

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
DALLAS COUNTY, TEXAS**



**REPORT FOR THE YEAR ENDED  
SEPTEMBER 30, 2010**

**DALLAS COUNTY, TEXAS**  
Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2010

**Prepared by:**

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

**DALLAS COUNTY, TEXAS**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2010

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# **INTRODUCTORY SECTION**

(Unaudited)



# DALLAS COUNTY

## COUNTY AUDITOR

March 31, 2011

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

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 comprehensive annual financial report of the County of Dallas for the fiscal year ended September 30, 2010.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Accounting requirements for Governmental Accounting Standards Board (GASB) Statement Numbers 51 (Accounting and Financial Reporting for Intangible Assets) and 58 (Accounting and Financial Reporting for Chapter 9 Bankruptcies) became effective for FY2010. Only GASB 51 was applicable for the County. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the basic financial statements will be free from material misstatement. Responsibility for internal controls is shared by Commissioners Court, which is the governing body; the County Auditor, who is appointed by the District Judges; the Office of Budget and Evaluation; and, the County Treasurer. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's basic financial statements have been audited by KPMG, LLP. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County, for the fiscal year ended September 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

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

## PROFILE OF DALLAS COUNTY

The County is located in north central Texas, and is strategically central to the economic region of Texas, Louisiana, Arkansas, Oklahoma, and New Mexico, as well as centrally located within the United States. The County region was opened for settlement by the Mexican colonization laws and was included in an empresario grant before 1836, but actual settlement was delayed until 1841. The first Texas legislature created the County from parts of Robertson and Nacogdoches counties on March 30, 1846, and designated the town of Dallas (a post office since 1844) as a temporary "Seat of Justice." The act does not state whom the County's name honors; it probably was George M. Dallas, then vice president of the United States. Two elections were held in 1850 to fix the city of Dallas as the permanent county seat. The County encompasses an area of 900 square miles. The 2010 census reported population for the County of 2,368,139 million. The County is a public corporation and political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners Court sets the tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the County Auditor. The Commissioners Court is also responsible for development of policies and orders, approving financial commitments and appointment of various department heads. The management and leadership provided by members of the Commissioners Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth. The commissioners serve on various boards and committees, including the Texas Conference of Urban Counties, State Judicial Committee on Information Technology, Dallas Children's Advocacy Center, Dallas County DWI Taskforce, Texas Juvenile Crime Commission, Public Employees Benefit Corporation, North Central Texas Council of Governments, Texas Association of Counties, Dallas County Civil Service Commission, Justice & Public Safety Committee, and Texas Community Partners.

The County Auditor is appointed according to Texas state statutes for two year terms by the District Judges. The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County, certifying available funds for county budgets, and "examining, auditing and approving" all disbursements from County funds prior to their submission to the Commissioners Court for approval. 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. Commissioners Court has vested accounts payable and payroll processing functions with the County Auditor.

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

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

The annual budget serves as the foundation for the County's planning and control. Budget 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. The final budget includes contingency and emergency reserves line items. Encumbrances are carried forward to the subsequent year. Unencumbered appropriations for the general fund lapse at fiscal year-end. Most appropriated budgets are prepared by fund, function, department, and category. Capital expenditures for general operations are approved on a line item basis but an annually approved capital improvement plan is utilized to track major capital projects. All budget transfers between departments and/or projects must follow statutory approval processes. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. Budgets funded by federal and state financial assistance are authorized individually on application and acceptance of awards by order of the Commissioners Court.

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

**Discretely Presented Component Unit** - The Dallas County Hospital District (the District) is under the direction of a seven-member board of managers who are appointed by the Commissioners Court. Although the Commissioners Court approves the District's budget, sets its tax rate, and approves major contracts, the District is an organization separate from the County. These factors dictate the inclusion of the District in the County's financial statements. The District's financial data is presented separately to emphasize that it is legally separate from the County. The District operates under different statutory and constitutional authority. The District also has a separate constitutional tax limitation, the independent power of eminent domain and the individual right of ownership of property. The District maintains a medical facility, which provides service to indigents residing within the District and serves as the major teaching hospital for the University of Texas Southwestern Medical School. The hospital is a Level I Trauma Center, a Level III Neonatal Intensive Care Unit and a regional burn center.

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

## **Local Economy**

The Dallas Metropolitan area is headquarters for many Fortune 500 companies representing a diversified economy which includes technology, retail, manufacturing, and services. The area also reflects art, fashion, and entertainment. It is the site of a district Federal Reserve Bank. Together with the Ft. Worth Metropolitan area, Dallas-Ft. Worth (DFW) comprises the nation's fourth largest urban economy. The area enjoys relatively low taxes with no personal or corporate state income tax and maximum state and city sales tax of 8.25%

Compensation costs increased in the DFW metropolitan area according to U.S. Bureau of Labor Statistics. Unemployment rates rose but returned to 8.0% at year-end for the metropolitan area. In response to economic downturn, firms continued wage and hiring freezes or reduced hours and benefits costs. The homebuyer tax credit of 2009 did not stabilize the drop in new home sales. Dallas home prices fell 3.1% from a year earlier, according to S&P/Case-Shiller Home Price Index. Commercial construction remains at very low levels. Expecting financial market conditions to become more supportive of economic growth with subdued inflation, the Federal Open Market Committee has maintained the target range for federal funds rates at 0% to .25%, for the last 12 months.

County business planning continues to address performance and reliability of transportation systems. Significant budgetary challenges are housing needs for the homeless, insurance/hospital options for the unemployed, and inmate housing/care. Budget initiatives reflect renewed urgency to provide for public safety (success with jail certification), transportation funding (cooperative City projects) and inmate health/security (overcrowding). Long term initiatives were only nominally impacted by the current economic downswing and the inconvenience in June of a broken water main adjacent to a key downtown building.

**Long-term Financial Planning** – The County’s Strategic Plan (2007 – 2017) adopted in 2007 outlines planning and documentation of all County issues.

Financial planning is affected by the adopted strategies:

- Development of a proactive public policy agenda that continues to be friendly to businesses and meets the needs of Dallas County stakeholders.
- Maintenance of a strong, seamless infrastructure, including systems, processes, and programs.
- Tracking and marketing Dallas County’s natural resources and assets – locally, regionally, statewide, and nationally.

The County maintains 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 Capital Development Fund (MCDF) 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 three categories of projects: transportation, parks and open space, and buildings. Revenue projections are expected to replenish reserves for future use. In accordance with the Major Capital Plan, a percentage of assessed taxes is devoted to large scale technology projects. The Major Technology Fund receives dedicated property taxes and is used to fund long-term objectives related to computer technology. Funded projects include corporate statewide initiatives to develop technology programs.

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

Risk management and self-insurance with stop loss policies for medical, workers compensation and property continue to be effective. A disastrous flood due to a water main break was expeditiously addressed and resolved with 85% costs covered by insurance. 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.

Major initiatives – County programs were addressed emphasizing public safety and transportation while focusing on minimizing any need for increasing property tax rates, as well as implementing cost reduction measures, and foregoing employee raise for a second straight year. The public safety emphasis includes a project to add an in-house jail medical/mental health facility to the County jails replacing most of the current medical and mental health services, as well as on-going technology enhancement projects for criminal and civil courts. Technology enhancements included expanding scofflaw processing, access management controls, partnering with other Texas entities to build judicial tracking systems and expanding e-commerce options.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dallas County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for

preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last 29 consecutive years (fiscal years ended 1981 through 2009). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

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



Virginia Porter, CPA  
County Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Dallas County  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

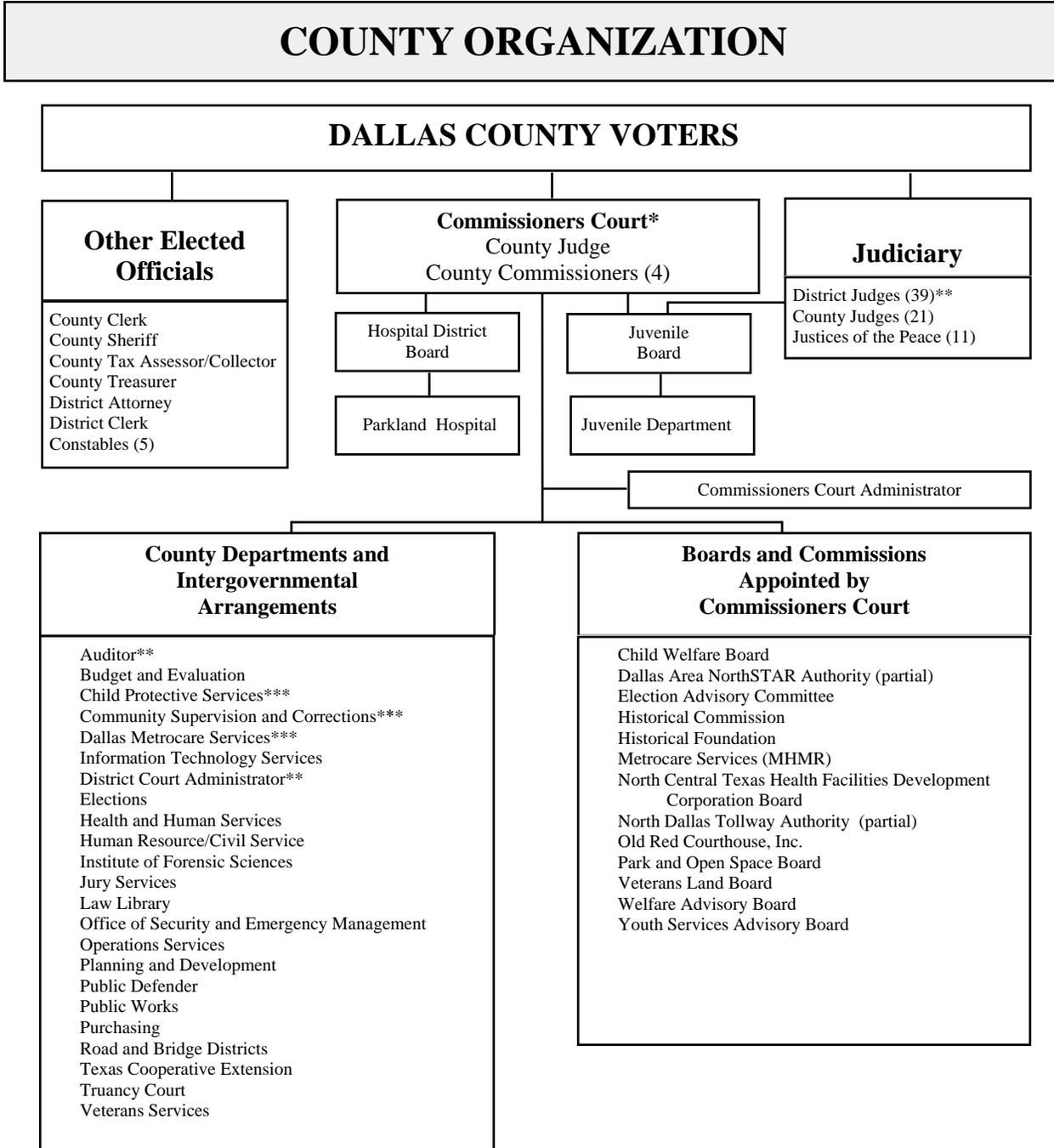
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# COUNTY ORGANIZATION



\* Members of the Commissioners Court serve on the following boards and committees: Texas Jail Standards Commission, Texas Juvenile Probation Commission, Dallas County Juvenile Board, National Association of Counties (NACO), Deferred Compensation Committee, NACO Large Urban Counties Caucus, Texas Conference of Urban Counties Chair, Texas Association of Regional Councils, IH635 Coordination Committee, North Central Texas Council of Governments (NCTCOG) Board, Dallas Regional Mobility Coalition, Public Health Advisory Board, North Texas Commission, DFW Partners in Mobility, Regional Transportation Council, NCTCOG Air Carrier Policy Council, Loop 9 Policy Advisory Group, Texas 21 Statewide Transportation Coalition, Mental Health Task Force, Dallas County DWI Task Force, Community Justice Council, Dallas County Housing Finance Corporation, Dalhoma Trail Advisory Committee, Dallas County Civil Service Commission, and Public Employee Benefit Cooperative Board.

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

**DALLAS COUNTY, TEXAS**

**Principal Officials**

As of September 30, 2010

<b>Official Title</b>	<b>Incumbent</b>
County Judge	Jim Foster (Clay Lewis Jenkins, January 1, 2011)
Commissioner, Precinct 1	Maurine Dickey
Commissioner, Precinct 2	Mike Cantrell
Commissioner, Precinct 3	John Wiley Price
Commissioner, Precinct 4	Kenneth A. Mayfield (Dr. Elba Garcia, January 1, 2011)
County Auditor	Virginia Porter
County Treasurer	Joe Wells
Assessor-Collector of Taxes	John R. Ames
County Clerk	John Warren
District Attorney	Craig Watkins
District Clerk	Gary Fitzsimmons
Sheriff	Lupe Valdez

# **FINANCIAL SECTION**



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

## Independent Auditors' Report

The Honorable County Judge and Commissioner's Court  
Dallas County, Texas:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Dallas County, Texas (the County), as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dallas County Hospital District for the year ended September 30, 2010, which represent all of the assets, net assets, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dallas County Hospital District, are based solely on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Parkland Foundation (a discretely presented component unit of the Dallas County Hospital District) were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditor provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditor, the respective financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Dallas County, Texas as of September 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison schedules, infrastructure assets under modified approach, and schedules of funding progress on pages 11 through 23 and 80 through 91 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements in the supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

KPMG LLP

March 31, 2011

## DALLAS COUNTY, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

This management discussion and analysis (MD&A) of Dallas County (County) financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2010. 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 financial position declined as indicated by the \$5,652 decrease in net assets from the previous year. The total net assets is comprised of:
  - 4.9% - unrestricted net asset funds that may be used to meet on-going obligations to citizens and creditors
  - 11.4% - restricted net asset funds to be used for specified purposes
  - 83.7% - amounts invested in capital assets, net of related debt
- The change in net assets are attributed to:
  - declining property tax revenues and investment earnings
  - increase in long term liabilities due to increased actuarial liability for Other Post Employment Benefits (\$48,000) with an offset of principal payments on debt (\$17,000)
- Unearned taxes based on the 2010 levy embody a 6.6% tax rate increase and a 4.4% decline in the assessed taxable value after qualified exemptions for real and business personal property.
- Other Post Employment Benefits increased with a downgraded discount rate of 2.5% vs 5.0% due to declines in market and unfunded status.

##### Governmental Funds Financial Statements

- The County's governmental funds reported combined fund balances of \$247,596; of which \$181,587 is unreserved fund balances and available to meet the County's current and future needs. Components of unreserved fund balances are:
  - 22.8% - emergency reserves for the general fund
  - 42.9% - major projects reserves
  - 24.4% - special revenue reserves
  - 9.9% - reserves for capital project, debt service and grant funds
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$41,353 or 9.6% of general fund expenditures. This represents a \$5,591 increase compared to the prior fiscal period reflecting reductions in most expenditure categories.
- Tax revenues realized during the period reflect an unchanged tax rate, declining tax value, nominal new construction, and good collection experience.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net assets* presents information on the County's assets and liabilities and its component unit, with the difference between the two reported as *net assets*. Fiduciary assets and liabilities are excluded. Increases or decreases in net assets contrasted with budgetary decisions should serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government, public safety, highways and streets, public welfare, health, judicial, 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 related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintains 27 individual governmental funds (excluding fiduciary funds), 20 special revenue funds, four capital project funds, one debt service fund, one internal service fund and the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, Major Projects Fund, and Major Grant Fund which are classified as major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this Comprehensive Annual Financial Report.

**Proprietary funds.** *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund (a type of proprietary funds) is used to report activities that provide supplies and services for other programs and activities – such as the County’s self-insurance program (including workers compensation) and employee benefits. Because these services predominantly benefit government rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements.

**Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. The County’s fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County’s other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning infrastructure assets reported using the modified approach, pension 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 (the District) is under the direction of a seven-member board of managers who are appointed by the Commissioners Court. Although the Commissioners Court approves the District’s budget, sets its tax rate, and approves major contracts, the District is an organization separate from the County. These factors dictate the inclusion of the District in the County’s financial statements. The District’s financial data is presented separately to emphasize that it is legally separate from the County. The District operates under different statutory and constitutional authority. The District also has a separate constitutional tax limitation, the independent power of eminent domain, and the individual right of ownership of property.

Complete financial statements for the District may be obtained from:

Parkland Health & Hospital System  
5201 Harry Hines Boulevard  
Dallas, Texas 75235  
ATTN: John Dragovits  
Executive Vice President & Chief Financial Officer

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County's net assets at September 30, 2010 and 2009 are summarized as follows:

Dallas County's Net Assets Governmental Activities			
	<u>2010</u>	<u>2009</u>	Increase (Decrease)
Current and other assets	\$ 705,784	\$ 673,126	\$ 32,658
Capital assets (net of depreciation)	<u>512,271</u>	<u>522,827</u>	<u>(10,556)</u>
Total assets	<u><u>1,218,055</u></u>	<u><u>1,195,953</u></u>	<u><u>22,102</u></u>
Current and other liabilities	437,667	437,843	(176)
Long-term liabilities	<u>238,255</u>	<u>210,325</u>	<u>27,930</u>
Total liabilities	<u><u>675,922</u></u>	<u><u>648,168</u></u>	<u><u>27,754</u></u>
Net assets invested in			
capital assets, net of related debt	453,807	455,302	(1,495)
Restricted net assets	61,654	63,686	(2,032)
Unrestricted net assets	<u>26,672</u>	<u>28,797</u>	<u>(2,125)</u>
Total net assets	<u><u>\$ 542,133</u></u>	<u><u>\$ 547,785</u></u>	<u><u>\$ (5,652)</u></u>

The current financial reporting model focusing on net assets serves as a useful indicator of a government's financial position. Net assets are unrestricted, subject to external restrictions as to how they may be used, or are invested in capital assets less any related outstanding debt used to acquire those assets. Total net assets exceeded liabilities by \$542,133 at the close of the most recent fiscal year, representing a 1% decline from the prior year. For governmental activities, a significant percentage of the decrease is due to downgraded discount rate for OPEB. Net expenditures exceeded general revenues reflecting drop from prior year change due to report classification of special funds.

The largest portion of net assets (83.7%) reflects investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related and outstanding debt used to acquire those assets. Current activity for capital assets reflects 1) transfers from construction in progress for major building improvements, 2) purchases of machinery and equipment and 3) sale of an abandoned fully depreciated building. The County uses capital assets 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 and the County's philosophy is "pay-as-you-go", it should be noted that the resources needed to repay any necessary debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets (11.4%) represents resources that are subject to external restrictions on how they may be used. Restrictions on net assets include statutory requirements, bond covenants, and grantor conditions. The remaining balance of *unrestricted net assets* (\$26,672, or 4.9%) may be used to meet the government's on-going obligations to citizens and creditors.

The Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds on page 30 provides further details of the decrease in net assets of \$5,652 as indicated on page 27.

**Governmental activities.** Program revenues and expenses are presented net of inter-fund eliminations. Key elements for the years ended September 30, 2010 and 2009 are as follows:

Dallas County's Changes in Net Assets

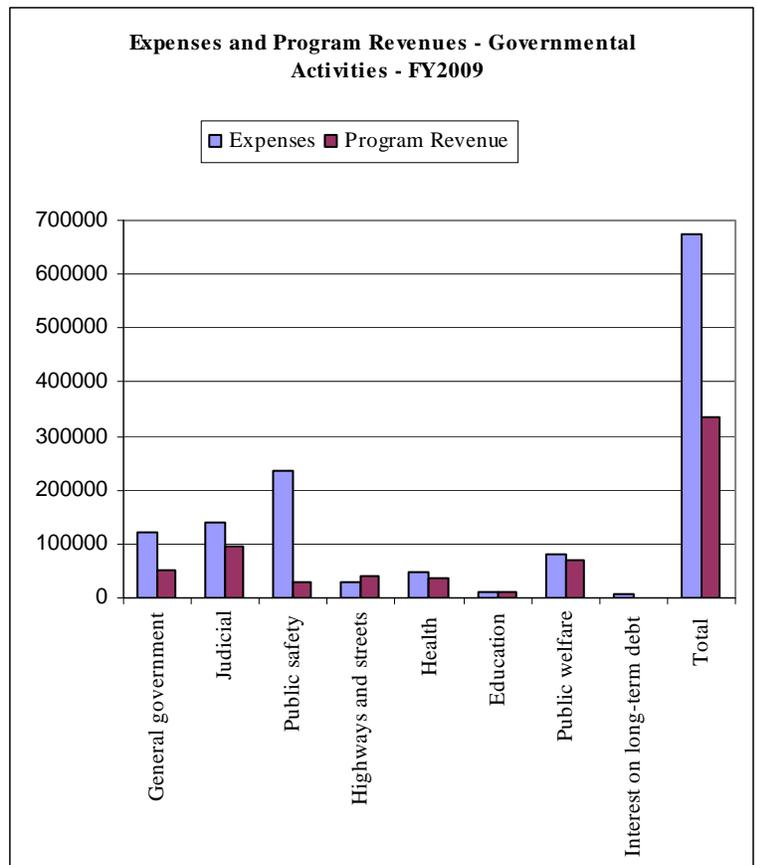
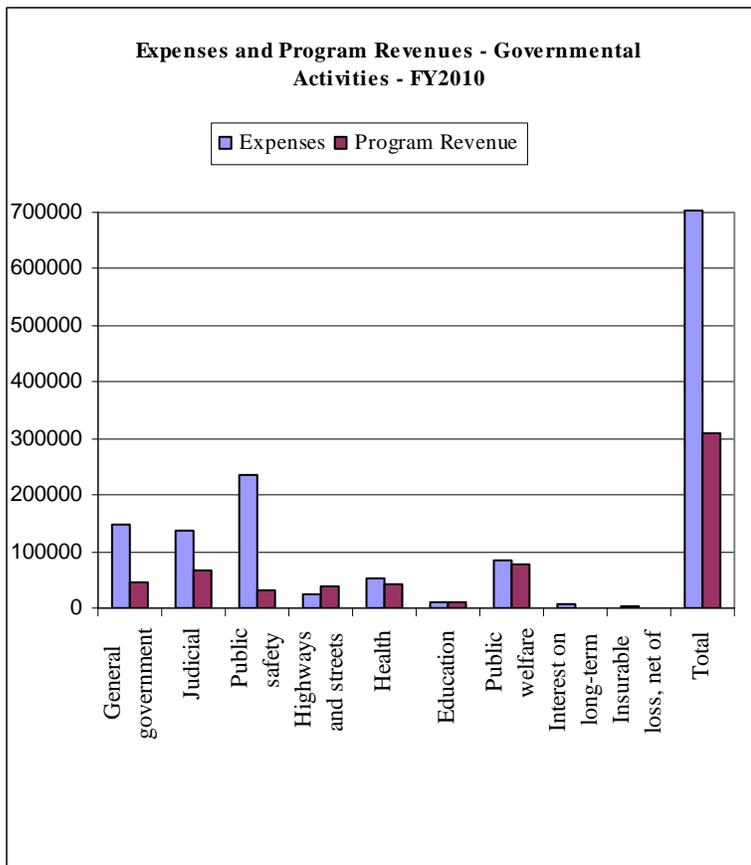
	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Revenues:			
Net program revenues:			
Charges for services	\$ 164,160	\$ 190,023	\$ (25,863)
Operating grants and contributions	143,611	144,655	(1,044)
Capital grants and contributions	515	1,843	(1,328)
General revenues:			
Property taxes	364,868	372,201	(7,333)
Other taxes	11,732	11,742	(10)
Grants and contributions not restricted	5,161	1,750	3,411
Investment earnings	3,521	11,524	(8,003)
Gain of sale capital assets	3,967	-	3,967
Total Revenues	<u>697,535</u>	<u>733,738</u>	<u>(36,203)</u>
Expenses:			
General government	147,707	120,224	27,483
Judicial	136,703	139,852	(3,149)
Public safety	236,728	234,898	1,830
Highways and streets	23,787	30,119	(6,332)
Health	51,033	48,598	2,435
Education	11,104	11,470	(366)
Public welfare	85,635	82,019	3,616
Interest on long-term debt	6,475	6,939	(464)
Insurable loss, net of insurance proceeds of \$ 3,000	4,015	-	4,015
Total Expenses	<u>703,187</u>	<u>674,119</u>	<u>29,068</u>
Change in net assets	(5,652)	59,619	\$ (65,271)
Net assets – beginning	547,785	488,166	59,619
Net assets – ending	<u>\$ 542,133</u>	<u>\$ 547,785</u>	<u>\$ (5,652)</u>

## General Revenues and Program Revenues

General revenues are revenues that 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. Total revenues were \$697,535 compared to \$733,738 for prior fiscal year or 4.9% decrease. General revenues decreased \$7,968 from the prior fiscal period.

- Property taxes decreased by \$7,333 during the year. The change is due to decreased taxable assessed values of 3.4% without an accompanying change in the tax rate.
- Operating grants and contributions for governmental activities reflect decline from previous year closeout of certain escrows and their contributions to special review funds.
- General government expenses increased due to increased actuarial liability for OPEB

The tax rate assessed for January 1, 2010 valuation date increased from 22.81 cents per \$100 (dollar) assessed valuation to 24.31 cents. Tax values for that period declined 4.4%. (Property taxes levied prior to year-end are reflected as unearned revenue and taxes receivable.)



Net functions/programs costs include the revenue generated from a particular service and the costs of the function. For Fiscal Year (FY) 2010, the net (expense) revenue was (\$390,886) compared to (\$337,598) in the prior year.

- Pay plans and salaries were unchanged for all levels and in all functions but the required contribution for the defined benefit plan increased .8% (8.4% to 9.2%).
- Medical claims increased nominally for all coverage types of the County's self-funded program. Plan changes included vacating the remaining third party HMO option. Costs per employee were 3% greater than prior year.
- General government – increased with decline in discount rate for OPEB. Charges for Proprietary Fund services are expensed by the Governmental Funds. To the extent such charges create a profit (loss) this amount is credited (charged) to General Governmental Activities which may impact Governmental Funds in future periods.
- Judicial – decreased case filings in all court types due to economic factors, disbanded traffic program increased public defender program and delayed expenditures for records maintenance programs. A portion of decline is attributed to decline from prior year closeout of certain escrows.
- Public Safety – decreased due to innovative procedural changes for juvenile detention program. Offset by addition of new jail deputies and re-categorization of jail commissary special revenue from judicial.
- Highways and Streets – decreased road work for projects.
- Public welfare – increased with ARRA weatherization grants.
- Insurable loss – incurred restorative costs due to major flooding of key administration building.
- Debt service (principal and interest payments) – continued to decrease consistent with County's "pay-as-you-go" program.

## FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

The County's aggregate governmental funds increased \$31,371 in the current fiscal year to \$247,596. This increase was due to several factors most significantly: cost reduction initiatives for all departments including delays of planned expenditures for major projects and the sale of an abandoned facility. A portion of the aggregate governmental funds is reserved for encumbrances for contracts and purchase orders in the amount of \$61,887.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$41,353 in contrast to \$35,762 in the prior year. Revenue was impeded by lower property tax assessments and declining service fee income. Increased cost reduction initiatives for all departments did contribute to restoring fund balances. As a measure of the General Fund's liquidity, County management compares both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance

represents 9.6% of total fund expenditures, short of the General Fund budgetary target for reserves of 10.5% of expenditures.

The Debt Service Fund balance reflects reserves for short-term debt payments and declining requirements as debt is repaid. Debt retirement is planned for 2025.

The Major Projects Fund reflects a fund balance of \$114,449 compared to \$86,633 in FY2009. Other Financing Sources included profits from sale of an abandoned juvenile facility and insurance proceeds compensating for a disastrous flood to a downtown building totaling \$7,462. Additional funds were reserved for new FY2011 projects. (Jail Medical/Mental Health and a sob-courthouse).

Grant categories with significant changes included awards for air check programs and weatherization, along with decreases in juvenile awards.

Other Non-Major Governmental funds include road bond funds where significant construction, for assets not controlled by the County, was completed in FY2010. These type funds continue to be restricted for statutory purposes. Activity for special funds administered by local officials in accordance to statutes normalized after the FY2009 reclass.

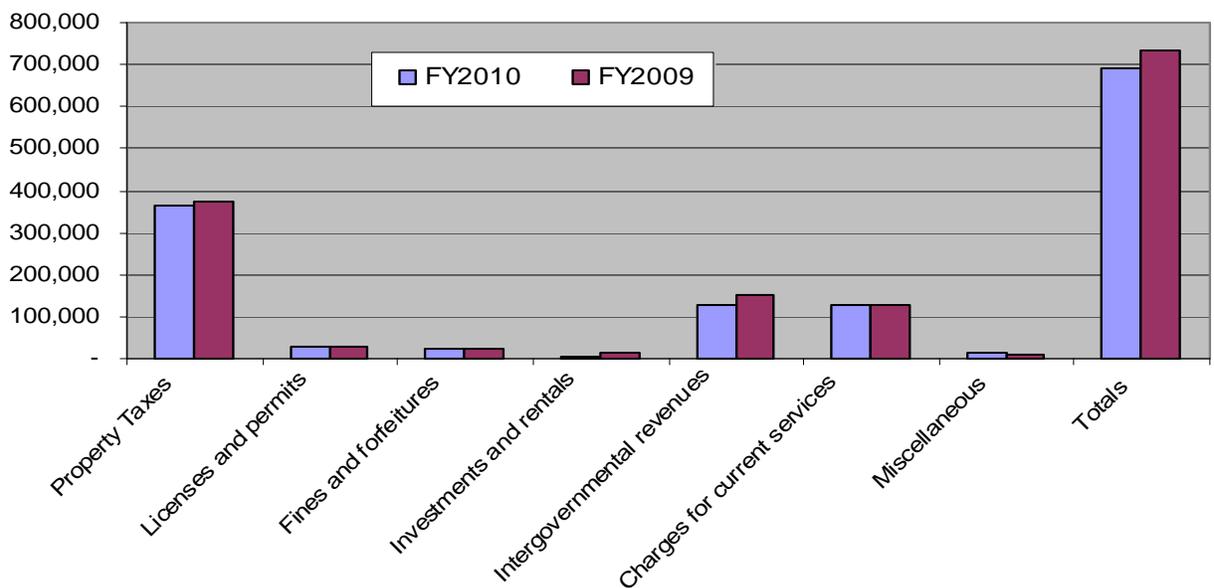
The following table presents the amount of revenues from various sources, as well as increases or decreases from the prior year.

