>
Total pension liability	\$ 2,270,046	\$ 1,984,069	\$ 1,749,473
Fiduciary net position	1,599,811	1,599,811	1,599,811
Net pension liability	<u>\$ 670,235</u>	<u>\$ 384,258</u>	<u>\$ 149,662</u>

During the Plan year that ended December 31, 2021, \$50,396 of employee contributions were made in accordance with the contribution requirements described above. During the fiscal year that ended September 30, 2022, \$50,700 of employee contributions were made in accordance with the contribution requirements described above.

Parkland contributed approximately \$72,500 to the Plan during the year ended December 31, 2021, in accordance with contribution requirements determined by January 1, 2021 actuarial valuation, including \$12,600 of surplus funding approved by the Board.

An additional \$55,434 was contributed between January 1, 2022, and September 30, 2022. This amount was recorded as a deferred outflow of resources at September 30, 2022.

For the year ended September 30, 2022, Parkland recognized a pension expense of \$56,000. As of September 30, 2022, the deferred inflows and outflows of resources are as follows:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 16,667	\$ 329
Changes of assumptions	68,054	4,514
Employer contributions subsequent to the measurement date	55,434	-
Net difference between projected and actual earnings on Plan investments	-	151,671
Total	<u>\$ 140,167</u>	<u>\$ 156,514</u>

At September 30, 2022, Parkland reported approximately \$55,434, as deferred outflows of resources related to pensions resulting from Parkland contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability on September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2022, related to pensions will be recognized in pension expense as follows:

DALLAS COUNTY
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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

<u>Years Ending September 30,</u>	<u>Amount</u>
2023	\$ 18,128
2024	(41,732)
2025	(30,043)
2026	(18,134)
	<u>\$ (71,781)</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

Subsequent to September 30, 2022, the Board approved amending the Plan to end new entrants to the Plan effective January 1, 2024, with no change to the Plan for participants and beneficiaries of the Plan enrolled on or before December 31, 2023. Employees hired after December 31, 2023, will be eligible to participate in a new defined contribution plan that will be adopted effective January 1, 2024.

(e) Defined Contribution Plan

Parkland also maintains voluntary defined contribution plans covering all employees. The defined contribution plans include a 401(a), 403(b), and 457(b) plan, collectively the Supplemental Plans. The Supplemental Plans provisions and contribution requirements are established and may be amended by the Board. Eligible employees can choose to contribute up to 75% of their base salaries, subject to various terms of the Supplemental Plans and applicable tax laws. Parkland will match employees' contributions after one year of service 100%, up to 6% of their base salaries. Employees are fully vested at all times in their voluntary contributions, plus earnings thereon. Vesting in Parkland'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 Parkland's contributions, the unvested portion can be used to reduce Parkland's matching contributions in the aggregate.

Contributions for the year ended September 30, 2022, were approximately \$30,500 from Parkland and \$70,500 from employees.

Concentrations of Patient Accounts Receivable Credit Risk

Parkland 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, 2022, is as follows:

	<u>Amount</u>	<u>Percentage</u>
Commercial insurance and other	\$ 69,625	39%
Medicaid	60,098	34%
Medicare	46,861	26%
Patients	409	1%
Total	<u>\$ 176,993</u>	<u>100%</u>

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

Commitments and Contingencies

As a local governmental unit, Parkland is subject to the provisions of the Texas statute known as the Texas Tort Claims Act. Currently, Parkland'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, Parkland intends to vigorously defend these matters and pursue its counterclaims, if any. Furthermore, as to such matters Parkland 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, 2022, Parkland had construction commitments outstanding of \$13,600 related to various construction projects.

Long Term Debt

Limited Tax Bonds

In 2009, Parkland 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, Parkland issued \$38,300 of Limited Tax and Revenue Bonds. In October 2019, Parkland 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 & Poors 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.

Taxable Series 2009C Bonds were issued with a 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 Parkland, 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 Parkland at the par amount plus any

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

Limited Tax Bonds (continued)

accrued interest. In August 2021, Parkland 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, Parkland 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, 2022, the outstanding balance of the Tax Exempt Series 2013 Bonds maturing prior to August 15, 2023 totaled \$1,300.

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 Parkland 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, 2022:

	2022 Beginning Balance	Additions	Amortization	Reductions	2022 Ending Balance
Taxable Series 2009C Bonds	\$ 409,205	\$ -	\$ -	\$ -	\$ 409,205
Tax-exempt 2013 Bonds	2,585	-	-	(1,325)	1,260
Tax-exempt 2013 Bonds premium	32	-	(17)	-	15
Tax-exempt 2019 Bonds	163,740	-	-	(14,300)	149,440
Tax-exempt 2019 Bonds premium	27,789	-	(3,685)	-	24,104
Total debt	<u>\$ 603,351</u>	<u>\$ -</u>	<u>\$ (3,702)</u>	<u>\$ (15,625)</u>	<u>\$ 584,024</u>
Short-term debt					\$ 16,410
Long-term debt					<u>567,614</u>
Total debt					<u>\$ 584,024</u>

Long term debt maturities (including mandatory redemptions), interest payments, net of estimated subsidy, and total debt service at September 30, 2022 are as follows:

Years Ending September 30,	Payments and Mandatory Redemptions	Interest Payments	BAB Interest Subsidy	Total Debt Service
2023	\$ 16,410	\$ 31,400	\$ (7,516)	\$ 40,294
2024	15,835	29,113	(7,459)	37,489
2025	16,375	28,298	(7,201)	37,472
2026	19,505	27,442	(6,944)	40,003
2027	17,780	26,405	(6,602)	37,583
2028 - 2032	101,470	117,641	(32,060)	187,051
2033 - 2037	132,830	89,831	(28,906)	193,755
2038 - 2042	164,960	49,489	(16,334)	198,115
2043 - 2044	74,740	6,339	(2,092)	78,987
Subtotal	559,905	405,958	(115,114)	850,749
Bond premium	37,499	-	-	37,499
Accumulated amortization	(13,380)	-	-	(13,380)
Total	<u>\$ 584,024</u>	<u>\$ 405,958</u>	<u>\$ (115,114)</u>	<u>\$ 874,868</u>

Total interest costs were \$28,900 for fiscal year 2022.

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XII. DALLAS COUNTY HOSPITAL DISTRICT (Continued)

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. Parkland's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. Parkland has taken steps to enhance its operational and financial flexibility, and react to the risks the COVID-19 pandemic presents to its business.

Parkland received \$134,957 in general and targeted Provider Relief Fund distributions provided for under the Coronavirus Aid, Relief, and Economic Security (CARES) Act during a three year period ended September 30, 2022. These distributions from the Provider Relief Fund are not subject to repayment, provided Parkland 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.

Parkland is accounting for such payments as conditional contributions. Payments are recognized as other non-operating 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 Parkland's operating revenues and expenses through September 30, 2022, Parkland recognized \$21,000 related to the Provider Relief Fund, and these payments are recorded as grants and contributions in the Statements 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.

Parkland will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on Parkland's revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. If Parkland is unable to attest to or comply with current or future terms and conditions Parkland'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.

Parkland provides certain support to the County in relation to COVID-19 testing of County residents. Parkland received \$13,100 in 2022, from the County for such support provided, which is included in Program Revenues in the accompanying Statement of Activities.

XIII. NEW ACCOUNTING PRONOUNCEMENTS

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

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.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XIII. NEW ACCOUNTING PRONOUNCEMENTS (continued)

GASB Statement No. 91 (continued)

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, 2022.

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 the 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 the beginning after June 15, 2022.

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 2022, 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 the reporting period beginning after June 15, 2022.

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 assets (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 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 a 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.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XIII. NEW ACCOUNTING PRONOUNCEMENTS (continued)

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 an SBITA; (2) establishes that 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 an SBITA; and (4) requires note disclosures regarding an SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

An SBITA is defined as a contract that conveys control of the right to use another party’s (an 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 another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the 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)

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XIII. NEW ACCOUNTING PRONOUNCEMENTS (continued)

GASB Statement No. 97 (Continued)

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, 2022.

GASB Statement No. 99—Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition, and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of an SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and*
- Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- The terminology used in Statement 53 refers to resource flow statements.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XIII. NEW ACCOUNTING PRONOUNCEMENTS (continued)

GASB Statement No. 99 (Continued)

The requirements of this Statement are effective as follows:

- The requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 100—Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting the beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XIII. NEW ACCOUNTING PRONOUNCEMENTS (continued)

GASB Statement No. 100 (Continued)

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in the required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101—*Compensated Absences*—The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for the specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in liability for compensated absences to allow governments to disclose only the net changes in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

XIII. NEW ACCOUNTING PRONOUNCEMENTS (continued)

GASB Statement No. 100 (Continued)

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

XIV. SUBSEQUENT EVENTS

In FY2023, the County has approved tentative agreements to purchase various plots of land and buildings for approximately \$104,975 for County operations and affordable housing.

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, 2022

(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 476,437	\$ 476,437	\$ 471,030	\$ (5,407)
Licenses and permits	26,000	26,000	28,328	2,328
Fines and forfeitures	186	186	340	154
Investment income (loss)	419	419	(7,546)	(7,965)
Rental revenues	3,524	3,524	3,503	(21)
Intergovernmental revenues	5,809	5,809	6,223	414
Charges for current services	108,157	108,157	120,514	12,357
Miscellaneous	821	821	10,914	10,093
Total revenues	<u>621,353</u>	<u>621,353</u>	<u>633,306</u>	<u>11,953</u>
EXPENDITURES:				
General government:				
Salaries	71,902	64,247	59,878	4,369
Operating	44,742	44,839	37,547	7,292
Property	5,554	6,699	2,358	4,341
Total general government	<u>122,198</u>	<u>115,785</u>	<u>99,783</u>	<u>16,002</u>
Judicial:				
Salaries	159,438	156,624	156,868	(244)
Operating	34,956	34,863	26,625	8,238
Total judicial	<u>194,394</u>	<u>191,487</u>	<u>183,493</u>	<u>7,994</u>
Public safety:				
Salaries	276,866	274,562	301,605	(27,043)
Operating	31,331	38,143	23,754	14,389
Property	470	890	744	146
Total public safety	<u>308,667</u>	<u>313,595</u>	<u>326,103</u>	<u>(12,508)</u>
Health:				
Salaries	14,670	14,686	13,742	944
Operating	25,821	24,328	18,469	5,859
Property	431	443	273	170
Total health	<u>40,922</u>	<u>39,457</u>	<u>32,484</u>	<u>6,973</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, 2022
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Public Welfare:				
Salaries	\$ 1,113	\$ 1,113	\$ 698	\$ 415
Operating	<u>18</u>	<u>24</u>	<u>12</u>	<u>12</u>
Total Public welfare	<u>1,131</u>	<u>1,137</u>	<u>710</u>	<u>427</u>
Debt Service - Capital Leases				
Principal	-	-	967	(967)
Interest and fiscal charges	-	-	107	(107)
Capital outlay - Leases	-	-	107	(107)
Reserves	<u>68,507</u>	<u>74,358</u>	<u>-</u>	<u>74,358</u>
Total expenditures and reserves	<u>735,819</u>	<u>735,819</u>	<u>643,754</u>	<u>92,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(114,466)</u>	<u>(114,466)</u>	<u>(10,448)</u>	<u>104,018</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	43,444	43,444	37,604	(5,840)
Transfers (out)	(6,958)	(6,958)	(6,958)	-
Lease proceeds	-	-	107	107
Total other financing sources (uses)	<u>36,486</u>	<u>36,486</u>	<u>30,753</u>	<u>(5,733)</u>
Net change in fund balance	(77,980)	(77,980)	20,305	98,285
Fund balance - beginning	<u>77,980</u>	<u>77,980</u>	<u>77,980</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,285</u>	<u>\$ 98,285</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, 2022
(in thousands of dollars)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Property taxes	\$ 93,990	\$ 93,990	\$ 92,662	\$ (1,328)
Investment income (loss)	656	656	(18,387)	(19,043)
Rental revenues	77	77	1,239	1,162
Intergovernmental revenues	400	400	1,014	614
Total revenues	95,123	95,123	76,528	(18,595)
EXPENDITURES:				
General government	122,625	46,005	11,787	34,218
Highways and streets	141,438	135,632	13,351	122,281
Public welfare	9,288	9,483	8,329	1,154
Public safety	-	(132)	501	(633)
Judicial	474	474	-	474
Debt Service - Capital leases				
Principal	-	-	15,564	(15,564)
Interest and fiscal charges	-	-	5,466	(5,466)
Capital outlay	99,328	174,691	52,257	122,434
Capital Outlay - Leases	-	-	-	-
Total expenditures	373,153	366,153	107,255	258,898
Excess (deficiency) of revenues over (under) expenditures	(278,030)	(271,030)	(30,727)	240,303
OTHER FINANCING SOURCES (USES):				
Transfers in	10,363	10,363	12,689	2,326
Transfers (out)	-	(7,000)	(10,559)	(3,559)
Lease proceeds	-	-	3,823	3,823
Total other financing sources (uses)	10,363	3,363	5,953	2,590
Net change in fund balance	(267,667)	(267,667)	(24,774)	242,893
Fund balance - beginning	267,667	267,667	267,667	-
Fund balance - ending	\$ -	\$ -	\$ 242,893	\$ 242,893