**Governmental Funds – Revenues Classified by Source**

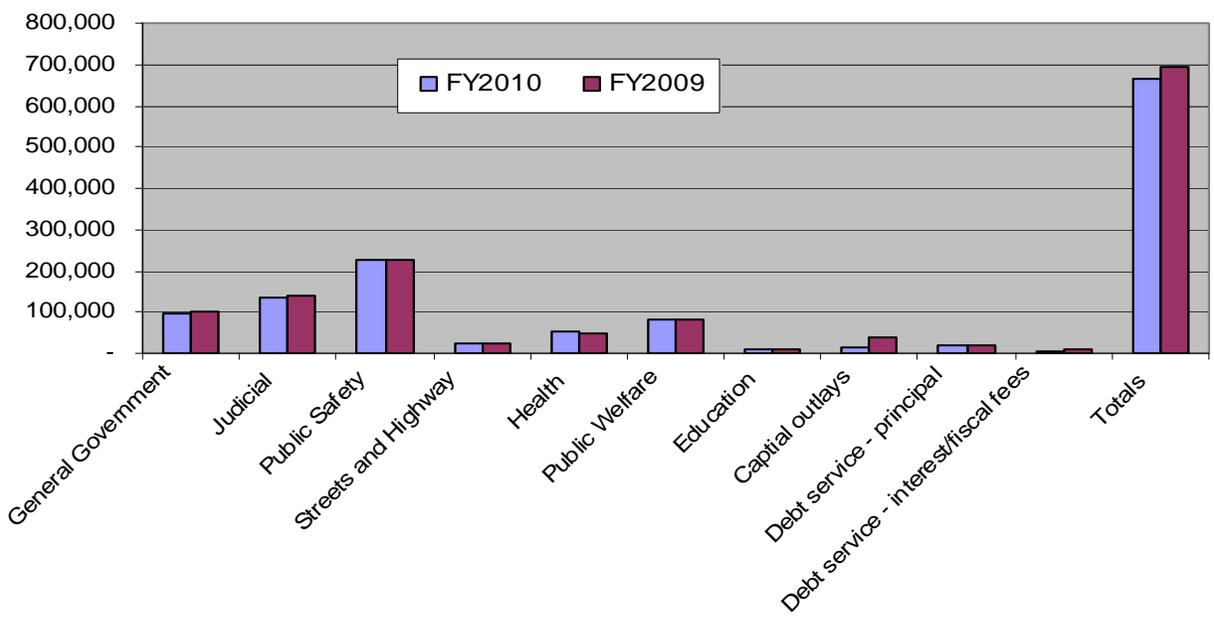
	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
Property taxes	\$ 364,620	\$ 372,285	\$ (7,665)	(2.1%)
Licenses and permits	26,422	29,253	(2,831)	(9.7%)
Fines and forfeitures	21,512	25,280	(3,768)	(14.9%)
Investments and rentals	6,790	15,173	(8,383)	(55.2%)
Intergovernmental revenues	128,861	151,373	(22,512)	(14.9%)
Charges for current services	126,521	128,905	(2,384)	(1.8%)
Miscellaneous	14,603	10,635	3,968	37.3%
Total	<u>\$ 689,329</u>	<u>\$ 732,904</u>	<u>\$ (43,575)</u>	(5.9%)

- Property taxes – decreased by \$7,665 primarily due to a 3.4% decrease in the 2009 assessed taxable values without a tax rate increase. New construction values of \$3,223,943 were flat compared to the previous year.
- Licenses and permits – declined with drop in vehicle sales and associated licensing revenue for second year in a row
- Fines and forfeitures – decreased as a result of declining rates of case disposals and collections. The constable traffic program was disbanded during the third quarter but ticket issuance had declined throughout the year.
- Investments – remained low consistent with low federal rates established in 2008 as longer term investments matured and new investment options remained low.
- Intergovernmental revenues – reflects both an increase with additional State funding for air quality and weatherization and a decline from FY2009 reclassification and the close out of escrow funds
- Charges for current services – decreased due to declines in home financing and in court filings in Civil/Family cases as well as the disbanded traffic program.
- Miscellaneous – increased due to new indirect cost reimbursements for active grants, and additional unclaimed deposits for aged-out property tax refunds.

### Revenues Classified by Source - Government Funds



### Expenditures by Function - Governmental Funds



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

### Expenditures by Function – Governmental Funds

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>	<u>Percent of Change</u>
Function:				
General government	\$ 97,699	\$ 100,561	\$ (2,862)	(2.8%)
Judicial	134,515	137,518	(3,003)	(2.2%)
Public safety	225,898	228,083	(2,185)	(1.0%)
Highways and streets	22,122	23,116	(994)	(4.3%)
Health	51,094	48,711	2,383	4.9%
Public welfare	83,677	79,815	3,862	4.8%
Education	10,981	11,358	(377)	(3.3%)
Capital outlays	15,454	39,660	(24,206)	(61.0%)
Debt service – principal	17,355	19,955	(2,600)	(13.0%)
Debt service – interest	6,625	7,583	(958)	(12.6%)
Total	<u>\$ 665,420</u>	<u>\$ 696,360</u>	<u>\$ (30,940)</u>	(4.4%)

- All functions incurred increases for health insurance costs, and increased contributions for a defined benefit plan while salary levels were unchanged from prior year. The largest increase for health costs was reflected in public safety.
- Budgetary variances (refer to pages 80-84) include encumbered funds for various products or services not yet ordered.
- Judicial – included savings from contracted records management systems.
- Public safety – reflects increase in number of jail deputies and \$500 thousand increase in groceries due to larger prisoner counts offset by a \$4 million reduction in charges for residential placement.
- Highways and streets – decreased as a result of project delays during the year while maintaining satisfactory maintenance levels for roads and bridges.
- Public welfare – expenditures increased for \$7 million in ARRA weatherization grants.
- Capital outlays – decreased significantly pending receipt of sufficient funding to launch 2 major programs (jail medical and government center).
- Debt service – continued to decrease consistent with County’s “pay-as-you-go” program.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The FY2010 legally adopted cash budget was adopted on September 15, 2009 with total General Fund expenditures of \$438,743 (prior to inclusion of prior period carry forwards) a decrease of \$30,245 from projected actual FY2009 expenditures. Valid encumbrances from prior year are added completing the approved budget. The FY2010 legally adopted budget for all funds prior to encumbrance roll over totaled \$871,867.

Highlights from Dallas County FY2010 Budget include the following:

- The County’s property tax rate for valuation date January 1, 2009 was set at 22.81 cents per \$100 (dollar) assessed valuation – equal to the FY2009 tax rate.
- The FY2010 budget process focused on two primary objectives: 1) balancing the budget without increasing the County tax rate; and, 2) ensuring balancing strategies did not impact services provided to customers of Dallas County.
- The FY2010 budget includes the deletion of 61 positions with no additional positions for a net decrease of 61 positions.

DEBT ADMINISTRATION AND CAPITAL ASSETS

**Long-term debt.** At September 30, 2010, the County had unlimited tax and general obligation bonds outstanding in the amount of \$121,838, net of debt premium of \$2,373. According to Texas statutes, the County has two debt limits. Bonds issued under Article 3, Section 52e of the Texas Constitution total \$38,555 and bonds issued under Article 722 of Vernon’s Civil Statutes total \$83,283. The debt limits for the two authorizations are \$44,015,299 (25% of real property assessed valuation) and \$10,237,312 (5% of assessed valuation of all taxable property); therefore, the County has legal debt margins on general obligation debt of \$43,977,733 and \$10,156,167, respectively.

The County’s bond rating is “AAA” from Standard & Poor’s and “Aaa” rating from Moody’s for general obligation debt. These ratings have been upheld since 1978 with the latest evaluation in June 2009.

The following represents the activity of the long-term debt of the County for FY2010.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Bonds and certificates of obligation	\$ 141,850	\$ 134	\$ 17,773	\$ 124,211
Compensated absences	25,643	35,703	34,310	27,036
Other postemployment benefits	36,248	48,000	3,209	81,039
Claims and judgments	3,000	1,612	1,612	3,000
Workers compensation	3,584	2,125	2,740	2,969
Total	<u>\$ 210,325</u>	<u>\$ 87,574</u>	<u>\$ 59,644</u>	<u>\$ 238,255</u>

Legal counsel and subject experts are contracted to review workers compensation claims and other legal matters as needed. The FY2010 claims are for decisions by newly elected officials and adjudged noncompliance with proper notice in not reappointing deputies. Actual workers’ compensation expenditures are declining as a result of cost saving initiatives and as reflected in County management’s historical analysis (dated 2009). The discount rate for calculating OPEB was reduced from 5.0% to 2.5%. More detailed information about the County’s long-term liabilities is presented in Note VI to the financial statements.

**Capital assets.** The capital assets of the County are those assets (land, buildings, improvements, and machinery & equipment (M&E)), which are used in the performance of the County’s functions. Capital assets also include infrastructure assets – roads and bridges. The County owns and maintains the original courthouse constructed in 1892 which has been renovated as a historical treasure. At September 30, 2010, net capital assets of the governmental activities totaled \$512,271, reflecting a net decrease of \$10,556. A building originally valued at \$ 7 million but completely depreciated and idle was sold. Work was completed to restore/update a County building due to flood disaster. Depreciation of capital assets (except for infrastructure assets which are reported under the modified approach basis) is recognized in the government-wide financial statements. FY2010 depreciation for buildings, improvements, and M&E totaled \$22,775. Depreciation is not calculated for the historical treasure, the 1892 Old Red Courthouse, which has a book value of \$32,042.

An annual allocation of the tax rate is reserved for fund expenditures related to major capital and major technology assets. The \$0.045 per \$100 valuation is split between debt service and major capital development fund. Construction or contract development needs are analyzed during the budget cycle and encumbrances/obligations revised.

The County has elected to use the “Modified Approach” as defined in GASB 34 for reporting infrastructure assets which include 133.45 miles of roads, and 36 bridges and culverts. The FY2010 assessment revealed the condition of the roads was maintained consistent with County policy, whereas 91.0% 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 of the County’s bridges are in either very good or good condition as rated 4.0 or better on a 9.0 scale.

The County expended \$1,585 on road maintenance for the year ended September 30, 2010. These expenditures delayed deterioration; however, overall road conditions were not improved. The 36 bridges had ratings that met the County’s planned condition level of very good or good condition. Incurred bridge maintenance costs in FY2010 were \$175. Additional details on infrastructure assets can be found in Required Supplementary Information pages 86 and 87 of this report.

County’s Capital Assets  
(net of depreciation)

	<u>2010</u>	<u>2009</u>
Governmental Activities:		
Land	\$ 26,923	\$ 26,596
Historical treasure	32,042	32,041
Buildings	332,190	336,855
Machinery and Equipment	26,128	32,907
Infrastructure	27,276	27,276
Construction-in-Progress	<u>67,712</u>	<u>67,152</u>
Total	<u>\$ 512,271</u>	<u>\$ 522,827</u>

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

### ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Dallas County 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 FY2011 Budget meets the key established policy directive of the Commissioners Court requiring that the budgeted ending unreserved fund balance be not less than 10.5% of County funded expenditures.

The FY2011 budget process was primarily focused identifying various balancing strategies that impact services provided to customers of Dallas County as minimally as possible.

Highlights from Dallas County FY2011 Budget include the following:

- The tax rate was set at 24.31 cents per \$100 assessed reduction. (A rate of .1 cents less than the effective rate for FY2011.)
- All compensation increases except for promotions remain frozen with mileage allowance for officials decreased 10%.
- A total of 203 positions were deleted with 1 new position added for a net decrease of 202 positions.
- A major traffic program managed by the constable was disbanded, accounting for the deletion of 117 positions as listed above.
- The unallocated reserves balance of \$2.16 million and emergency reserves of \$43.3 million meet key policy targets.

## **REQUEST FOR INFORMATION**

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

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# BASIC FINANCIAL STATEMENTS

## DALLAS COUNTY, TEXAS

### Statement of Net Assets

September 30, 2010

(in thousands of dollars)

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Hospital District</b>
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 260,785	\$ 117,127
Receivables (net of allowance for uncollectibles) and accrued interest	398,980	153,195
Due from other government units	40,647	-
Inventories	1,530	11,885
Prepayments and advances	2,592	-
Deferred charges	1,250	-
Long term investments	-	232,011
Assets limited as to use - investments	-	1,077,120
Other noncurrent assets	-	46,026
Capital assets not being depreciated		
Land	26,923	73,723
Construction-in-progress	67,712	100,636
Infrastructure	27,276	-
Historical treasures	32,042	-
Capital assets (net of accumulated depreciation)		
Buildings	332,190	118,203
Machinery and equipment	26,128	119,153
Total capital assets	512,271	411,715
Total assets	1,218,055	2,049,079
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	43,336	175,290
Accrued interest payable	817	4,880
Other current liabilities	6,095	28,932
Unearned revenue	382,545	-
Due to other government units	4,874	240
Non-current liabilities:		
Due within one year	44,755	-
Due in more than one year	193,500	722,258
Total liabilities	675,922	931,600
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	453,807	387,403
Restricted for:		
Highways and streets	14,540	-
Debt service	2,311	-
Major and HUD Section 8 Grant Funds	10,225	-
Record management and capital projects	34,578	-
Donor imposed stipulations	-	47,057
Unrestricted	26,672	683,019
Total net assets	\$ 542,133	\$ 1,117,479

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, 2010  
(in thousands of dollars)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Hospital District
<b>Primary government:</b>						
<b>Governmental Activities:</b>						
General government	\$ 147,707	\$ 46,405	\$ 819	\$ -	\$ (100,483)	\$ -
Judicial	136,703	50,648	15,259	50	(70,746)	-
Public safety	236,728	21,133	10,935	389	(204,271)	-
Highways and streets	23,787	36,968	-	-	13,181	-
Health	51,033	7,607	33,309	-	(10,117)	-
Education	11,104	-	8,971	-	(2,133)	-
Public welfare	85,635	1,399	74,318	76	(9,842)	-
Interest on long-term debt	6,475	-	-	-	(6,475)	-
Total primary government	<u>\$ 699,172</u>	<u>\$ 164,160</u>	<u>\$ 143,611</u>	<u>\$ 515</u>	<u>\$ (390,886)</u>	<u>\$ -</u>
<b>Component unit:</b>						
<b>Hospital District</b>	<u>\$ 1,551,030</u>	<u>\$ 1,142,796</u>	<u>\$ 19,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (388,508)</u>
<b>General revenues:</b>						
Property taxes					364,868	445,902
Alcoholic beverage and other taxes					11,732	-
Grants and contributions not restricted to specific programs					5,161	19,119
Investment earnings					3,521	71,776
Gain on sale of capital assets					3,967	-
Total general revenue					<u>389,249</u>	<u>536,797</u>
<b>Other expenses:</b>						
Insurable loss, net of insurance proceeds of \$3,000					(4,015)	-
Interest expense					-	(36,094)
Total other expenses					<u>(4,015)</u>	<u>(36,094)</u>
Change in net assets					(5,652)	112,195
<b>Net assets - beginning</b>					<u>547,785</u>	<u>1,005,284</u>
<b>Net assets - ending</b>					<u>\$ 542,133</u>	<u>\$1,117,479</u>

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

**DALLAS COUNTY, TEXAS**

Balance Sheet  
Governmental Funds  
September 30, 2010  
(in thousands of dollars)

	<u>General</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Major Grants</u>	<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 68,464	\$ 3,085	\$ 106,824	\$ 5,040	\$ 76,728	\$ 260,141
Property tax receivables (net of allowance for uncollectibles of \$ 29,709)	286,854	22,403	48,016	-	22,448	379,721
Accounts receivable	9,143	-	1,500	-	8,243	18,886
Accrued interest	135	7	172	8	51	373
Due from other funds	30	-	-	2	-	32
Due from other governmental units	6,737	-	13,003	18,774	2,133	40,647
Inventories	1,361	-	-	-	169	1,530
Prepayments and advances	2,549	-	-	-	43	2,592
Total assets	<u>\$ 375,273</u>	<u>\$ 25,495</u>	<u>\$ 169,515</u>	<u>\$ 23,824</u>	<u>\$ 109,815</u>	<u>\$ 703,922</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities :						
Accounts payable and accrued liabilities	\$ 25,843	\$ -	\$ 3,573	\$ 9,545	\$ 4,375	\$ 43,336
Due to other funds	2,952	-	105	198	409	3,664
Due to other governmental units	1,460	-	1,576	-	1,838	4,874
Deferred and unearned revenue	293,779	22,367	49,812	8,486	30,008	404,452
Total liabilities	<u>324,034</u>	<u>22,367</u>	<u>55,066</u>	<u>18,229</u>	<u>36,630</u>	<u>456,326</u>
Fund balances:						
Reserved for:						
Encumbrances	5,976	-	36,543	13,987	5,381	61,887
Inventories	1,361	-	-	-	169	1,530
Prepayments, advances and change funds	2,549	-	-	-	43	2,592
Unreserved reported in:						
General Fund	41,353	-	-	-	-	41,353
Debt Service Fund	-	3,128	-	-	-	3,128
Major Projects Fund	-	-	77,906	-	-	77,906
Major and HUD Section 8 Grant Funds	-	-	-	(8,392)	4,606	(3,786)
Special Revenue Funds	-	-	-	-	44,354	44,354
Capital Project Funds	-	-	-	-	18,632	18,632
Total fund balances	<u>51,239</u>	<u>3,128</u>	<u>114,449</u>	<u>5,595</u>	<u>73,185</u>	<u>247,596</u>
Total liabilities and fund balances	<u>\$ 375,273</u>	<u>\$ 25,495</u>	<u>\$ 169,515</u>	<u>\$ 23,824</u>	<u>\$ 109,815</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	512,271
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in governmental funds. See page 48.	21,907
Internal service funds are used by management to charge costs related to this fund. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	(3,650)
Certain liabilities, including bonds payable and related interest, are not due and payable in the current period and therefore are not included in governmental funds. See page 48.	(235,991)
Net assets of governmental activities	<u>\$ 542,133</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, 2010