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 69	\$ 69	\$ 235	\$ 166
Intergovernmental revenues	159,938	159,938	181,856	21,918
Charges for current services	425	425	883	458
Miscellaneous	1,540	1,540	1,563	23
Total revenues	<u>161,972</u>	<u>161,972</u>	<u>184,537</u>	<u>22,565</u>
EXPENDITURES:				
General government	(100,186)	(100,021)	2	(100,023)
Judicial	3,080	11,512	6,561	4,951
Public safety	(59,203)	(80,601)	22,889	(103,490)
Health	58,727	155,292	85,721	69,571
Public welfare	53,633	115,158	57,862	57,296
Debt service:				
Principal	-	-	282	(282)
Interest and fiscal charges	-	-	40	(40)
Capital Outlay - Leases	-	-	-	-
Total expenditures	<u>(43,949)</u>	<u>101,340</u>	<u>173,357</u>	<u>(72,017)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>205,921</u>	<u>60,632</u>	<u>11,180</u>	<u>(49,452)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	5,773	5,773	6,958	1,185
Transfers (out)	(211,759)	(66,470)	(18,203)	48,267
Total other financing sources (uses)	<u>(205,986)</u>	<u>(60,697)</u>	<u>(11,245)</u>	<u>49,452</u>
Net change in fund balance	(65)	(65)	(65)	-
Fund balance - beginning	<u>6,405</u>	<u>6,405</u>	<u>6,405</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,340</u>	<u>\$ 6,340</u>	<u>\$ 6,340</u>	<u>\$ -</u>

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

DALLAS COUNTY, TEXAS
County Building Improvements Special Revenue Fund
(Unaudited)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September, 2022
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
General government	694	287	-	287
Capital outlay	<u>7,169</u>	<u>6,693</u>	<u>3,899</u>	<u>2,794</u>
Debt service:				
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>969</u>	<u>(969)</u>
Total expenditures	<u>7,863</u>	<u>6,980</u>	<u>4,868</u>	<u>2,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,863)</u>	<u>(6,980)</u>	<u>(4,868)</u>	<u>2,112</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	(883)	(883)	-
Debt issuance - principal	-	-	132,190	132,190
Debt issuance - premium	-	-	18,779	18,779
Total other financings sources (uses)	<u>-</u>	<u>(883)</u>	<u>150,086</u>	<u>150,969</u>
Net change in fund balance	(7,863)	(7,863)	145,218	153,081
Fund balance - beginning	<u>13,880</u>	<u>13,880</u>	<u>13,880</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,017</u>	<u>\$ 6,017</u>	<u>\$ 159,098</u>	<u>\$ 153,081</u>

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

DALLAS COUNTY, TEXAS
 Required Supplementary Information
 American Rescue Plan Special Revenue Fund
 (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES:				
Investment income	\$ 125	\$ 125	\$ 1,099	\$ 974
Intergovernmental revenues	<u>255,959</u>	<u>255,959</u>	<u>61,063</u>	<u>(194,896)</u>
Total revenues	<u>256,084</u>	<u>256,084</u>	<u>62,162</u>	<u>(193,922)</u>
EXPENDITURES:				
Public safety	-	12,379	3,389	8,990
Health	-	51,948	10,006	41,942
Public welfare	<u>-</u>	<u>105,224</u>	<u>47,523</u>	<u>57,701</u>
Total expenditures	<u>-</u>	<u>169,551</u>	<u>60,918</u>	<u>108,633</u>
Excess (deficiency) of revenues over (under) expenditures	<u>256,084</u>	<u>86,533</u>	<u>1,244</u>	<u>(85,289)</u>
OTHER FINANCING SOURCES (USES):				
Transfers (out)	<u>(256,084)</u>	<u>(125)</u>	<u>-</u>	<u>125</u>
Total other financing sources (uses)	<u>(256,084)</u>	<u>(125)</u>	<u>-</u>	<u>125</u>
Net change in fund balance	-	86,408	1,244	(85,164)
Fund balance - beginning	<u>12</u>	<u>12</u>	<u>12</u>	<u>-</u>
Fund balance - ending	<u>\$ 12</u>	<u>\$ 86,420</u>	<u>\$ 1,256</u>	<u>\$ (85,164)</u>

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

DALLAS COUNTY, TEXAS

Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Unaudited) September 30, 2022

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 the beginning balance only to the extent that such drawdown 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 with 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 1.803 cents per \$100 valuation.
- Major Capital Development Fund – dedicated tax rate of 3.316 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 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.

DALLAS COUNTY, TEXAS

Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Unaudited) September 30, 2022

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 2022 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 FY22 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). 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% was funded in July 2022. ARP Act funds are intended to provide support for eligible costs incurred during the period of March 3, 2022 through December 31, 2024, to State, local and tribal governments in responding to the impact of COVID-9.

As of September 30, 2022, including accrued interest, \$446,581 of the ARP Act Funds remain.

DALLAS COUNTY
 Required Supplementary Information
Infrastructure Assets Under Modified Approach
 September 30, 2022
 (in thousands of dollars)
 (Unaudited)

Roads

A federal highway administration pavement condition rating (PCR) was utilized to assess the condition of the 108.88 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 with 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	2022	2021	2020	2019	2018
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	99.1	98.6	99.1	99.1
District 4	100.0	100.0	100.0	100.0	100.0
Overall System	99.2	99.7	98.8	99.7	99.7

Comparison of estimated to actual maintenance costs:

	2022	2021	2020	2019	2018
Estimated	\$ 1,609	\$ 1,130	\$ 1,126	\$ 1,126	\$ 1,018
Actual	2,317	2,329	2,296	2,091	1,970

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

DALLAS COUNTY
 Required Supplementary Information
Infrastructure Assets Under Modified Approach
 September 30, 2022
 (in thousands of dollars)
 (Unaudited)

		Bridges										
	<u>Rating</u>	<u>Number</u>	<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>	
Very Good	6.0 – 9.0	23	88	%	88	%	88	%	92	%	92	%
Good	4.0 – 5.9	3	12		12		12		8		8	
Fair	3.0 – 3.9	-			-		-		-		-	
Poor	0.0 – 2.9	-			-		-		-		-	
		<u>26</u>	<u>100</u>	%	<u>100</u>	%	<u>100</u>	%	<u>100</u>	%	<u>100</u>	%

The condition of the County’s bridges is determined using the State of Texas Bridge Inventory Inspection System (BRINSAP). A numerical condition range of 0.0 (poor) to 9.0 (excellent condition) is used to assess each of the 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 2022.

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Estimated	\$ 300	\$ 300	\$ 1,120	\$ 1,113	\$ 1,115
Actual	186	256	202	247	250

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, 2021	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	\$ 60,364	50,874	46,770	\$ 45,971	\$ 46,920	\$ 43,906	\$ 41,338
Interest on total pension liability	198,433	187,503	176,481	166,480	156,177	144,675	136,590
Effect of plan changes	-	-	-	-	-	-	(9,604)
Effect of assumption changes or inputs	(1,804)	151,933	-	-	9,066	-	20,674
Effect of economic/demographic (gains) or losses	2,433	5,808	6,637	913	(986)	6,501	(11,965)
Benefit payments	(123,809)	(116,956)	(110,561)	(99,144)	(92,524)	(84,328)	(78,547)
Net change in total pension liability	135,617	279,162	119,327	114,220	118,653	110,754	98,486
Total pension liability, beginning	2,535,969	2,256,807	2,137,480	2,023,260	1,904,607	1,793,853	1,695,367
Total pension liability, ending (a)	\$ 2,671,586	2,535,969	2,256,807	\$ 2,137,480	\$ 2,023,260	\$ 1,904,607	\$ 1,793,853
Fiduciary Net Position							
Employer contributions	\$ 56,815	56,183	48,680	\$ 45,309	\$ 43,304	\$ 39,234	\$ 35,839
Employee contributions	30,394	29,484	27,438	25,849	24,870	23,918	21,864
Investment income net of investment expenses	513,588	222,926	307,647	(36,221)	246,954	117,495	(6,146)
Benefit payments	(123,809)	(116,956)	(110,561)	(99,144)	(92,524)	(84,328)	(78,547)
Administrative expenses	(1,532)	(1,718)	(1,634)	(1,495)	(1,274)	(1,277)	(1,147)
Other	(383)	(930)	(886)	(632)	(339)	1,977	8
Net change in plan fiduciary net position	475,073	188,989	270,684	(66,334)	220,991	97,019	(28,129)
Fiduciary net position, beginning	2,289,321	2,100,332	1,829,648	1,895,982	1,674,991	1,577,972	1,606,101
Fiduciary net position, ending (b)	\$ 2,764,394	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)	\$ (92,808)	246,648	156,475	\$ 307,832	\$ 127,278	\$ 229,616	\$ 215,881
Fiduciary net position as a % of total pension liability	103.47%	90.27%	93.07%	85.60%	93.71%	87.94%	87.97%
Covered payroll	\$ 467,582	420,693	391,817	\$ 357,160	\$ 354,950	\$ 341,163	\$ 311,763
Net pension liability/(asset) as a % of covered payroll	-19.85%	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)

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
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
2022	64,282	64,282	-	467,582	13.7

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age (level percent of pay)
Amortization Method	Level percentage of payroll, closed.
Remaining Amortization Period	19.0 years (based on contribution rate calculated in 12/31/2021 valuation).
Asset Valuation Method	5-year smoothed fair value
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	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.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in assumptions and methods reflected in the Schedule of Employer Contributions*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule.

*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 2021	Total OPEB Liability 2020	Total OPEB Liability 2019	Total OPEB Liability 2018	Total OPEB Liability 2017
Total OPEB Liability - Start of Year	\$ 194,549	\$ 228,011	\$ 173,700	\$ 300,743	\$ 315,446
Changes for the year:					
Service Cost	13,843	13,797	7,086	12,826	15,815
Interest	4,558	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	(1,797)	18,196	44,721	(29,077)	(35,297)
Other changes, separately identified if significant	-	-	-	-	-
Benefit payments	(4,235)	(3,995)	(4,949)	(4,553)	(5,277)
Administrative expense	-	-	-	-	-
Net change in total OPEB liability	12,369	(33,462)	54,311	(127,043)	(14,703)
Total OPEB Liability - End of Year	\$ 206,918	\$ 194,549	\$ 228,011	\$ 173,700	\$ 300,743
Covered employee payroll	\$ 392,818	\$ 379,295	\$ 350,346	\$ 340,450	\$ 334,562
Total OPEB liability as a percent of covered employee payroll	52.68%	51.29%	65.08%	51.02%	89.89%

(i) The County does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASB statements No. 75.

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

	Year Ended December 31, 2021	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
Total Pension Liability								
Service cost	\$ 68,967	\$ 65,820	\$ 51,517	\$ 47,055	\$ 44,516	\$ 41,024	\$ 39,886	\$ 37,881
Interest on total pension liability	112,920	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)	15,847	8,301	(1,105)	7,645	8,896	2,439	(2,122)	8,589
Effect of assumption changes or inputs	8,495	(8,557)	207,476	(1,022)	-	-	-	-
Benefit payments	<u>(69,373)</u>	<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	136,856	108,956	303,137	94,943	88,234	82,367	66,668	86,510
Total pension liability, beginning	<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>	<u>1,016,398</u>
Total pension liability, ending (a)	<u>\$ 1,984,069</u>	<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	\$ 72,500	\$ 59,072	\$ 46,700	\$ 40,000	\$ 27,915	\$ 28,083	\$ 24,500	22,812
Employee contributions	50,396	47,987	46,107	44,223	38,686	30,270	29,471	27,378
Investment income net of investment expenses	174,667	160,402	192,482	(51,595)	130,137	55,203	(7,945)	43,705
Benefit payments	(69,373)	(62,990)	(56,859)	(53,984)	(49,645)	(44,312)	(49,392)	(32,637)
Administrative expenses	<u>(3,653)</u>	<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	224,537	201,533	225,687	(24,010)	143,290	67,363	(5,413)	59,238
Fiduciary net position, beginning	<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>	<u>707,566</u>
Fiduciary net position, ending (b)	<u>\$ 1,599,811</u>	<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>\$ 384,258</u>	<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	80.63%	74.45%	67.52%	66.06%	72.53%	66.20%	65.10%	69.53%
Covered employee payroll	\$ 721,279	\$ 706,911	\$ 685,520	\$ 659,891	\$ 632,669	\$ 613,367	\$ 574,215	554,120
Net pension liability as a % of covered payroll	53.27%	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,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contributions in relation to the actuarially determined contributions	\$ 72,500	\$ 59,072	\$ 46,700	\$ 40,000	\$ 27,915	\$ 28,123	\$ 24,500	\$ 22,812
Actuarially determined contributions	59,916	59,072	37,005	28,827	27,915	28,083	24,540	22,812
Contribution surplus / deficit	\$ 12,584	\$ -	\$ 9,695	\$ 11,173	\$ -	\$ 40	\$ (40)	\$ -
Covered employee payroll	\$ 721,279	\$ 706,911	\$ 685,520	\$ 659,891	\$ 632,669	\$ 613,367	\$ 574,215	\$ 554,120
Contributions as a percentage of covered employee payroll	10.10%	8.40%	6.80%	6.10%	4.40%	4.60%	4.30%	4.10%

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,			
	2021	2020	2019	2018
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	6.00%, net of pension plan investment expense, including inflation	7.00%, 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-2020	Pub-2010 Public General and MP-2019	Pub-2010 Public General and MP-2018

	As of December 31,			
	2017	2016	2015	2014
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%	3.0%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation	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	65
Mortality	RP-2000, projected	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

DALLAS COUNTY
Notes to the Basic Financial Statements
September 30, 2022
(in thousands of dollars)

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 the 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 the 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:

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, 2022
 (in thousands of dollars)

	Special Revenue										
	District Attorney					District Attorney Forfeitures					
	Road and Bridge	Permanent Improvement	Law Library	Major Technology	HIDTA Federal	Special	Federal	State	Other	Historical Commission	Housing Finance Corporation
ASSETS											
Cash and investments	\$ 38,112	\$ 10,173	\$ 867	\$ 8,792	\$ 1	\$ 218	\$ 1	\$ -	\$ 145	\$ 16	\$ 80
Receivables:											
Taxes - current	-	5,762	-	62,962	-	-	-	-	-	-	-
Less allowance for uncollectible	-	(289)	-	(2,968)	-	-	-	-	-	-	-
Net taxes receivable	-	5,473	-	59,994	-	-	-	-	-	-	-
Accounts	314,851	23	6,111	31	-	-	-	-	-	-	-
Less allowance	(311,747)	-	(6,068)	-	-	-	-	-	-	-	-
Accounts receivable	3,104	23	43	31	-	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-	-	-	-	-	2,834
Accrued interest	98	26	2	24	-	-	-	-	-	-	-
Due from other funds	-	-	17	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	-
Inventories	309	-	-	-	-	-	-	-	-	-	-
Prepayments and advances	30	203	4	7,885	-	-	-	-	-	-	-
Total assets	\$ 41,653	\$ 15,898	\$ 933	\$ 76,726	\$ 1	\$ 218	\$ 1	\$ -	\$ 145	\$ 16	\$ 2,914
LIABILITIES											
Accounts payable	\$ 921	\$ 601	\$ 61	\$ 5,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	7	-	-	-	-	-	-	-	-
Due to other governmental units	822	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	1,743	601	68	5,385	-	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - other	2,261	10	42	9	-	-	-	-	-	-	-
Unavailable revenue - property taxes	-	5,486	-	60,135	-	-	-	-	-	-	-
Deferred inflows of resources - other	-	-	-	-	-	-	-	-	-	-	2,838
Total deferred inflows	2,261	5,496	42	60,144	-	-	-	-	-	-	2,838
FUND BALANCES											
Nonspendable: inventories and prepaids	339	203	4	7,885	-	-	-	-	-	-	-
Restricted	37,310	-	819	-	1	218	1	-	145	16	76
Committed	-	9,598	-	3,312	-	-	-	-	-	-	-
Total fund balances	37,649	9,801	823	11,197	1	218	1	-	145	16	76
Total liabilities, deferred inflows and fund balances	\$ 41,653	\$ 15,898	\$ 933	\$ 76,726	\$ 1	\$ 218	\$ 1	\$ -	\$ 145	\$ 16	\$ 2,914

(Continued)

DALLAS COUNTY, TEXAS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2022
 (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	\$ 5,435	\$ 1,135	\$ 6,432	\$ 1,522	\$ 2,042	\$ 263	\$ 20,341	\$ 9,974	\$ 22,699	\$ 128,248
Receivables:										
Taxes - current	-	-	-	-	-	-	-	-	-	68,724
Less allowance for uncollectible	-	-	-	-	-	-	-	-	-	(3,257)
Net taxes receivable	-	-	-	-	-	-	-	-	-	65,467
Accounts	4,962	1,826	-	-	4	1	44	21	48	327,922
Less allowance	(4,917)	(1,815)	-	-	-	-	-	-	-	(324,547)
Accounts receivable	45	11	-	-	4	1	44	21	48	3,375
Lease receivable	-	-	-	-	-	-	-	-	-	2,834
Accrued interest	14	3	27	4	5	1	52	26	58	340
Due from other funds	-	-	66	-	-	-	-	-	-	83
Due from other governmental units	-	-	123	608	-	-	-	-	-	731
Inventories	-	-	-	-	-	-	-	62	-	371
Prepayments and advances	-	70	3,623	-	-	-	-	88	90	11,993
Total assets	\$ 5,494	\$ 1,219	\$ 10,271	\$ 2,134	\$ 2,051	\$ 265	\$ 20,437	\$ 10,171	\$ 22,895	\$ 213,442
LIABILITIES										
Accounts payable	5	4	824	264	19	-	206	1,216	244	9,750
Due to other funds	-	-	421	-	-	-	-	-	-	428
Due to other governmental units	-	-	65	-	-	-	-	-	-	887
Other current liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	5	4	1,310	264	19	-	206	1,216	244	11,065
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - other	37	11	10	1	2	-	19	9	21	2,432
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	-	65,621
Deferred inflows or resources - other	-	-	-	-	-	-	-	-	-	2,838
Total deferred inflows	37	11	10	1	2	-	19	9	21	70,891
FUND BALANCES										
Nonspendable: inventories and prepaids	-	70	3,623	-	-	-	-	150	90	12,364
Restricted	5,452	1,134	5,328	1,869	2,030	265	20,212	8,796	22,540	106,212
Committed	-	-	-	-	-	-	-	-	-	12,910
Total fund balances	5,452	1,204	8,951	1,869	2,030	265	20,212	8,946	22,630	131,486
Total liabilities, deferred inflows and fund balances	\$ 5,494	\$ 1,219	\$ 10,271	\$ 2,134	\$ 2,051	\$ 265	\$ 20,437	\$ 10,171	\$ 22,895	\$ 213,442

(Continued)

DALLAS COUNTY, TEXAS

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2022
 (in thousands of dollars)

	<u>Capital Project</u>		
	<u>Roads</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and investments	\$ 3,159	\$ 3,159	\$ 131,407
Receivables:			
Taxes - current	-	-	68,724
Less allowance for uncollectible	-	-	(3,257)
Net taxes receivable	-	-	65,467
Accounts	-	-	327,922
Less allowance	-	-	(324,547)
Accounts receivable	-	-	3,375
Lease receivable	-	-	2,834
Accrued interest	-	-	340
Due from other funds	-	-	83
Due from other governmental units	11	11	742
Inventories	-	-	371
Prepayments and advances	-	-	11,993
Total assets	<u>\$ 3,170</u>	<u>\$ 3,170</u>	<u>\$ 216,612</u>
LIABILITIES			
Accounts payable	45	45	9,795
Due to other funds	-	-	428
Due to other governmental units	82	82	969
Other current liabilities	-	-	-
Total liabilities	<u>127</u>	<u>127</u>	<u>11,192</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - other	-	-	2,432
Unavailable revenue - property taxes	-	-	65,621
Deferred inflows of resources - other	-	-	2,838
Total deferred inflows	<u>-</u>	<u>-</u>	<u>70,891</u>
FUND BALANCES			
Nonspendable: inventories and prepaids	-	-	12,364
Restricted	3,043	3,043	109,255
Committed	-	-	12,910
Total fund balances	<u>3,043</u>	<u>3,043</u>	<u>134,529</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,170</u>	<u>\$ 3,170</u>	<u>\$ 216,612</u>

(Concluded)

DALLAS COUNTY, TEXAS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2022
 (in thousands of dollars)

	Special Revenue										
	District Attorney					District Attorney Forfeiture					
	Road and Bridge	Permanent Improvement	Law Library	Major Technology	HIDTA Federal	Special	Federal	State	Other	Historical Commission	Housing Finance Corporation
REVENUES											
Property taxes	\$ -	\$ 5,030	\$ -	\$ 50,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway license fees	22,264	-	-	-	-	-	-	-	-	-	
Fines and forfeitures	4,506	-	-	-	-	-	-	-	-	-	
Investment income (loss)	(2,300)	(607)	(58)	(405)	-	-	-	1	4	91	
Intergovernmental revenues	43	-	-	53	-	-	-	-	-	-	
Charges for current services	1,464	-	1,354	-	-	-	-	-	-	-	
Miscellaneous	84	-	1	-	-	13	-	-	-	-	
Total revenues	26,061	4,423	1,297	49,999	-	13	-	-	1	4	91
EXPENDITURES											
Current:											
General government	-	2,211	-	59,626	-	-	-	-	-	-	
Judicial	-	451	966	1,338	-	26	-	37	-	-	
Public safety	-	851	-	4,743	-	-	-	-	-	-	
Highways and streets	11,503	-	-	-	-	-	-	-	-	-	
Health	-	101	-	244	-	-	-	-	-	-	
Education	-	-	-	-	-	-	-	-	-	-	
Public Welfare	-	-	-	-	-	-	-	-	-	117	
Debt service:											
Principal	-	-	-	438	-	-	-	-	-	-	
Interest and fiscal charges	-	-	-	57	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	-	-	-	
Capital outlay - Leases	-	-	-	-	-	-	-	-	-	-	
Total expenditures	11,503	3,614	966	66,446	-	26	-	37	-	117	
Excess (deficiency) of revenues over (under) expenditures	14,558	809	331	(16,447)	-	(13)	-	(36)	4	(26)	
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	559	-	-	-	-	-	-	
Transfers (out)	(12,000)	-	(142)	-	-	-	-	-	-	-	
Lease proceeds	-	-	-	-	-	-	-	-	-	-	
Total other financing sources (uses)	(12,000)	-	(142)	559	-	-	-	-	-	-	
Net change in fund balance	2,558	809	189	(15,888)	-	(13)	-	(36)	4	(26)	
Fund balance - beginning	35,091	8,992	634	27,085	1	231	1	-	181	12	102
Fund balance - ending	\$ 37,649	\$ 9,801	\$ 823	\$ 11,197	\$ 1	\$ 218	\$ 1	\$ -	\$ 145	\$ 16	\$ 76

(Continued)

DALLAS COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022
(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,381
Highway license fees	-	-	-	-	-	-	-	-	-	22,264
Fines and forfeitures	-	-	5	-	-	-	-	-	-	4,511
Investment income (loss)	(327)	(75)	(712)	(100)	(125)	(16)	(1,237)	(594)	(1,303)	(7,763)
Intergovernmental revenues	-	-	51,006	8,082	-	-	4,957	-	-	64,141
Charges for current services	921	395	64	-	594	126	1,096	5,497	8,961	20,472
Miscellaneous	-	-	32	-	9	-	435	125	-	699
Total revenues	<u>594</u>	<u>320</u>	<u>50,395</u>	<u>7,982</u>	<u>478</u>	<u>110</u>	<u>5,251</u>	<u>5,028</u>	<u>7,658</u>	<u>159,705</u>
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	517	-	62,354
Judicial	244	45	-	-	171	2	542	1,087	7,215	12,124
Public safety	-	-	-	-	-	-	-	4,518	-	10,112
Highways and streets	-	-	-	-	-	-	-	-	-	11,503
Health	-	-	-	-	-	-	-	-	-	345
Education	-	-	-	7,975	-	-	-	-	-	7,975
Public Welfare	-	-	50,026	-	-	-	2,968	-	-	53,111
Debt service:										
Principal	-	-	-	-	-	-	-	-	169	607
Interest and fiscal charges	-	-	-	-	-	-	-	-	9	66
Capital outlay	-	-	-	-	-	-	-	-	-	-
Capital outlay - Leases	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>244</u>	<u>45</u>	<u>50,026</u>	<u>7,975</u>	<u>171</u>	<u>2</u>	<u>3,510</u>	<u>6,122</u>	<u>7,393</u>	<u>158,197</u>
Excess (deficiency) of revenues over (under) expenditures	<u>350</u>	<u>275</u>	<u>369</u>	<u>7</u>	<u>307</u>	<u>108</u>	<u>1,741</u>	<u>(1,094)</u>	<u>265</u>	<u>1,508</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	559
Transfers (out)	(149)	-	-	(94)	(317)	(118)	(1,600)	-	(6,787)	(21,207)
Lease proceeds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(149)</u>	<u>-</u>	<u>-</u>	<u>(94)</u>	<u>(317)</u>	<u>(118)</u>	<u>(1,600)</u>	<u>-</u>	<u>(6,787)</u>	<u>(20,648)</u>
Net change in fund balance	201	275	369	(87)	(10)	(10)	141	(1,094)	(6,522)	(19,140)
Fund balance - beginning	<u>5,251</u>	<u>929</u>	<u>8,582</u>	<u>1,956</u>	<u>2,040</u>	<u>275</u>	<u>20,071</u>	<u>10,040</u>	<u>29,152</u>	<u>150,626</u>
Fund balance - ending	<u>\$ 5,452</u>	<u>\$ 1,204</u>	<u>\$ 8,951</u>	<u>\$ 1,869</u>	<u>\$ 2,030</u>	<u>\$ 265</u>	<u>\$ 20,212</u>	<u>\$ 8,946</u>	<u>\$ 22,630</u>	<u>\$ 131,486</u>