(in thousands of dollars)

	<u>General</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Major Grants</u>	<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Property taxes	\$ 269,641	\$ 23,087	\$ 48,895	\$ -	\$ 22,997	\$ 364,620
Licenses and permits	945	-	-	-	25,477	26,422
Fines and forfeitures	14,199	-	-	-	7,313	21,512
Investment income	2,689	144	474	15	257	3,579
Rental revenues	3,211	-	-	-	-	3,211
Intergovernmental revenues	2,007	-	-	98,856	27,998	128,861
Charges for current services	100,791	1,092	-	-	24,638	126,521
Miscellaneous	13,460	-	-	-	1,143	14,603
Total revenues	<u>406,943</u>	<u>24,323</u>	<u>49,369</u>	<u>98,871</u>	<u>109,823</u>	<u>689,329</u>
<b>EXPENDITURES</b>						
Current:						
General government	74,668	-	-	-	23,031	97,699
Judicial	122,256	-	-	2,908	9,351	134,515
Public safety	215,745	-	-	7,520	2,633	225,898
Highways and streets	-	-	13,140	-	8,982	22,122
Health	18,755	-	-	32,339	-	51,094
Education	-	-	-	10,981	-	10,981
Public welfare	554	-	5,271	50,214	27,638	83,677
Debt service:						
Principal	-	17,355	-	-	-	17,355
Interest	-	6,625	-	-	-	6,625
Capital outlay	-	-	14,094	-	1,360	15,454
Total expenditures	<u>431,978</u>	<u>23,980</u>	<u>32,505</u>	<u>103,962</u>	<u>72,995</u>	<u>665,420</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,035)</u>	<u>343</u>	<u>16,864</u>	<u>(5,091)</u>	<u>36,828</u>	<u>23,909</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	37,215	-	3,711	5,362	1,282	47,570
Transfers (out)	(5,437)	-	(221)	(2,208)	(39,704)	(47,570)
Sale of capital asset	-	-	4,462	-	-	4,462
Insurance proceeds	-	-	3,000	-	-	3,000
Total other financing sources (uses)	<u>31,778</u>	<u>-</u>	<u>10,952</u>	<u>3,154</u>	<u>(38,422)</u>	<u>7,462</u>
Net change in fund balances	6,743	343	27,816	(1,937)	(1,594)	31,371
Fund balances - beginning	44,496	2,785	86,633	7,532	74,779	216,225
Fund balances - ending	<u>\$ 51,239</u>	<u>\$ 3,128</u>	<u>\$ 114,449</u>	<u>\$ 5,595</u>	<u>\$ 73,185</u>	<u>\$ 247,596</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 to the  
Statement of Activities  
For the Year Ended September 30, 2010  
(in thousands of dollars)

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

Net change in fund balances -- total governmental funds (page 29)	\$ 31,371
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 was exceeded by depreciation in the current period. See page - 48 - Notes to the Basic Financial Statements for details.	(10,064)
The net effect of various transactions ( e.g. sale of capital of assets). See page 49 - Notes to the Basic Financial Statements for details.	(491)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. See page 49 - Notes to the Basic Financial Statements for details.	4,240
Some expenses reported in statement of activities are not fund expenditures (e.g. compensated absences which are liabilities not normally liquidated with current financial resources). See page 49 - Notes to the Basic Financial Statements for details.	(46,342)
The issuance of long-term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. See page 49 - Notes to the Basic Financial Statements for details.	17,599
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 page 32 - Statement of Revenues, Expenses and Changes in Fund Net Assets for details.	<u>(1,965)</u>
Change in net assets of governmental activities (page 27)	<u>\$ (5,652)</u>

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

**DALLAS COUNTY, TEXAS**

Statement of Net Assets

Proprietary Fund

September 30, 2010

(in thousands of dollars)

	<b>Governmental Activities - Internal Service Fund</b>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 644
Due from other funds	3,632
Total assets	<u>\$ 4,276</u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Medical claims	\$ 4,957
Workers' compensation claims - current	2,124
Total current liabilities	<u>7,081</u>
<b>Non-Current Liability:</b>	
Workers' compensation claims - non-current	845
Total liabilities	<u>7,926</u>
<b>NET ASSETS</b>	
Unrestricted (deficit)	<u>(3,650)</u>
Total net assets	<u>\$ (3,650)</u>

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

**DALLAS COUNTY, TEXAS**

Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Premiums	\$ 63,799
<b>Operating expenses:</b>	
Benefit payments	62,765
Administration	3,000
<b>Total operating expenses</b>	<u>65,765</u>
<b>Operating profit</b>	(1,966)
<b>Non-operating revenues:</b>	
Interest income	<u>1</u>
<b>Change in net assets</b>	(1,965)
<b>Total net assets (deficit) - beginning</b>	<u>(1,685)</u>
<b>Total net assets (deficit) - ending</b>	<u>\$ (3,650)</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, 2010  
(in thousands of dollars)

	<b>Governmental Activities - Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash for premiums and reimbursements	\$ 62,829
Cash payments for benefit claims	(62,221)
Cash payments for administrative fees	<u>(2,873)</u>
Net cash used by operating activities	<u>(2,265)</u>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>1</u>
Net cash provided by investing activities	<u>1</u>
Net decrease in cash and cash equivalents	(2,264)
Cash and cash equivalents at beginning of year	<u>2,908</u>
Cash and cash equivalents at end of year	<u><u>\$ 644</u></u>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Operating profit	\$ (1,966)
Adjustments to reconcile operating loss to net cash used by operating activities:	
(Increase) in due from other funds	(972)
Increase in liabilities	<u>673</u>
Net cash used by operating activities	<u><u>\$ (2,265)</u></u>

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

**DALLAS COUNTY, TEXAS**  
Statement of Fiduciary Assets and Liabilities  
All Agency Funds  
September 30, 2010  
(in thousands of dollars)

	<u><b>Total</b></u>
<b>Assets:</b>	
Cash and investments	\$ 146,444
Accrued interest	50
Cash and investments held in escrow	<u>9,846</u>
Total assets	<u><u>\$ 156,340</u></u>
<b>Liabilities:</b>	
Due to other governmental units and others	<u>\$ 156,340</u>
Total liabilities	<u><u>\$ 156,340</u></u>

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

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Dallas County (the County) reflected in the accompanying financial statements conform to 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). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board, including those issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

In the current year the County implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* which requires that intangible assets be classified as capital assets (except for those implicitly excluded from the scope of the new standard, such as capital leases). An intangible asset is recognized in the Statement of Net Assets only when identified, internally generated and amortized.

In the current year the County implemented GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Investments* which requires governments to measure most derivative instruments at fair value in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting. Changes in fair value for effective hedges have to be recognized in the reporting period when they occur.

The implementation of these standards did not have any impact on the County's financial statements.

#### A. Reporting Entity

##### *Primary Government*

The County is a public corporation and political subdivision of the State of Texas. The Commissioners Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general government (e.g., tax collection, funds investment), 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 basic financial statements present the government and its discretely presented component unit.

##### *Discretely Presented Component Unit*

The Dallas County Hospital District, dba Parkland Health & Hospital System (the District) is a political subdivision of the state of Texas (State), and is a special taxing district created in 1954 by a vote of the taxpayers of the County in accordance with the provisions of Article 9, Section 4 of the Constitution of the State of Texas. The District is composed of Parkland Memorial Hospital (the Hospital), Parkland Community Health Plan, Inc. (the Health Plan) and the Parkland Foundation (the Foundation). The Hospital is a hospital district, and accordingly, its income is excluded under Section 115 of Internal Revenue Code (the Code), and it is recognized

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

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

as an organization described in Section 501(c)(3) of the Code, and as such, is exempt from federal income taxes. During 2010, all income was related to essential government functions. Both the Hospital and the Foundation have fiscal years ending September 30. The Health Plan's fiscal year ends December 31. All references to annual periods refer to the year ended September 30.

The Hospital operates 673 beds, 65 neonatal beds, numerous outpatient clinics, and an emergency room. The Hospital also operates the Community Oriented Primary Care clinics in the community and on the Hospital campus. Additionally, the Hospital serves as the major teaching hospital for the University of Texas Southwestern Medical School (UTSMS), which is located, adjacent to the Hospital. The Hospital also manages the County's jail health system. The County's jail is the seventh largest jail in the nation with approximately 7,000 inmates. The Hospital provides direct patient care at five facilities and contracts for services at four juvenile facilities. The District is accounted for as a single column business-type entity on an accrual basis of accounting.

The Foundation is a nonprofit corporation organized in Texas in 1985 to support and benefit the Hospital exclusively. It is an organization as described in Section 501(c) (3) of the Code. The majority of the Foundation's Board of Directors is appointed by the District's Board of Managers. The Foundation's mission is to secure substantial financial resources that advance the clinical, educational, and research quests of the Hospital.

The Health Plan is a nonprofit corporation organized in Texas in 1995. 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.

The District is governed by a board appointed by, but not composed of County Commissioners. The Commissioners Court of the County approves the District's tax rate and annual budget; however, 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 County does not hold title to any of the District's assets and does not have any rights to any surpluses of the District. The component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. Complete financial statements for the District may be obtained from:

Parkland Health & Hospital System  
5201 Harry Hines Boulevard  
Dallas, Texas 75235  
Attention: John Dragovits  
Executive Vice President & Chief Financial Officer

### B. Government-wide and fund financial statements

The government-wide financial statements include the statement of net assets and the statement of activities. Government-wide statements report, except for County fiduciary 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 continue 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

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

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

are supported mainly by taxes and intergovernmental revenues. The primary government is reported separately from the component unit within the government-wide statements.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. As an example of direct expenses: 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. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund, Debt Service, Major Projects and Major Grants Funds meet criteria as *major governmental funds*. Each major fund is reported in a separate column in the fund financial statements. Non-major funds include other Special Revenue, HUD-Section 8 grants and Capital Projects. The combined amounts for these funds are reflected in a single column in the fund financial statements.

### 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 and investment earnings.

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. Unearned amounts are reported as deferred and unearned revenue. Except for grants, measurable and available revenues include revenues expected to be received within 60 days after the fiscal year end. Grants policy includes recognition of revenues, so long as such amounts are collectible within 60 days or soon enough afterwards to be used to pay liabilities for the current period and where grant eligibility requirements have been met. Property taxes which were levied prior to September 30, 2010, and became due October 1, 2010 have been assessed to finance the budget of the fiscal year beginning

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

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

October 1, 2010 and, accordingly, have been reflected as deferred revenue and property taxes receivable in the governmental fund financial statements and government-wide statements at September 30, 2010.

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

The County reports the following major governmental funds:

**The General Fund** is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, judicial, public welfare, health services and capital acquisition.

**Debt Service Fund** is used to account for accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenue sources are primarily property taxes levied specifically for debt service and revenues generated by a parking garage. Expansion of this parking garage was financed with debt. Interest earnings from investments of idle funds of the Capital Projects Funds are deposited and recorded in the Debt Service Fund to assist in bonded debt retirement.

**Major Projects Fund** (special revenue fund) is used to account for monies received from property taxes to fund parks, trails, transportation and major County building projects.

**Major Grants Fund** is used to account for programs supported by grants-in-aid from various agencies and/or governmental units except for HUD-Section 8 Grants.

**Non-Major Funds** include special revenue funds (other than major projects) and capital projects funds. The funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes. As an example the Road and Bridge Fund is legally restricted unlike the Major Technology Fund, which is administratively restricted.

Other Fund types include proprietary and fiduciary funds:

**Proprietary Fund** financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position and cash flows. The County's only Proprietary Fund is the Internal Service Fund used to account for the County's group medical insurance program, workers compensation self-insurance program 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.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Police 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.

***Discretely Presented Component Unit***

The District uses the accrual method of accounting whereby revenues are recognized in the accounting period when services are rendered, and expenses are recognized when incurred. The District is considered a governmental organization and is subject to the pronouncements of GASB. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board, including those issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements.

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

**1. Cash, Cash Equivalents and Investments**

***Primary Government***

For the purpose of the Statement of Cash Flows, the County considers cash on hand, demand deposits and all highly liquid investments as cash and cash equivalents. State statutes and the County's official Investment Policy authorize the County to invest in fully collateralized security repurchase agreements, 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, U.S. Treasury securities, direct obligations of, or participation certificates guaranteed by, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal National Mortgage Association, and Federal Home Loan Bank.

***Discretely Presented Component Unit***

The District considers all highly liquid investments with original maturities of less than 90 days at date of purchase to be cash equivalents, exclusive of assets limited as to use. Cash and cash equivalents include demand deposits and investments in the TexPool. Additional cash and cash equivalents are kept in AAA-rated Securities and Exchange Commission-registered money market mutual funds. All District demand deposits are collateralized with securities pledged to the District and held in safekeeping

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

at a third-party bank on behalf of the District's depository institution.

Statutes give the District the authority to invest the funds 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 investment firm, and certificates of deposit guaranteed, insured, or secured by approved obligations and prime domestic bankers' acceptances. Other authorized investments include prime commercial paper; fully collateralized repurchase agreements; Securities and Exchange Commission-registered, no-load money market mutual funds whose assets consist exclusively of approved obligations; and approved local government investment pools. Obligations of the United States government with maturity dates in excess of one year that are not expected to be expended within one year are reported as long-term investments in the accompanying Statement of Net Assets.

*Primary Government and Discretely Presented Component Unit*

Both the County and the District record investments at fair market value in accordance with provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. All investment income is recognized as revenue in the appropriate fund's statement of revenues, expenditures and changes in fund balance. Realized and unrealized gains and losses are included in investment earnings in the Statement of Activities and as investment income in the Statement of Revenues, Expenditures and Changes in Fund Balances. Deposit and investment risk disclosures are in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an Amendment of GASB Statement No. 3*.

2. Receivables and Payables

*Primary Government*

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 full accrual method of accounting. Property tax receivables for the prior year's levy are shown net of an allowance for uncollectible accounts.

Accounts receivables from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed. 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. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred and unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

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

Borrowing between funds is recorded as an amount either “Due To or Due From”. Due to and due from amounts are eliminated in the government-wide financial statements.

**3. Inventories and Prepayments**

*Primary Government*

Various methods are used to cost inventories; however, the majority of inventories are (determined on a first-in, first-out basis) stated at the lower of cost or market. 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 used. In the Special Revenue Funds, inventory items expected to be used within a short period of time, are recorded as expenditures at the time of purchase; other inventory items are expensed when used. Reported inventories are offset by a reservation of fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets. The inventory policy on government-wide statements is consistent with fund statements.

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

*Discretely Presented Component Unit*

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

Costs associated with the issuance of bonds are being amortized over the term of the respective bond issue, using a method which approximates the effective interest method.