(Continued)

DALLAS COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022
(in thousands of dollars)

	Capital Projects		Total Non-major Governmental Funds
	Roads	Total	
REVENUES			
Property taxes	\$ -	\$ -	\$ 55,381
Highway license fees	-	-	22,264
Fines and forfeitures	-	-	4,511
Investment income (loss)	-	-	(7,763)
Intergovernmental revenues	-	-	64,141
Charges for current services	-	-	20,472
Miscellaneous	-	-	699
	-	-	159,705
Total revenues	-	-	159,705
EXPENDITURES			
Current:			
General government	-	-	62,354
Judicial	-	-	12,124
Public safety	-	-	10,112
Highways and streets	45	45	11,548
Health	-	-	345
Education	-	-	7,975
Public Welfare	-	-	53,111
Debt service:			
Principal	-	-	607
Interest and fiscal charges	-	-	66
Capital outlay	-	-	-
Capital outlay - Leases	-	-	-
	-	-	-
Total expenditures	45	45	158,242
Excess (deficiency) of revenues over (under) expenditures	(45)	(45)	\$ 1,463
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	559
Transfers (out)	-	-	(21,207)
Lease proceeds	-	-	-
Total other financing sources (uses)	-	-	(20,648)
Net change in fund balance	(45)	(45)	(19,185)
Fund balance - beginning	3,088	3,088	153,714
Fund balance - ending	\$ 3,043	\$ 3,043	\$ 134,529

(Concluded)

DALLAS COUNTY, TEXAS
Debt Service - County Wide - Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2022
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 18,444	\$ 18,444	\$ 18,244	\$ (200)
Investment income	<u>12</u>	<u>12</u>	<u>547</u>	<u>535</u>
Total revenues	<u>18,456</u>	<u>18,456</u>	<u>18,791</u>	<u>335</u>
EXPENDITURES:				
Debt service				
Principal	12,250	12,250	12,250	-
Interest and fiscal charges	<u>5,497</u>	<u>5,497</u>	<u>5,498</u>	<u>(1)</u>
Total debt service	<u>17,747</u>	<u>17,747</u>	<u>17,748</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>709</u>	<u>709</u>	<u>1,043</u>	<u>334</u>
OTHER FINANCING SOURCES(USES):				
Debt issuance - premium	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Net change in fund balance	709	709	1,047	338
Fund balance - beginning	<u>7,570</u>	<u>7,570</u>	<u>7,570</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,279</u>	<u>\$ 8,279</u>	<u>\$ 8,617</u>	<u>\$ 338</u>

(Continued)

DALLAS COUNTY, TEXAS
Road and Bridge Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2022
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Highway license fees	\$ 22,723	\$ 22,723	\$ 22,264	\$ (459)
Fines and forfeitures	4,550	4,550	4,506	(44)
Investment income (loss)	62	62	(2,300)	(2,362)
Intergovernmental revenues	42	42	43	1
Charges for current services	2,030	2,030	1,464	(566)
Miscellaneous	10	10	84	74
Total revenues	<u>29,417</u>	<u>29,417</u>	<u>26,061</u>	<u>(3,356)</u>
EXPENDITURES:				
Highways and streets:				
Salaries	6,362	6,362	6,867	(505)
Operating	2,250	3,764	2,701	1,063
Property	2,667	3,376	1,935	1,441
Total highways and streets	<u>11,279</u>	<u>13,502</u>	<u>11,503</u>	<u>1,999</u>
Reserves	<u>21,747</u>	<u>19,484</u>	<u>-</u>	<u>19,484</u>
Total expenditures and reserves	<u>33,026</u>	<u>32,986</u>	<u>11,503</u>	<u>21,483</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,609)</u>	<u>(3,569)</u>	<u>14,558</u>	<u>18,127</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(22,500)</u>	<u>(22,540)</u>	<u>(12,000)</u>	<u>10,540</u>
Total other financing sources (uses)	<u>(22,500)</u>	<u>(22,540)</u>	<u>(12,000)</u>	<u>10,540</u>
Net change in fund balance	(26,109)	(26,109)	2,558	28,667
Fund balance - beginning	<u>35,091</u>	<u>35,091</u>	<u>35,091</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,982</u>	<u>\$ 8,982</u>	<u>\$ 37,649</u>	<u>\$ 28,667</u>

(Continued)

DALLAS COUNTY, TEXAS
 Permanent Improvement Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September, 2022
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 5,040	\$ 5,040	\$ 5,030	\$ (10)
Investment income (loss)	<u>15</u>	<u>15</u>	<u>(607)</u>	<u>(622)</u>
Total revenues	<u>5,055</u>	<u>5,055</u>	<u>4,423</u>	<u>(632)</u>
EXPENDITURES:				
General government	12,234	6,276	2,211	4,065
Public safety	1,009	3,227	851	2,376
Judicial	119	3,268	451	2,817
Health	<u>23</u>	<u>613</u>	<u>101</u>	<u>512</u>
Total expenditures	13,385	13,384	3,614	9,770
Reserves	<u>662</u>	<u>663</u>	-	<u>663</u>
Total expenditures and reserves	<u>14,047</u>	<u>14,047</u>	<u>3,614</u>	<u>10,433</u>
Net change in fund balance	(8,992)	(8,992)	809	9,801
Fund balance - beginning	<u>8,992</u>	<u>8,992</u>	<u>8,992</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,801</u>	<u>\$ 9,801</u>

(Continued)

DALLAS COUNTY, TEXAS
 Law Library Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2022
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ 1,210	\$ 1,210	\$ 1,354	\$ 144
Investment income (loss)	1	1	(58)	(59)
Miscellaneous	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total revenues	<u>1,211</u>	<u>1,211</u>	<u>1,297</u>	<u>86</u>
EXPENDITURES:				
Judicial:				
Salaries	607	607	599	8
Operating	<u>464</u>	<u>466</u>	<u>367</u>	<u>99</u>
Total Judicial	1,071	1,073	966	107
Reserves	<u>444</u>	<u>442</u>	<u>-</u>	<u>442</u>
Total expenditures and reserves	<u>1,515</u>	<u>1,515</u>	<u>966</u>	<u>549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(304)</u>	<u>(304)</u>	<u>331</u>	<u>635</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(175)</u>	<u>(175)</u>	<u>(142)</u>	<u>33</u>
Total other financing sources (uses)	<u>(175)</u>	<u>(175)</u>	<u>(142)</u>	<u>33</u>
Net change in fund balance	(479)	(479)	189	668
Fund balance - beginning	<u>634</u>	<u>634</u>	<u>634</u>	<u>-</u>
Fund balance - ending	<u>\$ 155</u>	<u>\$ 155</u>	<u>\$ 823</u>	<u>\$ 668</u>

(Continued)

DALLAS COUNTY, TEXAS
Major Technology Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2022
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 51,034	\$ 51,034	\$ 50,351	\$ (683)
Investment income (loss)	66	66	(405)	(471)
Intergovernmental revenues	-	-	53	53
Total revenues	<u>51,100</u>	<u>51,100</u>	<u>49,999</u>	<u>(1,101)</u>
EXPENDITURES:				
General government:				
Salaries	21,222	20,222	18,064	2,158
Operating	37,247	37,831	31,173	6,658
Property	17,979	12,186	10,361	1,825
Total general government	<u>76,448</u>	<u>70,239</u>	<u>59,598</u>	<u>10,641</u>
Judicial:				
Property	775	1,506	1,338	168
Total judicial government	<u>775</u>	<u>1,506</u>	<u>1,338</u>	<u>168</u>
Public safety:				
Property	568	6,064	4,743	1,321
Total public safety government	<u>568</u>	<u>6,064</u>	<u>4,743</u>	<u>1,321</u>
Health:				
Property	394	376	244	132
Total health government	<u>394</u>	<u>376</u>	<u>244</u>	<u>132</u>
Debt service:				
Principal	-	-	438	(438)
Interest and fiscal charges	-	-	57	(57)
Reserves				
Total expenditures and reserves	<u>-</u>	<u>-</u>	<u>28</u>	<u>(28)</u>
Total expenditures and reserves	<u>78,185</u>	<u>78,185</u>	<u>66,446</u>	<u>11,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,085)</u>	<u>(27,085)</u>	<u>(16,447)</u>	<u>10,638</u>

(Continued)

DALLAS COUNTY, TEXAS
Major Technology Special Reveune Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2022
(in thousands of dollars)

OTHER FINANCING SOURCES (USES):

Transfers in	_____ -	_____ -	_____ 559	_____ 559
Total other financing sources (uses)	_____ -	_____ -	_____ 559	_____ 559
Net change in fund balance	(27,085)	(27,085)	(15,888)	11,197
Fund balance - beginning	_____ 27,085	_____ 27,085	_____ 27,085	_____ -
Fund balance - ending	\$ _____ -	\$ _____ -	\$ _____ 11,197	\$ _____ 11,197

(Continued)

DALLAS COUNTY, TEXAS
Historical Commission Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2022
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	-	-	4	4
Total revenues	-	-	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)	4	8
OTHER FINANCING SOURCES (USES)				
Fund balance - beginning	12	12	12	-
Net change in fund balance	(4)	(4)	4	8
Fund balance - beginning	12	12	12	-
Fund balance - ending	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 16</u>	<u>\$ 8</u>

(Continued)

DALLAS COUNTY, TEXAS
 Alternate Dispute Resolution Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2022
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 9	\$ 9	\$ (327)	\$ (336)
Charges for current services	<u>850</u>	<u>850</u>	<u>921</u>	<u>71</u>
Total revenues	<u>859</u>	<u>859</u>	<u>594</u>	<u>(265)</u>
EXPENDITURES:				
Judicial:				
Salaries	237	237	243	(6)
Operating	<u>122</u>	<u>122</u>	<u>1</u>	<u>121</u>
Total Judicial	359	359	244	115
Reserves	<u>5,299</u>	<u>5,299</u>	<u>-</u>	<u>5,299</u>
Total expenditures and reserves	<u>5,658</u>	<u>5,658</u>	<u>244</u>	<u>5,414</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,799)</u>	<u>(4,799)</u>	<u>350</u>	<u>5,149</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(419)</u>	<u>(419)</u>	<u>(149)</u>	<u>270</u>
Total other financing sources (uses)	<u>(419)</u>	<u>(419)</u>	<u>(149)</u>	<u>270</u>
Net change in fund balance	(5,218)	(5,218)	201	5,419
Fund balance - beginning	<u>5,251</u>	<u>5,251</u>	<u>5,251</u>	<u>-</u>
Fund balance - ending	<u>\$ 33</u>	<u>\$ 33</u>	<u>\$ 5,452</u>	<u>\$ 5,419</u>

(Continued)

DALLAS COUNTY, TEXAS
 Appellate Judicial System Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2022
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Charges for current services	\$ 300	\$ 300	\$ 395	\$ 95
Investment income (loss)	<u>2</u>	<u>2</u>	<u>(75)</u>	<u>(77)</u>
Total revenues	<u>302</u>	<u>302</u>	<u>320</u>	<u>18</u>
EXPENDITURES:				
Judicial:				
Operating	408	408	45	363
Property	<u>21</u>	<u>21</u>	<u>-</u>	<u>21</u>
Total Judicial	429	429	45	384
Reserves	<u>638</u>	<u>638</u>	<u>-</u>	<u>638</u>
Total expenditures and reserves	<u>1,067</u>	<u>1,067</u>	<u>45</u>	<u>1,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(765)</u>	<u>(765)</u>	<u>275</u>	<u>1,040</u>
Net change in fund balance	(765)	(765)	275	1,040
Fund balance - beginning	<u>929</u>	<u>929</u>	<u>929</u>	<u>-</u>
Fund balance - ending	<u>\$ 164</u>	<u>\$ 164</u>	<u>\$ 1,204</u>	<u>\$ 1,040</u>

(Continued)

DALLAS COUNTY, TEXAS
Housing Finance Corporation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2022
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	-	-	91	91
Total revenues	-	-	91	91
EXPENDITURES:				
Public Welfare:				
Property	-	17	117	(100)
Total public welfare	-	17	117	(100)
Total expenditures and reserves	-	17	117	(100)
Excess (deficiency) of revenues over (under) expenditures	-	(17)	(26)	(9)
OTHER FINANCING SOURCES (USES)				
Net change in fund balance	-	(17)	(26)	(9)
Fund balance - beginning	102	102	102	-
Fund balance - ending	\$ 102	\$ 85	\$ 76	\$ (9)