**4. Restricted Assets/Funds**

*Primary Government*

The following accounts/net assets are restricted for specific purposes:

- Road and Bridge Fund balance (Highways and Streets – net assets) (amount reserved for future transportation-related expenditures);
- Debt Service Fund balance net of accrued interest (amount reserved for future debt service expenditures);
- Major and HUD Section 8 Grant Fund balances (amounts reserved for future grant expenditures); and,
- Other Non-Major Governmental Fund balances (amounts reserved for other specific purposes).

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Discretely Presented Component Unit*

Upon receipt, the District records contributions, grants, and other revenue restricted by donors for specific purposes to the appropriate restricted net asset. Restricted net assets are generally recognized as additions to the unrestricted net assets only to the extent that qualifying expenditures are incurred. Pledges received with substantial contingencies are not recorded until the contingency has been fulfilled.

5. Assets (Investments) Limited as to Use

*Discretely Presented Component Unit*

Assets limited as to use represent those assets whose use has been legally restricted, including the 2009 Bonds (see note VI). Resources are also set aside for board designated purposes or self-insurance arrangements. Current assets limited as to use represent current liabilities related to capital projects. At September 30, 2010, resources were also set aside for the disproportionate share and upper payment limit programs. The disproportionate share and upper payment limit programs have been created by Texas to provide additional federal matching funds. Under program guidelines, the District may use the funds to benefit the indigent in either current or future periods. The District recognizes all funds received under the disproportionate share and upper payment limit programs as operating revenue in the applicable year, and any amounts relating to that year that are not yet received are included in other receivables. Although District management is not aware of any changes to the disproportionate share and upper payment limit programs, there is no guarantee that such programs will continue and such programs could be discontinued at any time. As of September 30, 2010, receivables of \$31,000 were recorded for the disproportionate share and upper payment limit funds.

6. Capital Assets

*Primary Government*

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 five thousand dollars 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. Donated capital assets are recorded at estimated fair market 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 are not capitalized. Additionally, County capital expenditures include amounts incurred to improve city owned infrastructure assets. Accordingly, these amounts are not capitalized. Capital assets except infrastructure are depreciated using the straight-line method over the following estimated useful lives:

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The 1892 Old Red Courthouse recently renovated is recorded as a Historical Treasure at historical cost but not depreciated. Infrastructure assets (roads and bridges) include assets acquired prior to June 30, 1980 through the current period. The County uses the modified approach to report infrastructure assets in the government-wide statement of net assets. Infrastructure assets are recorded at historical cost but not depreciated. Under the modified approach allowed by GASB Statement No. 34, the County reports annual expenses for maintaining County roads and bridges including estimated costs for preservation at specified levels.

The County evaluates capital assets regularly for impairment under the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. 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. No material impairment charges to capital assets were recorded for the fiscal year ended September 30, 2010.

***Discretely Presented Component Unit***

Capital assets are recorded at cost or, if donated, fair market 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 less than \$5 are expensed. Disposals are removed at carrying cost, less accumulated depreciation, with any resulting gain or loss included in other nonoperating revenue or expense. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets. Estimated useful lives for buildings are 10 to 40 years and for equipment 3 to 20 years.

Capitalized interest is calculated based upon interest expense for the period, less investment income related to long term debt for the same period.

The District evaluates capital assets regularly for impairment under the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. 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. No material impairment charges to capital assets were recorded for the fiscal year ended September 30, 2010.

- 7. Compensated Absences** - A liability for unused vacation and sick time for all full time employees is reported in the government-wide financial statements in accordance with

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

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

GASB Statement No. 16. 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).

In accordance with GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent such liabilities have matured (i.e. are due for payment). Accordingly, there is none in the fund statements as of September 30, 2010 but compensated absences are accrued in the government-wide statements.

#### *Primary Government*

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 four, five or six 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 Grant, Road and Bridge and Major Technology.

#### *Discretely Presented Component Unit*

The District accrues an estimated liability for compensated absences as they are earned by employees based on the District's policy. The District's liability related to compensated absences was \$29,000 as of September 30, 2010 and is recorded in the financial statements in accounts payable and other current liabilities.

### 8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities in the Statement of Net Assets. Bond premiums, discounts, and issuance costs, are deferred and amortized over the term of the bonds. Bonds payable are reported net of unamortized premiums or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

issuances are reported as an other financing source while discounts are reported as an other financing use. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

Long-term obligations, except long-term debt, are liquidated from the General Fund. Long-term debt is liquidated in the Debt Service Fund.

9. Unemployment and Workers' Compensation Benefits

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

10. Net Assets and Fund Balances

*Primary Government and Discretely Presented Component Unit*

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

In the government wide financial statements, restricted net assets are reported for amounts that are externally restricted by 1) creditors (e.g. bond covenants), grantors, contributors, or laws and regulations of other governments or 2) law through constitutional provision or enabling legislation.

*Primary Government*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. These specific purposes include: encumbrances, inventories and prepayments, advances and change funds.

Major Grants Unreserved Fund balance reflects a deficit due to reservation of Fund Balance for encumbrances outstanding as of September 30, 2010.

11. Charges For Services

*Discretely Presented Component Unit*

**Net Patient Services Revenue** - The District has agreements with third-party payers that provide for reimbursement to the District at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the District's established rates for services and the amounts reimbursed by the third-party payers. The District's more significant third-party payers are the Medicare and Medicaid programs, which accounted for gross charges of approximately 15% and 33% in fiscal 2010, respectively. Allowances for uncollectible amounts are estimated using historical experience, current trend and policy information, aged account balances, and a collectibility analysis. Charges for services in the

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

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

accompanying statement of activities, is net of contractual adjustments and bad debt provisions totaling approximately \$2,500,000 for the year ended September 30, 2010.

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, medical education, and bad debts, additional reimbursement is provided based on cost pass-through payments and the cost report.

Cost-reimbursable items are reimbursed to the District at a tentative rate, with final settlement determined after submission of annual cost reports by the District, which are subject to audit by the intermediaries 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. Such adjustments increased net patient services revenue by \$8,000 in fiscal 2010. The District's cost reports have been audited and settled by the fiscal intermediaries through 2006 for Medicare. Medicaid reports have been audited and settled except for the years 2006 and forward. Cost reports for both programs are subject to certain reopenings and appeals as per federal and state regulations.

**Premium Revenue** – 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.

#### 12. Uncompensated Care

##### *Discretely Presented Component Unit*

The District provides services to uninsured patients who qualify for tax-supported care. The program is called Parkland Health*Plus* and is designed for County indigent patients with family incomes up to 200% of the federal poverty level and no third-party coverage, such as Medicaid, Medicare, or commercial insurance. The District recognized ad valorem tax revenues of approximately \$446,000 in 2010, to fund services for qualified patients.

The District 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. Certain 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. Charges for services to these patients were approximately \$301,000 in 2010 and are reflected in the Statement of Activities as charges for services.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

District’s management estimates the cost of uncompensated health care, including charity care, as the excess direct and indirect costs of providing services over the estimated collection amounts. The cost of uncompensated care, including charity care, was approximately \$599,000 during the year ended September 30, 2010. District’s management estimates the cost of charity care as the direct and indirect costs of providing services less the estimated reimbursement from charity programs. The cost of charity care was approximately \$309,000 during the year ended September 30, 2010.

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance for total governmental funds and net assets as reported in the government-wide statement of net assets. One element of that reconciliation explains, “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 –not collected within 60 days of year-end (see page 54)	\$	5,232
Other receivables and accrued interest (see page 54)		<u>16,675</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	\$	<u>21,907</u>

One element of that reconciliation explains, “certain liabilities, including bonds payable and related accrued interest, 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	\$	(121,838)
Less: Deferred charge for issuance costs		1,250
Premium on Bonds Payable		(2,373)
Other postemployment benefits		(81,039)
Accrued interest payable		(817)
Arbitrage rebate accrued		(1,138)
Claims and judgments		(3,000)
Compensated absences		<u>(27,036)</u>
Net adjustment to decrease fund balance – total government funds to arrive at net assets – governmental activities	\$	<u>(235,991)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. Governmental funds report capital expenditures; however, in the statement of activities, the cost of capital assets is allocated over their estimate useful lives and reported as depreciation expense. The detail of this difference is as follows:

Capital expenditures	\$	12,711
Depreciation expense		<u>(22,775)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>(10,064)</u>

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

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

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

Depreciated cost of capital assets sold or disposed	\$ <u>(491)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$ <u><u>(491)</u></u>

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

Deferred and Unearned – Fund Basis	
September 30, 2009	\$ (394,099)
September 30, 2010	404,452
Unearned Revenue – Statement of Net Assets	
September 30, 2009	376,432
September 30, 2010	<u>(382,545)</u>
Net adjustment to increase net changes in fund balances	\$ <u><u>4,240</u></u>

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	\$ (1,393)
Accrued interest	21
Other postemployment benefits	(44,791)
Arbitrage rebate accrued	(45)
Bond accretion	<u>(134)</u>
Net adjustment to decrease net changes in fund balances	\$ <u><u>(46,342)</u></u>

Another element of the reconciliation states, “The issuance of long-term debt (e.g., bonds, tax notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt principal repayment	\$ 17,355
Debt issued or incurred:	
Amortization of issuance costs	(174)
Amortization of premium	418
Net adjustment to increase net changes in fund balances	\$ <u><u>17,599</u></u>

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES**

***Primary Government***

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

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

The County's investments other than certificates of deposit are comprised of Federal National Mortgage Association notes; Federal Home Loan Bank notes; Government National Mortgage Association notes; Federal Home Loan Mortgage Corporation notes, Security Repurchase Agreements, Depository Interest Account and Tex Pool deposits.

**Deposits**

At September 30, 2010, the carrying amount of the County's demand deposits and investments was as follows:

	<b>Governmental Funds</b>	<b>Proprietary Fund</b>	<b>Total</b>	<b>Fiduciary Funds</b>	<b>Total</b>
Cash (a)	\$ 7,385	\$ 19	\$ 7,404	\$ 21,119	\$ 28,523
Investments and cash equivalents (a)	<u>252,756</u>	<u>625</u>	<u>253,381</u>	<u>125,325</u>	<u>378,706</u>
Total cash, cash equivalents and investments	<u>\$ 260,141</u>	<u>\$ 644</u>	<u>\$ 260,785</u>	<u>\$ 146,444</u>	<u>\$ 407,229</u>

(a) *The County pools cash, investments and cash equivalents of certain Governmental and Fiduciary Funds and the Proprietary Fund. Invested funds include available float due to outstanding checks.*

**Custodial Credit Risk – Deposits**

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

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

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

**Investments**

At September 30, 2010, the County's investment balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Investments</u>	<u>Weighted Average Days to Maturity</u>	<u>Weighted Average Stated Interest Rate</u>	<u>Rating</u>
Depository Interest Account	\$ 76,000	20.1%	1	0.50%	Note 1
Federal Home Loan Bank Notes	63,307	16.7%	488	2.28%	Note 2
Government National Mortgage Association Notes	326	0.1%	1,111	5.50%	Note 2
Federal Home Loan Mortgage Corporation Notes	16,637	4.4%	602	2.69%	Note 2
Federal National Mortgage Association Notes	28,136	7.4%	919	3.39%	Note 2
Certificates of deposit	100,100	26.4%	15	0.60%	Note 3
TexPool deposits	57,470	15.2%	1	0.23%	Note 4
Security Repurchase Agreement	36,729	9.7%	1	0.28%	Note 5
	<u>\$ 378,706</u>	<u>100.0%</u>	<u>179</u>	<u>1.07%</u>	

*Note 1: Fully collateralized interest earning account on deposit with the County's depository bank. Terms limit withdrawals to five each month.*

*Note 2: Moody's Investor Services, Standard & Poor's (S&P) AAA, Fitch AAA.*

*Note 3: Certificates of Deposit are secured with Texas municipal bonds (Aa2 to Aaa) and U.S. government guaranteed securities.*

*Note 4: Tex Pool'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. TexPool is rated AAA by S&P.*

*Note 5: Collateralized securities are U.S. government securities.*

**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.

**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 of Texas 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 of Credit Risk**

Permitted investments, other than securities issued by federal or local governments and certificates of deposit, include various concentration limits as to issuer and maturity.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

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

*Discretely Presented Component Unit*

As of September 30, 2010, the District had the following deposits and investments:

<u>Description</u>	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
Bank deposits	\$ 52	
TexPool deposits	53,190	1
Money market fund deposits	76,353	1
Federal National Mortgage Association notes	543,958	992
Federal Home Loan Bank notes	303,392	786
Federal Home Loan Mortgage Corporation notes	278,779	973
Federal Farm Credit Bureau	120,947	991
U.S. treasury notes	10,644	1,180
Subtotal - Hospital	<u>1,387,315</u>	
Cash and cash equivalents <sup>(1)</sup>	6,990	
Investments <sup>(1)</sup>	<u>31,953</u>	
Subtotal - Foundation	<u>38,943</u>	
Total - District	\$ <u>1,426,258</u>	

<sup>(1)</sup>Foundation cash and cash equivalents and investments includes approximately \$6,700 of deposits and investments which are uninsured by FDIC insurance.

**Interest Rate Risk**

The District invests in fixed rate debt securities with approximately one to four year maturities. Interest rate risk is limited by the short-term nature of the investments.

**Credit Risk**

The District has a comprehensive investment policy that is designed to comply with Texas law and the Public Funds Investment Act. The District's investments in U.S. Treasury notes carry the explicit guarantee of the U.S. Government. The debt securities issued by Federal National Mortgage Association, Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation and Federal Farm Credit Bureau are rated AAA 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 demand deposits are collateralized by FDIC insurance, with securities pledged to the District and held in safekeeping at a third party bank on behalf of the District's depository institution.

**Concentration of Credit Risk**

Per the District's investment policy, no more than 40% of the investment portfolio can be invested in any one issuer of U.S. government agencies and government sponsored enterprises, including, but not limited to, FNMA, FHLB, and FHLMC. The largest percentage in any one issuer is in FNMA at 39%.

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

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

#### **Custodial Credit Risk**

Per the District's investment policy, all investments are held in the District's name in safekeeping at the District's depository institution.

### IV. PROPERTY TAXES AND OTHER RECEIVABLES

#### **Primary Government**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied prior to September 30, become due on October 1 and are delinquent after January 31. The County bills and collects its own property taxes and those for the District, Dallas County Community College District, School Equalization Fund, City of Dallas, Downtown Premium and Public Improvement District (PID), Brookfield PID, Town of Addison, City of Balch Springs, City of Carrollton, City of Cedar Hill, Cedar Hill Independent School District (ISD) and County Education District (CED), City of Cockrell Hill, Country Club PID, City of Duncanville, Dallas ISD and CED, Deep Ellum Standard and PID, Duncanville ISD and CED, Fairway Bend PID, City of Farmers Branch, Forum Estates PID, Glendover Estates PID, City of Grand Prairie, Grand Prairie ISD and CED, High Point PID, High Hawk PID, Town of Highland Park, Highland Park ISD and CED, City of Hutchins, Irving Flood Control Districts I and III, Knox St PID, Lake Highlands PID, Lake Parks PID, City of Lancaster, Lancaster ISD and CED, Lone Star Meadows PID, Mills Branch PID, Monterrey Park PID, Oak Hollow / Sheffield Village PID, Parkview PID, Prestonwood Standard and PID, Peninsula PID, Rolling Meadows PID, City of Rowlett, City of Sachse, City of Seagoville, Silverado Springs PID, South Side Standard and PID, Southwest Village PID, Levee District 4 and 14, City of University Park, Uptown Standard and PID, Vickery Premium and PID, Walingford Village PID, Waterford Oaks PID, Westchester PID, and City of Wilmer. The County and District are the only entities controlled by the Commissioners Court. The County collects and distributes property taxes of the other entities as authorized by V.T.C.A., Tax Code §6.24.