(Continued)

DALLAS COUNTY, TEXAS
 HUD Section 8 Grants Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2022
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 11	\$ 11	\$ (712)	\$ (723)
Charges for current services	45	45	64	19
Fines and forfeitures	-	-	5	5
Intergovernmental revenues	57,404	57,404	51,006	(6,398)
Miscellaneous	<u>13</u>	<u>13</u>	<u>32</u>	<u>19</u>
Total revenues	<u>57,473</u>	<u>57,473</u>	<u>50,395</u>	<u>(7,078)</u>
EXPENDITURES:				
Public welfare	<u>2,256</u>	<u>56,115</u>	<u>50,026</u>	<u>6,089</u>
Total public welfare	2,256	56,115	50,026	6,089
Excess (deficiency) of revenues over (under) expenditures	<u>55,217</u>	<u>1,358</u>	<u>369</u>	<u>(989)</u>
Transfers (out)	<u>(54,848)</u>	<u>(989)</u>	<u>-</u>	<u>989</u>
Total other financing sources (uses)	<u>(54,848)</u>	<u>(989)</u>	<u>-</u>	<u>989</u>
Net change in fund balance	369	369	369	-
Fund balance - beginning	<u>8,582</u>	<u>8,582</u>	<u>8,582</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,951</u>	<u>\$ 8,951</u>	<u>\$ 8,951</u>	<u>\$ -</u>

(Continued)

DALLAS COUNTY, TEXAS
Academy for Academic Excellence Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2022
(in thousands of dollars)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES:				
Investment income (loss)	\$ 3	\$ 3	\$ (100)	\$ (103)
Intergovernmental revenues	<u>9,832</u>	<u>9,832</u>	<u>8,082</u>	<u>(1,750)</u>
Total revenues	<u>9,835</u>	<u>9,835</u>	<u>7,982</u>	<u>(1,853)</u>
EXPENDITURES:				
Education	<u>907</u>	<u>7,938</u>	<u>7,975</u>	<u>(37)</u>
Total education	907	7,938	7,975	(37)
Excess (deficiency) of revenues over (under) expenditures	<u>8,928</u>	<u>1,897</u>	<u>7</u>	<u>(1,890)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(9,015)</u>	<u>(1,984)</u>	<u>(94)</u>	<u>1,890</u>
Total other financing sources (uses)	<u>(9,015)</u>	<u>(1,984)</u>	<u>(94)</u>	<u>1,890</u>
Net change in fund balance	(87)	(87)	(87)	-
Fund balance - beginning	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,869</u>	<u>\$ 1,869</u>	<u>\$ 1,869</u>	<u>\$ -</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.

District Attorney Restitution Funds (Fund 534) - used to account for the receipt and distribution of restitution payments made by the defendants

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 Assets and Liabilities- Custodial Funds
 September 30, 2022
 (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>	<u>Juvenile Department Child Support</u>
Assets:											
Cash, cash equivalents and investments	\$ 15,026	\$ 551	\$ 1,711	\$ 49,581	\$ 47,641	\$ 1,335	\$ 1,700	\$ 258	\$ 11,720	\$ 74	\$ 539
Accrued interest	-	-	4	-	-	-	-	-	2	-	-
Accounts receivable	39	-	-	-	-	-	-	-	5	-	-
Prepayments and advances	2	-	-	-	-	-	-	-	110	-	-
Assets held in escrow	6,663	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 21,730</u>	<u>\$ 551</u>	<u>\$ 1,715</u>	<u>\$ 49,581</u>	<u>\$ 47,641</u>	<u>\$ 1,335</u>	<u>\$ 1,700</u>	<u>\$ 258</u>	<u>\$ 11,837</u>	<u>\$ 74</u>	<u>\$ 539</u>
Liabilities:											
Accounts payable and other liabilities	\$ 424	\$ 673	-	\$ 150	\$ 410	\$ 1,167	\$ 4	\$ 124	\$ 90	-	-
Unearned revenue - other	145	-	-	-	-	-	-	-	-	-	-
Due to other governmental units	21,159	-	1,786	-	-	-	-	-	756	-	-
Total liabilities	<u>21,728</u>	<u>673</u>	<u>1,786</u>	<u>150</u>	<u>410</u>	<u>1,167</u>	<u>4</u>	<u>124</u>	<u>846</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:											
Unavailable revenue - other	2	-	-	-	-	-	-	-	-	-	-
Total deferred inflows	<u>2</u>	<u>-</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	-	(122)	(71)	49,431	47,231	168	1,696	134	10,991	74	540
Total Net Position	<u>-</u>	<u>(122)</u>	<u>(71)</u>	<u>49,431</u>	<u>47,231</u>	<u>168</u>	<u>1,696</u>	<u>134</u>	<u>10,991</u>	<u>74</u>	<u>540</u>
Total liabilities, deferred inflows and net position	<u>\$ 21,730</u>	<u>\$ 551</u>	<u>\$ 1,715</u>	<u>\$ 49,581</u>	<u>\$ 47,641</u>	<u>\$ 1,335</u>	<u>\$ 1,700</u>	<u>\$ 258</u>	<u>\$ 11,837</u>	<u>\$ 74</u>	<u>\$ 540</u>

Continued

DALLAS COUNTY, TEXAS
Combining Statement of Fiduciary Assets and Liabilities- Custodial Funds
September 30, 2022
(in thousands of dollars)

	Departmental Special Funds					District Attorney Seized Funds					Total
	Dallas County School Funds - Administration	Housing Finance Corporation - 1994 Refunding	Community Supervision and Corrections Special	DA Restitution Funds	Youth Village	Tax Assessor - Collector	Police Agencies	Attorney General	Gambling	Narcotics	
Assets:											
Cash, cash equivalents and investments	\$ 16,529	\$ 1,031	\$ 4,379	\$ 1,475	\$ 1	\$ 64,641	\$ 39	\$ 28	\$ 62	\$ 228	\$ 218,549
Accrued interest	-	-	-	-	-	-	-	-	-	-	6
Accounts receivable	-	-	-	-	-	-	-	-	-	-	44
Prepayments and advances	-	-	-	-	-	-	-	-	-	-	112
Assets held in escrow	-	-	-	-	-	-	-	-	-	-	6,663
Total assets	<u>\$ 16,529</u>	<u>\$ 1,031</u>	<u>\$ 4,379</u>	<u>\$ 1,475</u>	<u>\$ 1</u>	<u>\$ 64,641</u>	<u>\$ 39</u>	<u>\$ 28</u>	<u>\$ 62</u>	<u>\$ 228</u>	<u>\$ 225,376</u>
Liabilities:											
Accounts payable and other liabilities	\$ 66	\$ -	\$ 375	\$ 1,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,958
Unearned revenue - other	-	-	-	-	-	-	-	-	-	-	145
Due to other governmental units	16,463	-	-	-	-	64,641	-	-	-	-	104,805
Total liabilities	<u>16,529</u>	<u>-</u>	<u>375</u>	<u>1,475</u>	<u>-</u>	<u>64,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,908</u>
Deferred inflows of resources:											
Unavailable revenue - other	-	-	-	-	-	-	-	-	-	-	2
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Net Position:											
Restricted for: Individuals, Organizations or Other Governments	-	1,031	4,004	-	1	-	39	28	62	228	115,466
Total Net Position	<u>-</u>	<u>1,031</u>	<u>4,004</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>39</u>	<u>28</u>	<u>62</u>	<u>228</u>	<u>115,466</u>
Total liabilities, deferred inflows and net position	<u>\$ 16,529</u>	<u>\$ 1,031</u>	<u>\$ 4,379</u>	<u>\$ 1,475</u>	<u>\$ 1</u>	<u>\$ 64,641</u>	<u>\$ 39</u>	<u>\$ 28</u>	<u>\$ 62</u>	<u>\$ 228</u>	<u>\$ 225,376</u>

DALLAS COUNTY, TEXAS
 Combining Statement of Changes in Fiduciary Net Position
 September 30, 2022
 (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>	<u>Juvenile Department Child Support</u>
ADDITIONS:											
Ad valorem tax collections - local government	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CSCD grant collections	-	-	-	-	-	-	-	-	25,261	-	-
CSCD participants	-	-	-	-	-	-	-	-	9,354	-	-
Trust/Escrow contributions	26,910	-	-	69,149	59,644	23,403	541	1,099	-	-	208
Inmate accounts	-	12,724	-	-	-	-	-	-	-	-	-
Investment interest	-	-	(120)	-	-	-	-	-	67	1	-
Miscellaneous	-	-	-	27	132	-	-	-	36	-	-
Total Additions	\$ 26,910	\$ 12,724	\$ (120)	\$ 69,176	\$ 59,776	\$ 23,403	\$ 541	\$ 1,099	\$ 34,718	\$ 1	\$ 208
DEDUCTIONS:											
Ad valorem tax payments - local government	-	-	-	-	-	-	-	-	-	-	-
Administrative costs	-	-	-	-	-	-	-	-	-	-	-
CSCD program costs	-	-	-	-	-	-	-	-	36,929	-	-
Election costs	6,035	-	-	-	-	-	-	-	-	-	-
Inmate accounts	-	12,624	-	-	-	-	-	-	-	-	-
Trust/Escrow disbursements	20,875	-	-	65,578	50,299	23,519	510	1,135	-	-	270
Total deductions	26,910	12,624	-	65,578	50,299	23,519	510	1,135	36,929	-	270
Net change in fiduciary net position	-	100	(120)	3,598	9,477	(116)	31	(36)	(2,211)	1	(62)
Net Position - beginning	-	(222)	49	45,833	37,754	284	1,665	170	13,202	73	602
Net Position - ending	\$ -	\$ (122)	\$ (71)	\$ 49,431	\$ 47,231	\$ 168	\$ 1,696	\$ 134	\$ 10,991	\$ 74	\$ 540

Continued

DALLAS COUNTY, TEXAS
Combining Statement of Changes in Fiduciary Net Position
September 30, 2022
(in thousands of dollars)

	Departmental Special Funds						District Attorney Seized Funds				Total
	Dallas County School Funds - Administration	Housing Finance Corporation - 1994 Refunding	Community Supervision and Corrections Special	DA Restitution Funds	Youth Village	Tax Assessor - Collector	Police Agencies	Attorney General	Gambling	Narcotics	
ADDITIONS:											
Ad valorem tax collections - local government	\$ 28,396	\$ -	\$ -	\$ -	\$ -	\$ 729,735	\$ -	\$ -	\$ -	\$ -	\$ 758,131
CSCD grant collections	-	-	-	-	-	-	-	-	-	-	25,261
CSCD participants	-	-	-	-	-	-	-	-	-	-	9,354
Trust/Escrow contributions	-	-	2,159	1,475	-	-	-	-	-	142	184,730
Inmate accounts	-	-	-	-	-	-	-	-	-	-	12,724
Investment interest	-	5	-	-	-	(5)	-	-	-	1	(51)
Miscellaneous	-	-	-	-	-	-	-	-	-	-	195
Total Additions	\$ 28,396	\$ 5	\$ 2,159	\$ 1,475	\$ -	\$ 729,730	\$ -	\$ -	\$ -	\$ 143	\$ 990,344
DEDUCTIONS:											
Ad valorem tax payments - local government	28,302	-	-	-	-	729,730	-	-	-	-	758,032
Administrative costs	94	-	-	-	-	-	-	-	-	-	94
CSCD program costs	-	-	-	-	-	-	-	-	-	-	36,929
Election costs	-	-	-	-	-	-	-	-	-	-	6,035
Inmate accounts	-	-	-	-	-	-	-	-	-	-	12,624
Trust/Escrow disbursements	-	-	2,477	1,475	-	-	-	-	-	102	166,240
Total deductions	28,396	-	2,477	1,475	-	729,730	-	-	-	102	979,954
Net change in fiduciary net position	-	5	(318)	0	-	-	-	-	-	41	10,390
Net Position - beginning	-	1,026	4,322	-	1	-	39	28	62	187	105,076
Net Position - ending	\$ -	\$ 1,031	\$ 4,004	\$ 0	\$ 1	\$ -	\$ 39	\$ 28	\$ 62	\$ 228	\$ 115,466

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	152
These schedules contain trend information to aid in understanding how the County’s financial performance and wellbeing have changed over time.	
Revenue Capacity	157
These schedules contain information to aid in assessing the County’s most significant local revenue source – property tax.	
Debt Capacity	162
These schedules present information to aid in assessing the County’s ability to issue additional debt in the future.	
Demographic and Economic Information	167
These schedules offer demographic and economic indicators to aid in understanding the environment within which the County’s financial activities take place.	
Operating Information	169
These schedules contain service and infrastructure data to aid in understanding how the information in the County’s financial report relates to services the County provides and the activities it performs.	

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 496,797	\$ 511,162	\$ 536,199	\$ 559,389	\$ 581,267	\$ 607,806	\$ 654,323	\$ 683,253	\$ 724,157	\$ 770,484
Restricted	81,686	76,172	78,822	87,072	87,893	107,194	112,738	115,265	136,876	120,154
Unrestricted	(32,000)	(50,551)	(93,878)	(126,204)	(190,639)	(105,235)	(135,953)	(123,646)	(83,858)	(30,619)
Total governmental activities net position	<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>	<u>\$ 860,019</u>

Source: Dallas County Financial Records

Table 2

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

Expenses	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
General government	\$ 156,248	\$ 152,854	\$ 144,978	\$ 168,648	\$ 192,894	\$ 121,734	\$ 149,704	\$ 151,512	\$ 147,096	\$ 170,106
Judicial	147,927	156,170	153,781	179,924	193,293	203,030	215,018	199,758	202,170	187,212
Public Safety	236,798	238,937	240,701	275,315	305,656	314,959	346,225	345,599	341,027	336,123
Highways and Streets	23,756	25,894	25,404	25,378	24,927	44,619	35,959	35,268	39,531	23,087
Health	48,216	49,190	54,826	55,674	63,496	60,760	71,518	105,794	183,168	124,535
Education	9,009	8,158	7,618	6,879	7,819	8,086	8,725	8,591	8,065	7,859
Public Welfare	70,960	68,769	73,541	72,374	76,760	66,980	73,438	164,493	121,810	159,508
Libraries	-	-	-	-	-	-	-	-	-	-
Interest on long term debt	3,683	3,400	2,459	2,757	4,476	5,026	7,166	7,653	7,972	9,541
Total primary government expenses	\$ 696,597	\$ 703,372	\$ 703,308	\$ 786,949	\$ 869,321	\$ 825,194	\$ 907,753	\$ 1,018,668	\$ 1,050,839	\$ 1,017,971
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 50,236	\$ 50,306	\$ 53,390	\$ 44,338	\$ 57,254	\$ 48,066	\$ 53,561	\$ 46,362	\$ 47,749	\$ 48,120
Judicial	46,204	42,780	39,802	53,533	53,506	54,042	50,389	45,268	47,737	44,636
Public Safety	24,490	24,267	22,822	24,869	30,363	24,991	29,336	28,787	24,387	24,185
Highways and Streets (1)	25,193	26,494	26,619	25,425	26,200	25,630	27,684	23,120	25,319	23,227
Health	7,483	6,585	7,396	7,028	7,899	8,262	8,684	9,204	10,064	19,897
Public Welfare	1,269	1,122	1,079	7,626	6,625	9,738	6,954	6,151	9,085	5,630
Operating grants and contributions										
General government	-	-	387	-	-	-	-	-	-	-
Judicial	11,825	13,595	14,162	2,732	2,817	4,987	5,187	5,825	5,420	5,737
Public Safety	11,204	11,841	12,594	20,754	20,807	17,894	19,642	18,860	21,353	20,566
Health	30,037	29,716	33,613	37,985	28,412	34,470	39,734	87,417	150,612	100,257
Education	9,199	7,938	7,718	6,920	6,907	8,108	7,771	7,600	8,339	8,082
Public Welfare	63,191	58,330	71,255	61,037	60,932	55,364	59,328	152,156	115,209	107,750
Capital grants and contributions:										
Judicial	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Public Welfare	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	\$ 280,331	\$ 272,974	\$ 290,837	\$ 292,247	\$ 301,722	\$ 291,552	\$ 308,270	\$ 430,750	\$ 465,274	\$ 408,087
Total net (expense) revenue	\$ (416,266)	\$ (430,398)	\$ (412,471)	\$ (494,702)	\$ (567,599)	\$ (533,642)	\$ (599,483)	\$ (587,918)	\$ (585,565)	\$ (609,884)
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 370,052	\$ 384,097	\$ 407,431	\$ 436,426	\$ 476,351	\$ 509,444	\$ 552,091	\$ 596,936	\$ 640,512	\$ 633,034
Alcoholic beverage taxes (1)	25,961	32,943	37,708	40,062	41,873	42,226	43,565	39,287	39,583	52,709
Unrestricted grants and contributions	2,115	1,622	2,092	7,430	2,388	2,252	2,494	3,598	4,452	4,346
Investment earnings	1,078	2,036	2,973	2,945	5,251	10,159	22,676	7,677	559	(27,066)
Gain (Loss) on Sale	-	-	-	-	-	2,181	-	-	2,762	-
Insurable gain, net of insurance proceeds	-	-	-	-	-	-	-	-	-	-
Donated Capital Asset	-	-	-	6,953	-	-	-	-	-	-
Special Item	-	-	-	-	-	-	-	(15,816)	-	(8,292)
Total primary government	\$ 399,206	\$ 420,698	\$ 450,204	\$ 493,816	\$ 525,863	\$ 566,262	\$ 620,826	\$ 631,682	\$ 687,868	\$ 654,731
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	\$ (17,060)	\$ (9,700)	\$ 37,733	\$ (886)	\$ (41,736)	\$ 32,620	\$ 21,343	\$ 43,764	\$ 102,303	\$ 107,009
Total primary government	\$ (17,060)	\$ (9,700)	\$ 37,733	\$ (886)	\$ (41,736)	\$ 32,620	\$ 21,343	\$ 43,764	\$ 102,303	\$ 107,009

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Property Taxes	\$ 370,052	\$ 384,097	\$ 407,431	\$ 436,426	\$ 476,351	\$ 509,444	\$ 552,091	\$ 596,936	\$ 640,512	\$ 633,034
Alcoholic beverage / other taxes	25,961	32,943	37,708	40,062	41,873	42,226	43,565	39,287	39,583	52,709
Total Taxes	\$ 396,013	\$ 417,040	\$ 445,139	\$ 476,488	\$ 518,224	\$ 551,670	\$ 595,656	\$ 636,223	\$ 680,095	\$ 685,743

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund (GASB 54)										
Nonspendable	\$ 3,794	\$ 3,120	\$ 3,160	\$ 3,995	\$ 5,126	\$ 4,064	\$ 4,020	\$ 5,266	\$ 5,741	\$ 8,613
Assigned	6,786	6,537	6,237	12,255	10,061	10,432	14,835	13,600	13,600	19,565
Unassigned	80,371	75,533	73,023	57,522	33,826	35,563	30,180	43,560	58,639	70,107
Total General Fund	<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>	<u>\$ 98,285</u>
All Other Governmental Funds (GASB 54)										
Nonspendable	\$ 283	\$ 219	\$ 425	\$ 2,287	\$ 3,389	\$ 7,436	\$ 11,575	\$ 16,304	\$ 17,755	\$ 17,942
Restricted	129,988	91,947	90,010	293,504	276,287	269,703	217,749	164,790	137,574	281,557
Committed	175,582	186,661	215,245	245,943	279,075	285,134	298,984	299,214	293,919	253,234
Total all other governmental funds	<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>	<u>\$ 552,733</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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property taxes	\$ 371,263	\$ 383,772	\$ 407,712	\$ 436,192	\$ 475,867	\$ 509,422	\$ 555,198	\$ 597,853	\$ 637,610	\$ 637,317
Licenses and permits	39,154	42,191	43,716	46,558	47,200	46,661	47,474	46,078	45,583	50,592
Fines and forfeitures	14,151	13,061	11,106	9,473	10,280	8,659	7,320	5,752	5,224	4,851
Investment income and rental revenues	4,269	5,947	7,788	7,558	9,569	14,774	27,486	11,801	5,130	(27,073)
Intergovernmental revenues	125,820	114,511	125,783	133,226	137,222	138,637	142,332	282,173	298,229	314,297
Charges for current services	117,558	125,497	131,988	128,935	124,854	133,565	132,157	125,082	123,075	141,869
Miscellaneous revenues	11,241	10,350	13,352	17,521	16,199	20,120	19,995	12,405	29,855	13,176
Total revenues	683,456	695,329	741,445	779,463	821,191	871,838	931,962	1,081,144	1,144,706	1,135,029
Expenditures										
General government and judicial	242,869	249,064	255,361	272,284	295,662	298,659	318,179	332,882	340,732	376,104
Public safety	225,436	233,675	239,729	262,171	284,174	295,887	308,740	328,686	337,508	362,994
Highways and streets	23,244	24,646	25,963	25,267	24,914	43,709	35,434	35,394	40,071	24,899
Health	48,154	49,058	54,964	54,927	62,247	59,524	68,883	104,871	185,196	128,556
Public welfare	70,475	67,898	73,128	71,024	75,417	65,874	71,850	163,742	121,526	167,535
Libraries	-	-	-	-	-	-	-	-	-	-
Education	8,888	8,021	7,628	6,523	7,381	7,698	8,049	8,436	8,079	7,975
Capital outlay (1)	54,018	64,788	29,985	31,670	41,119	108,663	150,542	110,171	152,311	56,156
Capital outlay - Leases	-	-	-	-	-	-	-	-	-	107
Debt service										
Principal	20,075	25,080	25,840	24,645	28,435	28,751	26,423	28,854	25,033	29,670
Interest	5,383	5,886	4,937	4,724	9,582	10,220	11,657	11,549	11,337	12,146
Total expenditures (a)	698,542	728,116	717,535	753,235	828,931	918,985	999,757	1,124,585	1,221,793	1,166,142
Excess of revenues over (under) expenditures	(15,086)	(32,787)	23,910	26,228	(7,740)	(47,147)	(67,795)	(43,441)	(77,087)	(31,113)
Other financing sources (uses)										
Transfers in	40,841	42,101	38,941	32,777	36,259	28,185	40,213	58,784	50,690	57,810
Transfers (out)	(40,841)	(42,101)	(38,941)	(32,777)	(36,259)	(28,185)	(40,213)	(58,784)	(50,690)	(57,810)
Lease Proceeds	-	-	-	-	-	-	-	-	-	3,930
Debt issuance - advance refunding bonds	10,515	-	11,115	-	-	-	-	-	-	-
Debt issuance - limited tax notes	35,825	-	-	-	-	-	-	-	-	-
Debt issuance - Costs	-	-	-	-	-	-	-	-	-	-
Debt issuance - Principal	-	-	-	167,900	-	-	-	-	-	132,190
Debt issuance - Premium	-	-	-	33,278	-	-	-	-	-	18,783
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	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	40,377	-	173	201,178	-	51,715	32,805	8,832	61,581	154,903
Net change in fund balance	\$ 25,291	\$ (32,787)	\$ 24,083	\$ 227,406	\$ (7,740)	\$ 4,568	\$ (34,990)	\$ (34,609)	\$ (15,506)	\$ 123,790
Sum of expenditures (a)	698,542	728,116	717,535	753,235	828,931	918,985	999,757	1,124,585	1,221,793	1,166,142
Less: Expenditures capitalized for government-wide statement of net position. (1)	(55,629)	(62,464)	(33,716)	(53,312)	(38,210)	(102,747)	(133,357)	(96,442)	(155,375)	(81,375)
Non-capital expenditures	\$ 642,913	\$ 665,652	\$ 683,819	\$ 699,923	\$ 790,721	\$ 816,238	\$ 866,400	\$ 1,028,143	\$ 1,066,418	\$ 1,084,767
Debt service as a percentage of non-capital expenditures	4.0%	4.7%	4.5%	4.2%	4.8%	4.8%	4.4%	3.9%	3.4%	3.9%

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)		
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
2022	397,904,097	406,913,218	49,313,501	49,313,501	447,217,598	456,226,719	0.21795	98.03

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 \$100,000 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)								
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
2022	0.15897	0.01862	0.00170	0.02970	0.00896	0.21795	0.23580	0.45375

Tax levies (1)
(in thousands of dollars)

2013	288,053	22,240	2,943	52,067	32,231	397,534 (a)	454,275	851,809
2014	306,407	23,657	3,131	59,229	30,441	422,865 (b)	502,058	924,923
2015	324,639	29,081	3,355	67,575	28,521	453,171 (c)	541,282	994,453
2016	353,896	35,420	3,679	62,767	41,102	496,864 (d)	582,178	1,079,042
2017	377,435	37,776	3,924	73,503	37,275	529,913 (e)	623,342	1,153,255
2018	408,197	46,103	4,293	94,113	27,094	579,800 (f)	683,317	1,263,117
2019	437,130	49,370	4,597	105,126	24,672	620,896 (g)	708,080	1,328,975
2020	432,806	49,463	4,606	105,323	21,264	613,461 (h)	702,644	1,316,106
2021	477,602	51,123	5,104	94,024	18,479	646,332 (i)	747,292	1,393,624
2022	519,424	60,828	5,551	97,030	29,286	712,118 (j)	796,689	1,508,806

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	0.75000
Legal limitation includes provision for debt service	<u>\$ 1.70000</u>

(a) \$ 3.1 million
(b) \$ 4.6 million
(c) \$ 5.5 million
(d) \$ 7.1 million
(e) \$ 9.6 million
(f) \$12.2 million
(g) \$13.9 million
(h) \$14.26 million
(i) \$11.38 million
(j) \$11.51 million