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

Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor/Collector's Agency Fund. Tax collections are recorded net of the entities' related collection commission paid to the County in this agency fund according to the levy year for which taxes are collected. Tax collections deposited for the County are distributed on a monthly basis to the following funds (amounts are for each one hundred dollars of valuation): General (\$0.1687), Debt Service (\$0.014362), Major Projects(\$0.030638), and Non-Major Funds - Permanent Improvement (\$0.0018) and Major Technology(\$0.0126). 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.

Property tax receivables are affected by participation in several Tax Increment Finance (TIF) Districts. In the fiscal year ended September 30, 2010, the County either financially participated in or had authorization to participate in 19 TIF districts at various percentage participation levels. The County's participation is determined by the amount of County property taxes levied and collected each tax year on the captured appraised value of real property located in the TIF District less the tax increment base for the year in which the TIF was designated, multiplied by the County's increment

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

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

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 deferred and unearned revenue in connection with receivables that are not considered available to liquidate liabilities of the current period. Under GASB 33, "Accounting and Financial Reporting for Non-exchange Transactions," (GASB 33) property taxes are an imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded when the entity has an enforceable legal claim to the asset or when the entity receives resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date as designated in the enabling legislation. The County has a valid lien on January 1 with property assessed at the tax rate adopted prior to the fiscal year-end. In accordance with GASB 33, the County has recorded property taxes receivable including an amount for deferred and unearned revenue as of September 30, 2010. At the end of the current fiscal year, the various components of deferred and unearned revenue reported in the governmental funds were as follows:

<b><u>Deferred and Unearned Arising From</u></b>	<b><u>General Fund</u></b>	<b><u>Debt Service</u></b>	<b><u>Major Projects</u></b>	<b><u>Major Grants</u></b>	<b><u>Other Non-Major Governmental</u></b>	<b><u>Total</u></b>
Property Taxes	\$ 286,536	\$ 22,367	\$ 47,964	\$ ---	\$ 22,424	\$ 379,291
Other Receivables and Accrued Interest	7,243	---	1,848		7,584	16,675
Unavailable and Unearned	---	---	---	8,486	---	8,486
Deferred and Unearned – Fund Basis	<u>\$ 293,779</u>	<u>\$ 22,367</u>	<u>\$ 49,812</u>	<u>\$ 8,486</u>	<u>\$ 30,008</u>	404,452
Property Taxes(see page 48)						(5,232)
Other Receivables and Accrued Interest(see page 48)						<u>(16,675)</u>
Unearned – Government-wide						<u>\$ 382,545</u>

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 the State of Texas to levy taxes up to \$0.80 per one hundred dollars of assessed valuation for general governmental services and the payment of principal and interest on certain permanent improvement long-term debt. The tax rate adopted September 2009 for fiscal year 2010 was \$0.2281 per one hundred dollars of assessed value.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

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

Receivables as of September 30, 2010 for governmental funds, net of applicable allowances for uncollectible accounts, as required by GASB 34 are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Major Projects</u>	<u>Other Non-Major Governmental</u>	<u>Total</u>
Receivables:					
Property taxes	\$ 308,957	\$ 25,203	\$ 51,232	\$ 24,038	\$ 409,430
Less allowance for uncollectible property taxes	(22,103)	(2,800)	(3,216)	(1,590)	(29,709)
Subtotal	<u>286,854</u>	<u>22,403</u>	<u>48,016</u>	<u>22,448</u>	<u>379,721</u>
Accounts receivable	153,864	---	1,500	272,456	427,820
Less allowance for uncollectible accounts receivable	(144,721)	---	---	(264,213)	(408,934)
Subtotal	<u>9,143</u>	<u>---</u>	<u>1,500</u>	<u>8,243</u>	<u>18,886</u>
Total net receivables	<u>\$ 295,997</u>	<u>\$ 22,403</u>	<u>\$ 49,516</u>	<u>\$ 30,691</u>	<u>\$ 398,607</u>

***Discretely Presented Component Unit***

Receivables as of September 30, 2010:

	<u>Parkland Hospital</u>	<u>Parkland Foundation</u>	<u>Total</u>
<b>Receivables:</b>			
Property taxes	\$ 23,567	\$ -	\$ 23,567
Patient accounts	999,965	-	999,965
Intergovernmental	567	-	567
Other	<u>59,267</u>	<u>1,119</u>	<u>60,386</u>
Gross Receivables	<u>1,083,366</u>	<u>1,119</u>	<u>1,084,485</u>
Less allowance for uncollectibles:			
Property taxes	(17,290)	-	(17,290)
Patient accounts	<u>(914,000)</u>	<u>-</u>	<u>(914,000)</u>
Total allowance for uncollectibles	<u>(931,290)</u>	<u>-</u>	<u>(931,290)</u>
Net total receivables	<u>\$ 152,076</u>	<u>\$ 1,119</u>	<u>\$ 153,195</u>

***Discretely Presented Component Unit***

The District received approximately 26% of its total revenues in 2010 from property taxes. All of these funds were used to support operations. The District paid the County a nominal percentage based fee for collecting its property taxes. Current taxes are collected beginning in October of each year and become delinquent after January 31. Property tax revenue is recognized in the year for which taxes are levied.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**V. CAPITAL ASSETS**

*Primary Government*

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

A summary of changes in capital assets follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 26,596	\$ 590	\$ (263)	\$ 26,923
Construction-in-progress	67,152	1,063	(503)	67,712
Infrastructure	27,276	-	-	27,276
Historical treasures	32,041	1	-	32,042
Total capital assets, not being depreciated	153,065	1,654	(766)	153,953
Capital assets, being depreciated:				
Buildings	542,107	6,577	(7,266)	541,418
Machinery and equipment	98,675	4,983	(1,299)	102,359
Total capital assets being depreciated	640,782	11,560	(8,565)	643,777
Less accumulated depreciation for:				
Buildings	(205,252)	(11,242)	7,266	(209,228)
Machinery and equipment	(65,768)	(11,533)	1,070	(76,231)
Total accumulated depreciation	(271,020)	(22,775)	8,336	(285,459)
Total capital assets, being depreciated, net	369,762	(11,215)	(229)	358,318
Governmental activities capital assets, net	\$ 522,827	\$ (9,561)	\$ (995)	\$ 512,271

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

Governmental Activities:	
General government	\$ 11,464
Public safety	5,293
Health	346
Highways and streets	713
Public welfare	2,600
Education	90
Judicial	2,269
Total depreciation expense	\$ 22,775

During fiscal year 2010, a fully depreciated building and land with a value of \$ 7,266 was sold for \$4,462.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**V. CAPITAL ASSETS (Continued)**

***Discretely Presented Component Unit***

Capital assets at September 30, 2010 for the District are summarized as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 44,634	\$ 30,055	\$ (966)	\$ 73,723
Construction-in-progress	57,104	105,294	(61,762)	100,636
Total capital assets, not being depreciated	101,738	135,349	(62,728)	174,359
Capital assets, being depreciated:				
Buildings	394,167	16,863	(3,281)	407,749
Machinery and equipment	320,081	44,946	(1,444)	363,583
Total capital assets being depreciated	714,248	61,809	(4,725)	771,332
Less accumulated depreciation for:				
Buildings	(290,623)	(14,300)	15,377	(289,546)
Machinery and equipment	(194,759)	(39,456)	(10,215)	(244,430)
Total accumulated depreciation	(485,382)	(53,756)	5,162	(533,976)
Total capital assets, being depreciated, net	228,866	8,053	437	237,356
Capital assets, net	\$ 330,604	\$ 143,402	\$ (62,291)	\$ 411,715

Depreciation expense for the District was \$53,756 in fiscal 2010.

**VI. LONG -TERM LIABILITIES**

***Long - Term Debt***

***Primary Government***

The County did not issue long-term debt in the fiscal year ended September 30, 2010. The following are General Obligation, Certificates of Obligation (COs) and Revenue Bonds outstanding at September 30, 2010:

<b>Description</b>	<b>Interest Rates</b>	<b>Year of Issue</b>	<b>Year of Maturity</b>	<b>Original Amount of Debt</b>	<b>Bonds Out- standing</b>
Road Refunding Bonds, Series 2001A:					
Current Interest Bonds	5.00-5.375 %	2001	2021	\$ 73,160	\$ 38,555
Permanent Improvement Refunding Bonds					
Series 2001B	4.50	2001	2012	9,460	3,820
Combination Tax and Parking Garage Revenue					
Certificates of Obligation Series 2004	3.75-5.25	2004	2025	16,145	13,775
Unlimited Tax Refunding Bonds, Series 2005					
Current Interest Bonds	3.50-5.25	2005	2020	21,270	20,510
Capital Appreciation Bonds	3.86-4.05	2005	2012	2,827	3,488
Combination Tax and Parking Garage Revenue					
Certificates of Obligation Series 2006	4.00-5.00	2006	2016	63,220	41,690
Subtotal					121,838
Premium on Debt					2,373
Total					\$124,211

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

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

***Pledged Future Revenues***

The County has pledged future net revenues from certain parking facilities. Pledged net revenues, and cash and investments in the respective sinking fund secure the Combination Tax and Parking Garage Revenue Certificates of Obligation Series 2004. Net revenues were \$919 in fiscal 2010. Principal and interest paid for the current fiscal year was \$480 and \$686, respectively. The outstanding bond principal was \$13,775 as of September 30, 2010. If net revenues and cash and investments in the respective sinking fund are insufficient, the County is obligated to levy taxes to fund net revenue shortfalls.

***Arbitrage Rebate Liabilities***

The Tax Recovery Act of 1986 established regulations for rebate to the federal government of arbitrage earnings on certain local governmental bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due on an annual basis and remit the amount due at least every five years. The County's rebate amount, which is recorded as a liability in governmental activities on the government-wide financial statements, was \$1,138 at September 30, 2010.

***Changes in Long-Term Liabilities***

Long-term liabilities for the year ended September 30, 2010 were as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and COs	\$ 141,850	\$ 134	\$ 17,773	\$ 124,211	\$ 17,553
Other postemployment benefits	36,248	48,000	3,209	81,039	---
Claims and judgments	3,000	1,612	1,612	3,000	1,000
Compensated absences	25,643	35,703	34,310	27,036	24,078
Workers compensation	3,584	2,125	2,740	2,969	2,124
Total	<u>\$ 210,325</u>	<u>\$ 87,574</u>	<u>\$ 59,644</u>	<u>\$ 238,255</u>	<u>\$ 44,755</u>

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

***Capital Appreciation Bonds***

Capital appreciation bonds, which accrue and compound interest from their date of delivery to maturity, consist of Unlimited Tax Refunding Bonds, Series 2005 with an original maturity of \$2,827 and a current maturity of \$3,488. The total amount accreted during the year was \$134.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

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

*Contractual Maturities*

The annual debt service for general obligation, certificates of obligation and revenue bonds follows:

<b>Years Ending September 30</b>	<b>Principal</b>	<b>Interest</b>
2011	\$ 17,553	\$ 5,871
2012	17,640	5,205
2013	14,535	4,317
2014	14,905	3,589
2015	15,265	2,874
2016 – 2020	33,655	6,250
2021 – 2025	8,285	1,121
Subtotal	121,838	29,227
Premium on debt	2,373	---
Total	\$124,211	\$29,227

The Debt Service Fund has \$3,128 available to service the general long-term bond retirement. There are a number of limitations and restrictions contained in the various bond indentures. County management believes that it complies with all significant limitations and restrictions.

*Long – Term Debt*

*Discretely Presented Component Unit*

On September 17, 2009, the District issued three series of District Limited Tax Bonds (the Bonds), with a total principal amount of \$705,000. The Bonds were authorized by an affirmative vote of the County electorate on November 3, 2008, and were issued pursuant to an order by the Commissioners Court. Proceeds of the Bonds will be used to fund the replacement hospital campus pursuant to the District’s master facility plan. The Bonds pay interest on February 15<sup>th</sup> and August 15<sup>th</sup> each year, based upon a 360 day year consisting of twelve 30-day months. Payment of principal and interest on the Bonds is supported by a tax levy initially \$0.02 per \$100 of taxable assessed valuation on the taxable residential real estate, commercial real estate, and business personal property of Dallas County. The Bonds are rated AAA by both Standard & Poor’s and Fitch.

Tax-Exempt Series 2009A Bonds were issued with a total principal amount of \$24,800, bear interest at effective rates ranging from 2.06% to 2.59% (stated fixed interest rates of 3.0% and 5.0%), mature from August 15, 2014 to 2016, and were sold at a premium of \$2,500. The Tax-Exempt Series 2009A Bonds are not subject to redemption prior to maturity.

Taxable Series 2009B Bonds were issued in accordance with provisions of the Build America Bonds program with a total principal amount of \$222,500, bear interest at fixed interest rates (before interest rate subsidy) ranging from 4.948% to 6.171%, mature from August 15, 2020 through August 15, 2034, and were sold at par. Under the provisions of the Build America Bond program’s Direct Payment Method, the Taxable Series 2009B Bonds qualify for interest rate subsidies from the U.S. Treasury of 35% of the interest costs paid on each payment date. The Taxable Series 2009B Bonds are subject to redemption prior to maturity on August 15, 2019 or on any date thereafter, in whole or in part, at the option of the District, at the par amount plus any accrued interest. Prior to August 15, 2019, the Taxable Series 2009B Bonds are subject to “make-whole” redemption, at a

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
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**VI. LONG -TERM LIABILITIES (Continued)**

redemption price which is the greater of (a) the issue price, or (b) the sum of the present value of the remaining scheduled payments of principal and interest to maturity date of the bonds to be redeemed, discounted at the Treasury Rate plus 25 basis points. If the interest rate subsidy from the U.S. Treasury is reduced or eliminated, the Taxable Series 2009B Bonds may be redeemed, at the option of the District, at the Extraordinary redemption price which is the greater of (a) the issue price, or (b) the sum of the present value of the remaining scheduled payments of principal and interest to maturity date of the bonds to be redeemed, discounted at the Treasury Rate plus 100 basis points.

Taxable Series 2009C Bonds were issued in accordance with provisions of the Build America Bonds program with a total principal amount of \$457,700, bear interest at fixed interest rates (before interest rate subsidy) ranging from 4.148% to 5.621%, mature from August 15, 2017 through August 15, 2044, and were sold at par. Under the provisions of the Build America Bond program's Direct Payment Method, the Taxable Series 2009C Bonds qualify for interest rate subsidies from the U.S. Treasury of 35% of the interest costs paid on each payment date. The Taxable Series 2009C Bonds are subject to "make-whole" redemption, at a redemption price which is the greater of (a) the issue price, or (b) the sum of the present value of the remaining scheduled payments of principal and interest to maturity date of the bonds to be redeemed, discounted at the Treasury Rate plus 25 basis points. If the interest rate subsidy from the U.S. Treasury is reduced or eliminated, the Taxable Series 2009C Bonds maybe redeemed, at the option of the District, at the Extraordinary redemption price which us greater of (a) the issue price, or (b) the sum of the present value of the remaining scheduled payments of principal and interest to maturity date of the bonds to be redeemed, discounted at the Treasury Rate plus 100 basis points.

Long-term debt maturities (including mandatory redemptions) and interest payments, net of subsidy at September 30, 2010 are as follows:

<u>Year Ending September 30</u>	<u>Principal Payments and Mandatory Redemptions</u>	<u>Interest Payments, Net of Subsidy</u>
2011	\$ -	\$ 25,743
2012	-	25,743
2013	-	25,743
2014	7,015	25,743
2015	8,230	25,454
2016-2020	70,685	121,398
2021-2025	88,070	108,818
2026-2030	105,600	91,906
2031-2035	127,585	69,490
2036-2040	153,515	43,591
2041-2044	144,300	13,417
Subtotal	705,000	577,046
Bond Premium	2,542	-
Accumulated amortization	(383)	-
Total	\$ 707,159	\$ 577,046

As of September 30, 2010, the aggregate fair market value of the Bonds was approximately \$783,000. The District is subject to federal arbitrage regulations which limit investment yields on bond proceeds.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010
(in thousands of dollars)

VI. LONG -TERM LIABILITIES (Continued)

Long - Term Liabilities

Long-term liabilities at September 30, 2010 includes long – term debt of \$707,159 and other long – term liabilities of \$15,099 for a total of \$722,258.

The District’s ability to issue debt payable from taxes is limited by tax rate limitations imposed by the Texas State Constitution.

The District’s ad valorem tax rate for all purposes cannot exceed \$0.75 per \$100 valuation. The District’s ad valorem tax rate for fiscal year 2010 is well below the limit at \$0.274 per \$100 valuation.

In the 2008 bond election, the District informed the voters that it may issue an additional series of bonds not supported by tax revenues in the estimated amount of \$42,000 for new parking facilities. There exists no commitment by the District to issue such bonds.

Interest costs capitalized during 2010 was \$2,500.

VII. INTERFUND RECEIVABLES AND PAYABLE BALANCES AND TRANSFERS

Primary Government

The composition of interfund balances as of September 30, 2010 is as follows:

Due to/from other funds:

Table with 3 columns: Receivable fund, Payable fund, Amount. Rows include General, Major grants, Internal service, and Total.

The “due to” the General Fund represents a reimbursement from the Appellate Judicial System Fund for judge’s salaries. The “due to” the Internal Service Fund from the General, Major projects, Major grants and Other non-major governmental funds relates to health insurance liability expected to be funded in fiscal year 2011.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**VII. INTERFUND RECEIVABLES AND PAYABLE BALANCES AND TRANSFERS (Continued)**

	<u>Transfer In:</u>				<u>Total</u>
<b>Transfer Out:</b>	<u>General Fund</u>	<u>Major Projects</u>	<u>Major Grants</u>	<u>Non-major governmental funds</u>	<u>Total</u>
General fund	\$ ---	\$ 75	\$ 5,362	\$ ---	\$ 5,437
Major projects	51	---	---	170	221
Major grants	2,208	---	---	---	2,208
Non-major governmental funds	<u>34,956</u>	<u>3,636</u>	<u>---</u>	<u>1,112</u>	<u>39,704</u>
Total	<u>\$ 37,215</u>	<u>\$ 3,711</u>	<u>\$ 5,362</u>	<u>\$ 1,282</u>	<u>\$ 47,570</u>

Transfers from Non-Major Governmental Funds to the General and Major Projects Funds were mainly from the Road and Bridge, Judicial, Local Government and Record Management Funds. Transfers from the Road and Bridge Fund totaled \$28,014 and were primarily from vehicle registration fees, criminal fines, and forfeitures collected by that Fund. Funds transferred were to support traffic and transportation related expenditures. Transfers from the Judicial, Local Government and Record Management Funds totaled \$9,569 for General Fund current expenditures for record management, local government and judicial expenditures approved by the respective official custodian to support certain approved expenditures.

A condition of certain Major Grants requires the County to provide matching funds in order to obtain grant funding. In fiscal 2010, the General Fund provided matching funds aggregating \$5,362. The majority of which was for juvenile grants.

**ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

***Primary Government***

Approximately 42% of the \$43,336 balance in accounts payable and accrued liabilities at September 30, 2010 represents accrued payroll liabilities with the balance being payable to vendors and contractors.

***Discretely Presented Component Unit***

Accounts payable and accrued liabilities in the Statement of Net Assets includes accounts payable and accrued expenses of \$57,502 and \$11,679 for the Hospital and Foundation, respectively, Health Plan reserves for incurred but unreported claims of \$53,158, accrued payroll of \$45,986, employee healthcare liabilities of \$1,345, and other employee benefits of \$5,620.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010  
(in thousands of dollars)**

**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 non-traditional 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 multi-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available online at [www.tcdrs.org](http://www.tcdrs.org) or upon written request from the Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within 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 ten or more years of service, with 30 years of service, regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after combined ten 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 employees accumulated contributions and the employer financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

*Public Agency Retirement Services*

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 administered by Phase II Systems, a California corporation. Employee and County contributions are fixed as a percent of an employee's salary which percentages are 6.2% and 1.3%, respectively. In fiscal 2010, employee and County contributions were \$80 and \$17, respectively. The County Treasurer administers the investment policy for employee and County contributions.

*(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 monthly contributions from both the County and its employees based on the covered payroll of employee members. Regulated by the TCDRS Act, the required 9.4% contribution rate of the County is a fixed percent matched by a 7% contribution rate payable by employee members and adopted by the Commissioners Court.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

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 percent 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 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.

The schedule of funding progress, presented as Required Supplementary Information (see page 90) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Plan asset values negatively affected by market conditions during fiscal 2010 have increased in value.

**(c) Annual Pension Cost**

For the year ended September 30, 2010, the County's annual pension cost and actual contributions for the TCDRS plan was \$26,990. This excludes contributions for Community Supervision and Corrections Department (CSCD), which is not a department or component unit of the County. Actuarial Valuation Information below includes CSCD. Any experience adjustment, based on the TCDRS actuarial studies, is passed to CSCD based on the associated covered payroll. The annual required contributions actuarially determined as a percent of the covered actuarial payroll of the participating employees for fiscal 2010 complied with GASB Statement No. 27 parameters based on the actual actuarial valuation as of December 31, 2008. An actuarial valuation as of December 31, 2009 will be used to assess the adequacy of future financing arrangements in fiscal 2011.

**Actuarial Valuation Information**

Fiscal year	2008	2009	2010
<b><u>GASB 27 Calculation Information</u></b>			
<sup>3</sup> GASB 27 compliant contribution rate		8.50 %	9.40%
<sup>3</sup> Actuarial assumed investment return rate		9.00%	9.00%
<sup>3</sup> Actuarial amortization factor		7.4559	12.2964
<sup>3</sup> Rate actually used to make contributions		8.50%	9.40%
<b><u>Actuarial Information</u></b>			
Actuarial valuation date	12/31/06	12/31/07	12/31/08
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization cost method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization period	9.9 years	9.2 years	18.4 years
Asset valuation method	<sup>1</sup> SAF: 10 years smoothed value <sup>2</sup> ESF: Fund Value	<sup>1</sup> SAF: 10 years smoothed value <sup>2</sup> ESF: Fund value	<sup>1</sup> SAF: 10 years smoothed value <sup>2</sup> ESF: Fund value
Actuarial Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

Fiscal year	2008	2009	2010
<b><u>Schedule of Funding Information</u></b>			
<sup>3</sup> Actuarial valuation date		12/31/07	12/31/08
<sup>3</sup> Actuarial value of assets		861,802	858,899
<sup>3</sup> Actuarial present value of future normal cost contributions		162,763	169,444
<sup>3</sup> Actuarial accrued liability (AAL)		915,680	986,173
<sup>3</sup> Unfunded actuarial accrued Liability (UAAL)		53,878	127,274
Funded ratio	93.75%	94.12%	87.09%
Actuarial covered payroll	\$279,800	\$306,761	\$326,355
UAAL as percent of covered payroll	18.98%	17.56%	39.00%
<b><u>Required employer rates for 2009</u></b>			
<sup>3</sup> Normal cost		6.42%	6.40%
<sup>3</sup> UAAL		<u>2.08%</u>	<u>3.00%</u>
<sup>3</sup> Total required rate		8.50%	9.4%

*Note 1: SAF is defined as "Subdivision Accumulation Fund".*

*Note 2: ESF is defined as "Employee Savings Fund".*

**Annual Pension Cost**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (ARC)</b>	<b>Percentage of ARC Contributed</b>	<b>Net Pension Obligation</b>
September 30, 2008	\$25,630	100%	—
September 30, 2009	25,166	100	—
September 30, 2010	26,990	100	—

***Post Retirement Benefits Other Than Pension (OPEB)***

***OPEB 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. Contribution, adjustment or elimination of the contribution and adjustments to OPEB eligibility are subject to the governing body's annual budgetary discretion. The County allows retirees and dependents to continue health, dental and other insurance benefits upon retirement.

Age-adjusted premium amounts are not incorporated with the policy, except after the age of 65. Medicare instead of County program is mandatory if the retiree is Medicare eligible. All retirement credits must be earned within the County for insurance eligibility. Retiree plan participants who opt for other than basic or enhanced coverage must contribute 100% of the costs.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

**Funding Policy**

The County is not required by Texas law or contractual agreement to provide funding for OPEB other than the pay-as-you-go amount necessary to provide current budget year benefits to retirees and eligible beneficiaries and their dependents. Contribution, adjustment or elimination of the contribution and adjustments to eligibility are subject to the governing body's annual budgetary discretion. For the year ended September 30, 2010, the County paid \$6,218 for OPEB payments by the Plan, consisting of both County and retiree contributions. Retiree Plan members receiving benefits contributed \$3,009 or approximately 48.4% of total cost through their required contributions.

The schedule of funding progress, presented as Required Supplementary Information (see page 90) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of OPEB assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Annual OPEB Cost and Net OPEB Obligation**

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount that was actuarially determined by using the Projected Unit Credit method. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This allocation is performed for the group as a whole.

The Projected Unit Credit method allocates costs from date of hire to expected retirement date based on experience by aging active claims to retirement. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. Under this method, actuarial gain or losses, as they occur, reduce or increase future Normal Costs. The following table shows the elements of the County's annual OPEB cost for each of the three fiscal years ending September 30, 2010, the amount actually paid on behalf of the Plan, and changes in the County's net OPEB obligation to the Plan:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Normal cost	\$34,700	\$14,600	\$14,600
Amortization of Unfunded Actuarial Accrued Liability	13,300	6,400	6,400
Interest on net OPEB obligation	900	900	0
Adjustment to annual required contribution	<u>(900)</u>	<u>(900)</u>	<u>0</u>
Annual OPEB expense	48,000	21,000	21,000
Contributions made	<u>(3,209)</u>	<u>(3,050)</u>	<u>(2,702)</u>
Change in net OPEB obligation	44,791	17,950	18,298
Net OPEB obligation – beginning of year	<u>36,248</u>	<u>18,298</u>	<u>0</u>
Net OPEB obligation – end of year	<u>\$81,039</u>	<u>\$36,248</u>	<u>\$18,298</u>

The County decided against funding any Unfunded Actuarial Accrued Liability (UAAL) at transition and will amortize it over the maximum period of thirty years, open basis, as allowed under GASB 45.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three fiscal years ended September 30, 2010 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2008	21,000	12.9	\$18,298
September 30, 2009	21,000	14.5	36,248
September 30, 2010	48,000	6.68	81,039

**Funding Status and Funding Progress.**

The most recent actuarial valuation (dated October 1, 2009) includes actuarial accrued liability of \$370,000 and actuarial value of assets of \$0, resulting in an unfunded actuarial balance. There are no Plan assets because the County funds on a pay-as-you-go basis. The covered payroll (annual payroll of active employees covered by the Plan) was \$286,081 and the ratio of the UAAL to the covered payroll was 129.3%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The discount rate for the most recent actuarial valuation is 2.5% reduced from 5.0%. Examples of other estimates include assumptions about future employment mortality and the health care cost trends.

The schedule of funding progress, presented as Required Supplementary Information (see page 90) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of OPEB assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>(AAL) Entry Age (b)</u>	<u>(UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percent age of Payroll (b-a)/c</u>
2008	October 1, 2007	---	\$165,000	(\$165,000)	0.00%	\$288,600	(57.2)
2009	October 1, 2007	---	165,000	(165,000)	0.00%	288,654	(57.2)
2010	October 1, 2009	---	370,000	(370,000)	0.00%	286,081	(129.3)

**Actuarial Methods and Assumptions.**

Projections of benefits for financial reporting purposes are based on the substantive plan include actuarial valuations as classified by the Texas County and District Retirement System (TCDRS); the types of benefits provided at the time of each valuation; and the historical pattern of benefit costs between the employer and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. The demographic assumptions requiring approval were accepted by the County's finance leaders.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

VIII. RETIREMENT COMMITMENTS (Continued)

Summary information as of the October 1, 2009 actuarial valuation follows:

Actuarial valuation data	October 1, 2009
Actuarial cost method	Projected Unit Cost
Amortization period	30 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return	2.5% compounded annually
Inflation rate	2.5
Projected salary increases	2.0
Increases in postretirement health care costs	8% initial; 5% ultimate
Participant data	
Active	
- Number	5,487
- Average age	42.9
- Average past service	8.7
- Average future service to expected retirement	12.2
Retired participants and surviving spouses	
- Number	493
- Average age	67.9
Dependents	
- Number	176
- Average age	65.0

*Discretely Presented Component Unit*

*Defined Benefit Plan*

The District maintains the Dallas County Hospital District Retirement Income Plan, a single-employer, defined benefit pension plan (the Plan), which covers substantially all of its full-time employees. The Plan is administered by the Board of Managers of the District (the Board). Plan provisions and contribution requirements are established and may be amended by the Board.

The annual payroll for employees covered by the Plan for the year ended December 31, 2009, which is included in the actuarial valuation as of January 1, 2010, was approximately \$435,000. For the year ended September 30, 2010, the District's total payroll was approximately \$561,000.

Employees are required to contribute 4.5% of their annual salary to the Plan. The District is required by the Plan to contribute the remaining amounts necessary to fund the Plan using actuarial methods. Employees attaining the age of 65 who have completed five or more years of service are entitled to annual benefits of 1.25% of their final average annual earnings for each year of service prior to 1982 plus 2.5% of their final average earnings for each year of service after 1981 up to a maximum of 60% of final average earnings, subject to Internal Revenue Service limitations. The Plan permits early retirement, for which the participant is eligible for a reduced benefit at age 55, provided the employee has completed five years of service.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

Effective July 1, 2010, the Plan was amended to assure parity with Social Security benefits for some participants. The greater of the above described “normal” benefit accrual rates or the alternative rates will apply: 4% of the Participant’s final average earnings up to \$10 multiplied by his years of service (capped at 25 years) plus 2% of that portion of the final average earnings, if any, which is between \$10 and \$30, multiplied by his years of service (capped at 25 years). For calendar years following 2010, the breakpoint values of \$10 and \$30 will be indexed to the Social Security Taxable Wage Base.

If an employee terminates his or her employment with the District prior to the completion of five years of service, the employee is entitled to a refund of his or her contribution. After five years of service, the employee, upon termination, is entitled to the pension accrued to the date of termination, payable commencing at his or her normal retirement date or at the age of 55 upon early retirement. Actual benefits to be paid, however, may vary depending on, among other things, actual retirement date, form of payment elected and certain limitations as described in the Plan document.

The District’s funding policy is to make periodic actuarially determined employer contributions in amounts designed to accumulate sufficient assets to pay benefits when due. The projected unit credit method is used to determine both the funding and the pension benefit obligation.

Significant actuarial assumptions used include: a) a rate of return on the investment of present and future assets of 8.25% per year, compounded annually; b) projected salary increases of 4%; c) inflation of 4.25% and d) the assumption that benefits will not increase after retirement. The amortization method used is the level percentage of projected open payroll over a period of 30 years.

The actuarial value of assets is equal to a five-year rolling phase-in of the excess of actual investment income over expected investment income, based on the market value.

The District’s annual pension cost and net pension asset related to the Plan for the year ended September 30, 2010, were as follows:

Annual required contribution	\$(16,564)
Interest on net pension asset	1,607
Adjustment to annual required contribution	<u>(1,184)</u>
Annual pension cost	(16,141)
Contributions	<u>16,776</u>
Increase in net pension asset	635
Net pension asset - beginning of year	<u>19,061</u>
Net pension asset - end of year	<u>\$19,696</u>

The Annual Pension Costs related to the Plan are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
September 30, 2008	\$ 11,197	100 %	\$ 18,656
September 30, 2009	11,228	104	19,061
September 30, 2010	16,141	104	19,696

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

During the year ended September 30, 2010, \$23,200 of employee contributions were made in accordance with the established contribution requirements described above. The District contributed approximately \$16,800 to the Plan during the year ended September 30, 2010, in accordance with contribution requirements determined by the January 1, 2010, actuarial valuation. Three- year historical trend information presenting the progress in accumulating sufficient assets to pay benefits when due is presented as Required Supplementary Information (see page 91) following the notes to the basic financial statements based on the Plan's year-end of December 31.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. This report may be obtained by writing to the District's accounting office. At January 1, 2010, 2009, and 2008, the actuarial value of assets was sufficient to fund 86.5%, 81.5%, and 93.9%, respectively, of the actuarial accrued liability. The unfunded liability as a percentage of the annual payroll for employees covered as of January 1, 2010, 2009, and 2008 was 15.9%, 21.6%, and 7.1%, respectively.