Taxes due: October 1

Taxes delinquent: February 1 year following levy

Tax lien and assessment date: January 1 year of levy

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

Delinquent tax penalty and interest:

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

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

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

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

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

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

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

Table 8

Name	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Dallas County	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.24310	\$ 0.23974	\$ 0.22795	0.22795
Dallas County Schools	0.01000	0.01000	0.01000	0.00927	0.01	0.01	0.01	0.01	0.01	0.01
Dallas County Hospital Dist.	0.27600	0.28600	0.28600	0.27940	0.27940	0.27940	0.27940	0.26610	0.25500	0.25500
Dallas County Community College District	0.12470	0.12478	0.12365	0.12293	0.12423	0.12400	0.12400	0.12400	0.12351	0.12351
School Districts										
Carrollton-Farmers Branch	1.32350	1.30330	1.28170	1.39170	1.38100	1.37000	1.37000	1.25470	1.20125	1.20125
Cedar Hill	1.52500	1.52500	1.52500	1.51600	1.51600	1.37600	1.37600	1.28330	1.23840	1.23840
Coppell	1.43240	1.44900	1.43900	1.49270	1.47770	1.46050	1.46050	1.31000	1.29200	1.29200
Dallas	1.28209	1.28209	1.28209	1.28209	1.28209	1.41204	1.41204	1.29674	1.24824	1.24824
DeSoto	1.49000	1.47000	1.46000	1.46000	1.49000	1.49000	1.49000	1.52909	1.38860	1.38860
Duncanville	1.41000	1.41000	1.52950	1.52148	1.52148	1.52000	1.52000	1.36760	1.31590	1.31590
Ferris	1.31000	1.32500	1.35500	1.35500	1.38730	1.51730	1.51730	1.31380	1.27430	1.27430
Garland	1.25330	1.25330	1.35330	1.46000	1.46000	1.46000	1.46000	1.25630	1.25630	1.25630
Grand Prairie	1.46500	1.46500	1.59500	1.59500	1.59500	1.59500	1.59500	1.50970	1.37630	1.37630
Grapevine-Colleyville	1.32010	1.32010	1.32010	1.39670	1.39670	1.39670	1.39670	1.30310	1.27510	1.27510
Highland Park	1.12670	1.11810	1.11190	1.15270	1.20320	1.23550	1.23550	1.15190	1.13100	1.13100
Irving	1.46500	1.43500	1.44500	1.44500	1.43140	1.40110	1.40110	1.27510	1.20770	1.20770
Lancaster	1.41800	1.37012	1.54000	1.54000	1.54000	1.53000	1.53000	1.49990	1.47040	1.47040
Mesquite	1.41000	1.41000	1.41000	1.46000	1.46000	1.52000	1.52000	1.44640	1.31200	1.31200
Richardson	1.34005	1.34005	1.34005	1.39005	1.39005	1.52000	1.52000	1.40470	1.39090	1.39090
Sunnyvale	1.41000	1.41000	1.41000	1.42600	1.52000	1.52000	1.52000	1.38920	1.34200	1.34200
Special Districts										
Dallas County FCD #1	2.75000	2.75000	2.65000	2.25000	2.00000	1.80000	1.80000	1.40000	1.30000	1.30000
Dallas County URD	1.79100	1.98300	1.59000	1.29500	1.24900	1.11130	1.11130	0.93700	0.81670	0.81670
Denton County LID #1	0.18500	0.18500	0.18500	0.18400	0.18300	0.18200	0.18200	0.18200	0.17000	0.17000
Denton County RUD #1+	0.00000	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	0.50000	0.50470	0.52000	0.45300	0.44600	0.45500	0.45500	0.50600	0.52700	0.52700
Irving FCD, Section III	0.14210	0.14410	0.12800	0.12500	0.12500	0.12500	0.12500	0.12360	0.12360	0.12360
Lancaster MUD #1	1.06000	1.06000	1.06000	1.06000	1.00000	1.00000	1.00000	0.95000	0.92000	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	0.29000	0.27000	0.27000	0.25000	0.22000	0.20000	0.20000	0.18000	0.01700	0.01700
Cities and Towns										
Addison	0.57180	0.56180	0.57915	0.56047	0.55000	0.55000	0.55000	0.60868	0.61466	0.61466
Balch Springs	0.77000	0.80300	0.80300	0.80300	0.80300	0.80300	0.80300	0.80300	0.79463	0.79463
Carrollton	0.61788	0.61538	0.61288	0.60370	0.59970	0.59497	0.59497	0.58750	0.58250	0.58250
Cedar Hill	0.69876	0.69876	0.69876	0.69876	0.69876	0.69703	0.69703	0.68810	0.69703	0.69703
Cockrell Hill	0.81191	0.81166	1.13244	1.11941	1.05883	0.98895	0.98895	0.85057	0.82302	0.82302
Combine	0.27000	0.29000	0.31000	0.33000	0.35000	0.35000	0.35000	0.35000	0.35000	0.35000
Coppell	0.63750	0.60649	0.58400	0.57950	0.57950	0.56950	0.56950	0.58000	0.58000	0.58000
Dallas	0.79700	0.79700	0.79700	0.78250	0.78040	0.77670	0.77670	0.77630	0.77330	0.77330
Desoto	0.75740	0.75740	0.74990	0.74490	0.73990	0.72139	0.72139	0.70155	0.70155	0.70155
Duncanville	0.75845	0.75845	0.75845	0.75845	0.75845	0.74845	0.74845	0.71685	0.70000	0.70000
Farmers Branch	0.55310	0.60227	0.60227	0.60227	0.60227	0.59951	0.59951	0.58900	0.58900	0.58900
Ferris	0.68713	0.68713	0.68713	0.68713	0.68713	0.68713	0.68713	0.60860	0.84730	0.84730
Garland	0.70460	0.70460	0.70460	0.70460	0.70460	0.70460	0.70460	0.76960	0.75697	0.75697
Glenn Heights	0.79500	0.79500	0.79340	0.93553	0.88543	0.87918	0.87918	0.80443	0.76915	0.76915
Grand Prairie	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.66500	0.66500
Grapevine	0.34250	0.33244	0.32844	0.28927	0.28927	0.28927	0.28927	0.28260	0.27181	0.27181
Highland Park	0.22000	0.22000	0.22000	0.22000	0.22000	0.22000	0.22000	0.23000	0.23000	0.23000
Hutchins	0.69091	0.71091	0.68246	0.68246	0.68246	0.68246	0.68246	0.68246	0.68246	0.68246
Irving	0.59860	0.59410	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	0.81974	0.76929	0.76929
Lewisville	0.44021	0.43609	0.43609	0.43609	0.43609	0.43609	0.43609	0.44330	0.44330	0.44330
Mesquite	0.64000	0.64000	0.64000	0.68700	0.68700	0.73400	0.73400	0.70862	0.70862	0.70862
Ovilla	0.67190	0.67190	0.70000	0.70000	0.68040	0.66000	0.66000	0.66000	0.66000	0.66000
Richardson	0.63516	0.63516	0.63516	0.62516	0.62516	0.62516	0.62516	0.62516	0.61516	0.61516
Rowlett	0.74717	0.78717	0.78717	0.78173	0.77717	0.75717	0.75717	0.74500	0.74500	0.74500
Sachse	0.77082	0.77082	0.75728	0.75728	0.74728	0.72000	0.72000	0.72000	0.70073	0.70073
Seagoville	0.71379	0.71380	0.71380	0.74380	0.74380	0.74380	0.74380	0.78880	0.78880	0.78880
Sunnyvale	0.40796	0.40796	0.40796	0.40796	0.41309	0.41290	0.41290	0.45670	0.45300	0.45300
University Park	0.27432	0.26979	0.25893	0.24876	0.24876	0.24538	0.24538	0.26475	0.26439	0.26439
Wilmer	0.38944	0.43660	0.47660	0.50300	0.50300	0.51290	0.51290	0.56290	0.56190	0.56190
Wylie	0.88390	0.87890	0.86890	0.84890	0.78100	0.72585	0.72585	0.67198	0.64375	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, 2022
(in thousands of dollars)
(unaudited)

Table 9

Name of Taxpayer	Nature of Business	2022			2013		
		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	\$ 2,121,267	1	0.55 %	\$ 1,343,904	1	0.73 %
AT&T Mobility LLC	Telephone Utility	1,040,420	2	0.27	997,052	2	0.54
Amaxon Com KYDC LLC	Retail	992,984	3	0.26	—	—	—
Atmos Energy	Electric	923,270	4	0.24	—	—	—
Billingsley Arts	Retail	754,804	5	0.20	—	—	—
Wal-Mart Stores Inc.	Retail	747,872	6	0.20	684,169	3	0.37
Texas Instruments	Electronics	738,425	7	0.19	632,781	5	0.34
NorthPark Land Partners	Real Estate	725,978	8	0.19	602,355	6	0.33
FM Village Fixed Rate LLC	Real Estate	682,129	9	0.18	—	—	—
PPF AMLI 1400 HI LINE DR LP	Real Estate	664,500	10	0.17	—	—	—
Post Apartment Homes LP	Real Estate	—	—	—	367,828	9	0.20
Southwest Airlines Co.	Airline	—	—	—	591,395	7	0.32
Galleria Mall Investors LP	Real Estate	—	—	—	344,402	10	0.19
Verizon	Telephone Utility	—	—	—	441,368	8	0.24
Crescent Real Estate Group	Real Estate	—	—	—	658,123	4	0.36
Total		\$ 9,391,648		2.46 %	\$ 6,663,377		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>
2013	\$ 843,739 (c)	\$ 834,645.00	98.92 %	\$ 4,677.00	\$ 839,322.00	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	1,334,628 (c)	1,320,541	98.94	276	1,320,817	98.97
2020	1,316,106 (c)	1,400,094	106.38	3,269	1,403,363	106.63
2021	1,420,245 (c)	1,405,974	99.00	(69)	1,405,904	98.99
2022	1,508,806 (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 2022 tax roll are incomplete until the end of the fiscal year, September 30, 2023
 - (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)	Leases (4)	Total Debt	Bonded Debt and Leases Percentage of Assessed Value	Bonded Debt and Leases Percentage of Personal Income	Bonded Debt and Leases Per Capita
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	389,285,994	131,558	128,752	260,310	0.06687	0.1933	100
2022	2,586	456,226,719	267,202	128,038	395,240	0.08663	0.2697	153

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

Table 12

Computation of Direct and Overlapping Bonded Debt
September 30, 2022
(in thousands of dollars)
(unaudited)

Name	Indebtedness as of	Direct Debt	Percentage of Debt Applicable to Dallas County	Dallas County's Share of Debt
Dallas County	9/30/2022	\$ 395,240	100.00%	\$ 395,240
Total direct		\$ 395,240		\$ 395,240
Overlapping Debt:				
Independent school districts:				
Carrollton-Farmers Branch	9/30/2022	336,185	82.25%	276,512
Cedar Hill	9/30/2022	95,225	100.00%	95,225
Coppell	9/30/2022	335,955	100.00%	335,955
Dallas	9/30/2022	3,467,730	100.00%	3,467,730
Desoto	9/30/2022	110,744	100.00%	110,744
Duncanville	9/30/2022	188,775	100.00%	188,775
Ferris	9/30/2022	27,103	8.14%	2,206
Garland	9/30/2022	424,040	100.00%	424,040
Grand Prairie	9/30/2022	401,935	100.00%	401,935
Grapevine-Colleyville	9/30/2022	311,711	3.73%	11,627
Highland Park	9/30/2022	336,135	100.00%	336,135
Irving	9/30/2022	314,700	100.00%	314,700
Lancaster	9/30/2022	181,952	100.00%	181,952
Mesquite	9/30/2022	704,828	100.00%	704,828
Richardson	9/30/2022	816,810	100.00%	816,810
Sunnyvale	9/30/2022	86,283	100.00%	86,283
Total intermediate educational agency		\$ 8,140,111		\$ 7,755,457
Special districts:				
Dallas County FCD #1	9/30/2022	19,230	100.00%	19,230
Dallas County Community College	9/30/2022	110,835	100.00%	110,835
Dallas County Hospital District	9/30/2022	559,905	100.00%	559,905
Dallas County Utility & Reclamation Dist.	9/30/2022	136,755	100.00%	136,755
Denton County LID #1	9/30/2022	5,690	5.46%	311
Irving FCD, Section I	9/30/2022	3,255	100.00%	3,255
Lancaster MUD #1	9/30/2022	14,725	99.32%	14,625
Northwest Dallas Co FCD	9/30/2022	10,890	100.00%	10,890
Valwood Improvement Authority	9/30/2022	7,015	100.00%	7,015
Water Control and Imp. District No. 6	9/30/2022	4,775	100.00%	4,775
Total special districts		\$ 873,075		\$ 867,596

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 \$267,202 and capital leases total \$128,038.

DALLAS COUNTY, TEXAS
Direct and Overlapping Bonded Debt
September 30, 2022
(in thousands of dollars)
(unaudited)

Table 12-2

Name	Indebtedness as of	Gross Debt Less Sinking Funds	Percentage of Debt Applicable to Dallas County	Dallas County's Share of Debt
Overlapping Debt (Continued):				
Cities and towns:				
Addison	9/30/2022	\$ 141,600	100.00%	\$ 141,600
Balch Springs	9/30/2022	11,600	100.00%	11,600
Carrollton	9/30/2022	184,710	43.55%	80,441
Cedar Hill	9/30/2022	104,850	97.03%	101,736
Cockrell Hill	9/30/2022	6,140	100.00%	6,140
Combine	9/30/2022	1,187	9.92%	118
Coppell	9/30/2022	109,060	97.76%	106,617
Dallas	9/30/2022	1,952,170	92.61%	1,807,905
Desoto	9/30/2022	103,240	100.00%	103,240
Duncanville	9/30/2022	20,460	100.00%	20,460
Farmers Branch	9/30/2022	72,550	100.00%	72,550
Ferris	9/30/2022	12,740	12.65%	1,612
Garland	9/30/2022	338,250	99.84%	337,709
Glenn Heights	9/30/2022	12,775	49.52%	6,326
Grand Prairie	9/30/2022	449,467	53.67%	241,229
Grapevine	9/30/2022	137,870	2.56%	3,529
Hutchins	9/30/2022	19,978	100.00%	19,978
Irving	9/30/2022	713,675	100.00%	713,675
Lancaster	9/30/2022	63,130	100.00%	63,130
Lewisville	9/30/2022	288,430	0.64%	1,846
Mesquite	9/30/2022	219,935	99.10%	217,956
Ovilla	9/30/2022	3,060	7.74%	237
Richardson	9/30/2022	335,885	63.60%	213,623
Rowlett	9/30/2022	105,000	88.78%	93,219
Sachse	9/30/2022	63,320	60.80%	38,499
Seagoville	9/30/2022	15,415	99.40%	15,323
Sunnyvale	9/30/2022	24,520	100.00%	24,520
University Park	9/30/2022	13,520	100.00%	13,520
Wilmer	9/30/2022	19,388	100.00%	19,388
Wylie	9/30/2022	71,460	1.77%	1,265
Total cities and towns		\$ <u>5,615,385</u>		\$ <u>4,478,991</u>
Total Overlapping		\$ <u>14,628,571</u>		\$ <u>13,102,044</u>
Total Direct and Overlapping		\$ <u><u>15,010,439</u></u>		\$ <u><u>13,483,912</u></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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit (Article 3, Section 52 of the Texas Constitution)	\$ 45,878,850	\$ 49,152,098	\$ 52,996,003	\$ 58,715,672	\$ 63,024,754	\$ 70,200,955	\$ 76,003,985	\$ 77,114,475	\$ 95,598,339	\$ 99,462,057
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 45,878,850	\$ 49,152,098	\$ 52,996,003	\$ 58,715,672	\$ 63,024,754	\$ 70,200,955	\$ 76,003,985	\$ 77,114,475	\$ 95,598,339	\$ 99,462,057
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)	\$ 10,762,400	\$ 11,462,645	\$ 12,339,970	\$ 13,580,611	\$ 14,476,973	\$ 15,962,929	\$ 17,298,995	\$ 17,517,753	\$ 19,463,716	\$ 22,358,087
Total net debt applicable to limit	133,610	107,451	82,039	225,927	194,457	191,100	164,902	143,342	123,989	258,586
Legal debt margin	\$ 10,628,790	\$ 11,355,194	\$ 12,257,931	\$ 13,354,684	\$ 14,282,516	\$ 15,771,829	\$ 17,134,093	\$ 17,374,411	\$ 19,339,727	\$ 22,099,501
Total net debt applicable to the limit as a percentage of debt limit	1.24%	0.94%	0.66%	1.66%	1.34%	1.20%	0.95%	0.82%	0.64%	1.16%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed valuation of real property*	\$ 397,848,229
Assessed valuation of all taxable property*	<u>447,161,730</u>
Bonds issued under Article 3, Section 52b of the Texas Constitution:	
Debt limit, one-fourth of real property assessed valuation	99,462,057 (1)
Amount of debt applied to debt limit:	
Bonded debt	—
Less debt service funds - appropriation for future debt payments	—
Total amount of debt applicable to debt limit	<u>—</u>
Legal debt margin, bonds issued under Article 3, section 52b, of the Texas Constitution	\$ 99,462,057
Bonds issued under Texas General Laws:	
Debt limit, five percent of assessed valuation of all taxable property	— 22,358,087 (2)
Amount of debt applied to debt limit:	
Bonded debt	(267,202)
Less debt service funds - appropriation for future debt payments	8,616
Total amount of debt applicable to debt limit	<u>(258,586)</u>
Legal debt margin, bonds issued under Texas General Laws	\$ 22,099,501

(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>
\$	397,904,097	447,217,598
	(55,868)	(55,868)
\$	<u>397,848,229</u>	<u>447,161,730</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)
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
2022	(5)	1,324	296	1,028	11,190	5,261	16,451	0.06

- (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)
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
2022	2,586,050	146,575	60,641	34	141,169	3.6

Source:

- 1) The North Texas Commission was used for population estimate for all years except in 2014. (ntc-dfw.org/ntpoppopest.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, 2022

(unaudited)

Table 16

2022					2013				
Company	Product	Employees	Rank	Percentage of Total County Employment	Company	Product	Employees	Rank	Percentage of Total County Employment
Texas Health Resources	Non-Profit HealthCare	27,000	1	1.03 %	AMR Corporation (American Airlines)	Airline, Technology and Management	24,700	1	1.01 %
Lockheed Martin	Military Aircraft Design & Production	22,000	2	0.84	Bank of America	Financial Services	20,000	2	0.82
UT Southwestern Medical Center	Health Care Provider	21,539	3	0.82	Texas Health Resources	Non-profit HealthCare	19,230	3	0.78
Medical City Healthcare	HealthCare Provider	17,000	4	0.65	Dallas Public Schools	Public Independent School District	18,314	4	0.75
Bank of America	Financial Institution	13,850	5	0.53	Baylor HealthCare Systems	HealthCare Provider	17,097	5	0.70
University of North Texas Systems	Higher Education	13,275	6	0.51	AT&T	Telecommunications	15,800	6	0.64
Parkland Health & Hospital System	HealthCare Provider	12,966	7	0.50	Lockhead Martin Aeronautics	Military Aircraft Design & Production	14,126	7	0.58
General Motors	Automotive	10,512	8	0.40	JP Morgan Chase	Financial Services	13,500	8	0.55
State Farm	Financial Services/Insurance	9,950	9	0.38	UT Southwestern Medical Center	HealthCare Provider	13,122	9	0.53
The University of Texas @ Arlington	Education	7,938	10	0.30	City of Dallas	Municipality	12,836	10	0.52
Raytheon Technologies	Defense Systems & Electronics	7,476	11	0.29	HCA North Texas Division	Health Care Provider	12,000	11	0.49
JPS Health Network	HealthCare Provider	7,010	12	0.27	U.S. Postal Service	Package Distribution Company	10,439	12	0.43
Wells Fargo Bank	Financial Services	5,300	13	0.20	Kroger I.P.I	Retail Grocery	10,097	13	0.41
The University of North Texas at Dallas	Higher Education	4,126	14	0.16	Texas Instruments Incorporated	Electronics and Semi-Conductors	9,100	14	0.37
Deloitte	Financial Services	3,985	15	0.15	Raytheon Co.	Defense Systems & Electronics	8,700	15	0.35
Ericsson	Telecommunications	3,142	16	0.12	Target	Retail	8,674	16	0.35
KPMG	Financial Services	2,425	17	0.09	United Parcel Service Inc	Package Distribution Company	8,555	17	0.35
Ben E. Keith Co	Food & Beverage	2,366	18	0.09	Parkland Health & Hospital	HealthCare Provider	8,134	18	0.33
Lincoln Property Company	Real Estate	1,905	19	0.07	J.C. Penney	Retail	7,964	19	0.32
Staff Force Personnel Services	Staffing & Recruiting	1,745	20	0.07	Dallas County	Government	7,411	20	0.30

Source: 2022 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	671	681	695	722	738	732	757	784	784	800
Judicial										
Truancy	37	36	35	33	29	20	18	17	17	16
Courts	1,404	1,419	1,428	1,452	1,479	1,477	1,521	1,519	1,519	1,465
Public Safety										
Constable	115	111	109	114	121	113	112	111	111	111
Sheriff	2,200	2,210	2,144	2,231	2,188	1,915	1,859	2,044	2,044	1,960
Juvenile	669	661	659	640	674	640	667	639	639	573
Other	212	261	258	277	277	435	471	454	481	461
Highways and streets										
Road and Bridge	62	63	72	70	67	72	76	76	76	75
Public Works	57	53	57	60	63	64	59	59	59	59
Health	278	273	266	258	255	263	260	272	272	276
Education	116	107	101	109	115	115	115	114	114	102
Public Welfare	216	215	212	206	206	190	174	182	182	310
Total	6,037	6,090	6,036	6,172	6,212	6,036	6,089	6,271	6,298	6,208

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.

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

Table 18

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessor-Collector of Taxes:										
Budgeted employees	222	222	215	253	228	226	226	231	227	227
Ad valorem assessment notices issued	802,161	804,627	806,081	811,123	804,151	809,913	803,986	779,425	812,792	798,178
Motor vehicle registrations	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	2,194,040
Number of entity collection contracts	74	78	77	78	80	84	85	86	89	90
Constables:										
Budgeted employees	124	120	109	114	121	113	112	111	112	111
Civil process papers served	72,107	70,771	74,840	87,768	88,247	88,794	93,533	64,440	65,880	88,647
County Clerk										
Budgeted employees	201	199	194	198	184	200	203	193	189	182
Marriage licenses	16,359	16,024	17,683	19,067	20,989	17,809	16,358	11,658	13,244	10,004
Civil suits	9,785	8,482	8,170	7,911	7,820	7,776	9,866	6,385	6,268	7,541
Probate cases	12,582	12,741	13,266	12,419	12,570	11,189	11,719	11,778	11,900	10,985
Criminal cases	58,240	43,853	46,369	42,974	45,440	41,501	44,265	23,683	27,077	24,422
District Clerk:										
Budgeted employees	257	260	241	243	243	230	211	207	192	181
Civil process cases	48,002	47,502	47,884	49,211	50,360	50,971	52,880	45,450	45,645	4,304
Criminal cases	23,131	23,214	25,262	22,994	23,326	17,814	23,486	19,638	19,797	29,032
Jurors	116,967	106,714	101,417	103,660	105,151	99,501	97,523	47,239	21,356	44,405
Justice of the Peace Courts:										
Budgeted employees	128	110	107	109	106	97	101	101	96	93
Cases	166,138	165,626	149,337	142,156	173,729	172,232	176,611	123,891	104,137	118,532
Sheriff:										
Budgeted employees	2,157	1,878	2,091	2,269	2,134	2,012	1,955	2,157	2,105	2,066
Daily average in county jail	6,028	6,127	5,808	5,334	5,277	5,010	4,921	5,339	5,570	5,795
Persons booked	82,537	74,337	69,988	67,822	82,972	64,847	62,639	47,738	48,261	49,069
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	37	41	23	31	20	18	16	15	15	16
Cases Filed	35,127	30,604	30,216	30,216	15,708	14,502	24,602	16,977	10,308	5,997
County Treasurer										
Budgeted employees	14	14	14	15	15	15	15	15	16	15
Total Receipts (2) (3) (5)	\$ 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	5,019,987,659
Total Disbursements (2) (3) (5)	\$ 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	4,765,355,780
Investment Earnings (2)	\$ 2,805	\$ 2,603	\$ 3,478	\$ 4,093	\$ 7,232	\$ 13,163	\$ 18,847	9,543	1,956	8,920

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Number of buildings	23 (a)	23	22	22	23 (c)	23	23	22 (g)	21 (h)	22
Public Safety										
Number of buildings	9	9	6	6	6	6	5 (e)	5	5	6
Number of jails	4	4	4	4	4	4	4	4	4	4
Number of vehicles	709	691	688	687	683	681	730	728	710	715
Highways and streets										
Number of buildings	4	4	3 (d)	3	3	3	3	3	3	3
Streets (lane miles)	122 (b)	120	120	112	108	108	108	108	108	108
Number of bridges	26 (b)	26	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	3
Judicial										
Number of buildings	7	7	7	7	7	7	5 (f)	5	5	5
Number of Juvenile beds	618	618	714	714	714	714	702	702	702	702
Number of courts	71	71	70	71	71	71	71	71	73 (i)	73

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.
- (j) Purchase of housing complex.
- (k) Building new Sheriffs' Academy.
- (l) Purchase of 1300 Mockingbird.