***Defined Contribution Plan***

The District also maintains a voluntary defined contribution plan covering all employees with at least one year of service. The defined contribution plan is administered by the Board. The Defined Plan provisions and contribution requirements are established and may be amended by the Board. The payroll for employees covered by the Defined Contribution Plan for the year ended September 30, 2010, was approximately \$502,000. The District's total payroll was approximately \$561,000. Eligible employees can choose to contribute from 2% to 20% of their base salaries. The District will match employees' contributions 100%, up to 6% of their base salaries. Employees are fully vested at all times in their voluntary contributions plus earnings thereon. Vesting in the District's matching contributions is based on years of service. After one year of service, employees vest at the rate of 20% per year for five years. Should an employee terminate prior to vesting completely in the District's contributions, the unvested portion can be used to reduce the District's matching contributions in the aggregate in the following year.

Contributions for the year ended September 30, 2010 were approximately \$18,100 from the District and \$35,400 from employees, or 7.1% of covered payroll. The required contribution by the District for 2010 has been reduced by \$100 representing forfeitures of prior District contributions and related investment income for nonvested amounts of employees withdrawing from the Plan upon termination.

***Postretirement Benefits Other Than Pension***

In addition to providing pension benefits, the District provides certain health care benefits for retired employees until age 65 (the OPEB Plan). Effective October 1, 2007, the District adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The effect of adoption was to change recognition of postretirement benefit expenses from a cash basis as claims were paid to an accrual basis. As of January 1, 2010, the number of retirees and eligible beneficiaries was 105.

The OPEB Plan is administered by the District Board of Managers (Board). The OPEB Plan provisions and contribution requirements are established and may be amended by the Board. The OPEB Plan does not issue a publicly available financial report.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**VIII. RETIREMENT COMMITMENTS (Continued)**

The District's annual other postemployment benefit (OPEB) cost or expense is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities, or funding excess, over a period not to exceed 30 years. The following table shows the components of the District's OPEB costs for the year ended September 30, 2010, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation to the OPEB Plan.

	2010
Annual required contribution	\$ 3,428
Interest on net OPEB obligation	173
Adjustment to Annual Required Contribution	(139)
Annual OPEB cost	3,462
Contributions	(1,006)
Increase in net OPEB obligation	2,456
Net OPEB obligation - beginning of year	3,457
Net OPEB obligation - end of year	\$ 5,913

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Contributed	Net OPEB Obligation
September 30, 2008	\$ 2,323	28 %	\$ 1,662
September 30, 2009	2,649	32	3,457
September 30, 2010	3,462	29	5,913

As of January 1, 2010, the most recent actuarial valuation date, the OPEB Plan was not prefunded. Contributions made were for current year costs incurred only. As of January 1, 2010, the actuarially accrued liability for benefits was \$25,100, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$25,100. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was \$475,700. The ratio of the unfunded actuarial accrued liability to the covered payroll was 5.3%.

Actuarial valuations of the OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the annual required contributions of the District and the funded status of the OPEB Plan are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future.

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5% investment rate of return. The amortization method used is the level percentage of projected open payroll over a period of 30 years.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

IX. LEASES

*Primary Government*

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

<u>Years Ending September 30,</u>	<u>Amount</u>
2011	\$ 1,170
2012	845
2013	551
2014	399
2015-2020	<u>837</u>
Total	<u>\$ 3,802</u>

Rental expense for fiscal 2010, for all County operating leases was approximately \$2,345 including \$110 for lease pass-through expenses such as common area maintenance.

*Discretely Presented Component Unit*

The District leases facilities under operating leases that expire over periods of up to six years. Renewal and purchase options are available on certain of these leases. At September 30, 2010, future minimum rental payments applicable to the operating leases are as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2011	\$ 3,778
2012	3,198
2013	1,653
2014	1,511
2015	1,020
2016	<u>152</u>
Total	<u>\$ 11,312</u>

Rental expense for all operating leases was approximately \$4,000 for the year ended September 30, 2010.

The District is also a lessor primarily of land and parking space under operating leases. Renewal options are available on certain of these leases. The land and the parking space are carried at a cost of \$1,400 and \$8,900 respectively. The accumulated depreciation on the parking space is \$8,300 at September 30, 2010.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**IX. LEASES (Continued)**

Minimum future rentals to be received under operating leases at September 30, 2010 are as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2011	\$ 936
2012	785
2013	495
2014	225
2015	225
2016-2020	941
2021-2025	638
2026-2030	638
2031-2035	638
2036-2040	229
2041-2045	229
2046-2050	229
2051-2055	229
2056-2060	229
2061-2065	229
2066-2070	229
2071-2075	229
2076-2080	229
2081-2085	229
2086-2087	91
Total	<u>\$ 7,902</u>

**X. RISK MANAGEMENT**

***Primary Government***

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

The County purchased third-party vehicle insurance for Auto Theft Task Force grants. Specific property insurance is purchased to mitigate certain risks. Property insurance limits include buildings at \$1,000; boiler and machinery; data, election and radio equipment and builders risk for certain construction projects. Current premium reflects a rate of \$0.29 cents per one thousand dollars of insurance.

The County's workers' compensation self-insurance program provides medical and indemnity payments as required by law for on-the-job related injuries. A fiscal 2010 internal analysis of historical data, trends and policies supports a downward change of its estimated liability. 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.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**X. RISK MANAGEMENT (Continued)**

The Internal Service Fund was also established to account for the County’s group medical insurance program. The County self-insures benefits through this fund utilizing its third-party benefit administrator, as well as through a third-party HMO carrier. 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 and aggregating specific deductible of \$242 for the fiscal year ended September 30, 2010.

Changes in the medical and workers’ compensation claims liability amounts in fiscal years 2009 and 2010 follow:

	<b>Beginning Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Ending Liability</b>
2009 Medical	\$4,277	\$57,035	\$57,643	\$3,669
2010 Medical	3,669	64,860	63,572	4,957
2009 Workers’ Compensation	7,935	(1,436)	2,915	3,584
2010 Workers’ Compensation	3,584	2,125	2,740	2,969

***Discretely Presented Component Unit***

The liabilities described below as of September 30, 2010 are based on requirements that a liability for claims be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These liabilities include estimates for both reported claims and incurred but not reported claims. As a result of settled claims, the frequency of new claims and other economic and social factors, claims liabilities are reevaluated periodically.

Hospital Professional and General Liability – The District is involved in certain legal actions and claims arising in the ordinary course of operations. The District records estimated self-insurance costs for medical malpractice and general liabilities as other current and long-term liabilities. The amounts provided for funding and the estimated liability are based on settlement of claims limited to \$100 per claim and \$300 per occurrence in accordance with the limited liability provisions of the Texas Tort Claim Act. The funding is using an actuarially determined 3% discount rate.

Employee Health Care Benefit Liability – The District manages a self-insurance program that provides for the payment of employee health claims. The District records estimated self-insurance costs for health claims as current liabilities. The 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

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**XI. RISK MANAGEMENT (Continued)**

third-party administrator acting on behalf of the District. The administrative contract between the District and the third-party administrator is renewable annually, and administrative fees are included in the contractual provisions. The reserves for this liability are included in accounts payable and other current liabilities in the Statement of Net Assets.

Workers' Compensation Liability – The District maintains a self-insurance plan for workers' compensation benefits, managed by a third-party administrator. The District records estimated self-insurance costs for workers' compensation as current liabilities. The amount provided for the estimated liability is based on settlement of claims. The funding is using an actuarially determined 3% discount rate. These reserves are included in accounts payable and other current liabilities in the Statement of Net Assets.

Health Plan Reserves for Incurred but Unreported Claims – The Health Plan provides reserves for estimated incurred, but unreported and reported, but unpaid physician, hospital, and pharmacy services rendered to members enrolled in the Health Plan during the period. These reserves are estimated by the use of completion factors applied to historical lag patterns and cost trends. Medical cost adjustments to prior-period estimates are reflected in the current period, and changes in these estimate adjustments could be significant. These reserves are included in accounts payable and other current liabilities in the Statement of Net Assets.

Changes in the hospital professional liability and general liability, employee health care benefit liability, workers' compensation liability, and Health Plan reserves for incurred but unreported claims liability, amounts in fiscal 2009 and 2010 were as follows:

	<u>Beginning Liability</u>	<u>Current Year Estimates of Claims</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
Hospital professional and general liability:				
2009	\$ 4,194	\$ 1,006	\$ (1,550)	\$ 3,650
2010	3,650	986	(684)	3,952
Employee health care benefit liability:				
2009	4,406	58,349	(60,288)	2,467
2010	2,467	81,692	(82,814)	1,345
Workers' compensation liability:				
2009	4,900	1,027	(1,297)	4,630
2010	4,630	1,690	(1,690)	4,630
Health Plan reserves for incurred but unreported claims liability:				
2009	40,837	344,257	(339,302)	45,792
2010	45,792	400,872	(393,506)	53,158

**XI. COMMITMENTS AND CONTINGENCIES**

***Primary Government***

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

# DALLAS COUNTY, TEXAS

## Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

### XI. COMMITMENTS AND CONTINGENCIES (Continued)

Several lawsuits that could affect the County's financial position are in various stages of litigation. An estimated liability of \$3,000 has been established in the government-wide Statement of Net Assets to provide coverage for the estimated maximum cost to the County. There are other lawsuits and claims in which the County is involved. Based upon the representations of the District Attorney and legal 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.

#### *Discretely Presented Component Unit*

##### *Litigation*

The District is involved in litigation and compliance investigations arising in the normal course of business or as a result of routine internal compliance reviews conducted by District management.

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes, and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. While no fines, penalties or claims for repayment have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. District management believes that the District has appropriately reserved for any existing or unasserted claims related to such potential regulatory actions and the ultimate outcome will not have a material effect to the Statement of Net Assets or Statement of Activities.

The Patient Protection and Affordable Care Act (PPACA), was signed into law on March 23, 2010. In addition, the Health Care and Education Affordability Reconciliation Act (Reconciliation Act), which contains a number of amendments to PPACA, was signed into law on March 23, 2010. These healthcare bills (collectively, the Reform Legislation) seek to increase the number of the persons with access to health insurance in the United States by requiring substantially all U.S. citizens to maintain medical insurance coverage. The Reform Legislation makes a number of other changes to Medicare and Medicaid, such as reductions to the annual market basket update for federal fiscal years 2010 through 2019, a productivity offset to the market basket update beginning October 1, 2011 and a reduction to the disproportionate share payments. The various provisions in the Reform Legislation that directly or indirectly affect reimbursement are scheduled to take effect over a number of years.

Also included in the Reform Legislation are provisions aimed at reducing fraud, waste, and abuse in the healthcare industry. These provisions allocate significant additional resources to federal enforcement agencies and expand the use of private contractors to recover potentially inappropriate Medicare and Medicaid payments. The Reform Legislation amends several existing federal laws, including the Medicare Anti-Kickback Statute and the False Claims Act, making it easier for government agencies and private plaintiffs to prevail in lawsuits brought against healthcare providers. These amendments also make it easier for potentially serve fines and penalties to be imposed on healthcare providers accused of violating applicable laws and regulations.

DALLAS COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010  
(in thousands of dollars)

**XI. COMMITMENTS AND CONTINGENCIES (Continued)**

District management cannot predict the impact the Reform Legislation may have on the District's financial statements.

As of September 30, 2010, the District had commitments outstanding of approximately \$73,000 related to the construction of the new Hospital campus.

*Affiliation Agreements*

In 2007, the District entered into an Indigent Care Affiliation Agreement with a number of hospital systems in Dallas County (collectively, the Affiliated Hospitals) for the purpose of participation in the Private Hospital Medicaid Supplemental Payment Program authorized by Medicaid State Plan Amendment (Private UPL Program). The District paid \$93,000 during the year ended September 30, 2010 for the Texas Private UPL Program.

Additionally, the District has other contracts with UTSMS, Children's Medical Center of Dallas, and Zale Lipshy University Hospital for certain patient and non-patient services to both provide and receive services.

**XII. NEW ACCOUNTING PRONOUNCEMENTS**

**GASB 54: Fund Balance Reporting and Governmental Fund Type Definitions** – This statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing government fund types. GASB 54 becomes effective for fiscal years beginning after June 15, 2010.

**GASB 57: OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans**– This statement is intended to address issues related to the use of the alternative measurement method and the frequency and timing of measurement by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). This statement amends Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, to permit an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. Consistent with this change to the employer-reporting requirements, this statement also amends a Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, requirement that a defined benefit OPEB plan obtain an actuarial valuation. The amendment permits the requirement to be satisfied for an agent multiple-employer OPEB plan by reporting an aggregation of results of actuarial valuations of the individual-employer OPEB plans or measurements resulting from use of the alternative measurement method for individual-employer OPEB plans that are eligible. The statement becomes effective for fiscal years beginning after June 15, 2011.

**DALLAS COUNTY, TEXAS**

**Notes to the Basic Financial Statements**

**September 30, 2010**  
**(in thousands of dollars)**

**XII. NEW ACCOUNTING PRONOUNCEMENTS (Continued)**

**GASB 59: Financial Instruments Omnibus**– This statement is intended to consider potential revisions to existing standards regarding investment reporting and disclosure requirements that could address significant issues that have been identified in practice. The statement becomes effective for fiscal years beginning after June 15, 2010.

County management has not yet determined the impact on the County's financial statements, which may result from these new accounting pronouncements.

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REQUIRED SUPPLEMENTARY  
INFORMATION  
(UNAUDITED)

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

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 269,280	\$ 269,280	\$ 269,641	\$ 361
Licenses and permits	550	550	945	395
Fines and forfeitures	22,106	22,106	14,199	(7,907)
Investment income	3,000	3,000	2,689	(311)
Rental revenues	3,135	3,135	3,211	76
Intergovernmental revenues	1,764	1,764	2,007	243
Charges for current services	107,731	107,731	100,791	(6,940)
Miscellaneous	8,485	8,485	13,460	4,975
Total revenues	<u>416,051</u>	<u>416,051</u>	<u>406,943</u>	<u>(9,108)</u>
<b>EXPENDITURES:</b>				
General government:				
Salaries	37,012	35,439	35,439	-
Allowances	68	74	74	-
Operating	48,500	48,872	39,016	9,856
Property	173	504	139	365
Total general government	<u>85,753</u>	<u>84,889</u>	<u>74,668</u>	<u>10,221</u>
Judicial:				
Salaries	93,160	97,080	96,910	170
Allowances	60	69	67	2
Operating	24,997	29,274	25,143	4,131
Property	63	194	136	58
Total judicial	<u>118,280</u>	<u>126,617</u>	<u>122,256</u>	<u>4,361</u>
Public Safety:				
Salaries	186,796	196,878	195,671	1,207
Allowances	400	375	374	1
Operating	23,752	25,694	19,643	6,051
Property	59	59	57	2
Total public safety	<u>211,007</u>	<u>223,006</u>	<u>215,745</u>	<u>7,261</u>
Health:				
Salaries	8,818	8,581	8,561	20
Allowances	46	68	68	-
Operating	13,280	13,321	10,126	3,195
Total health	<u>22,144</u>	<u>21,970</u>	<u>18,755</u>	<u>3,215</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 Balance - Budget and Actual  
 For the Year Ended September 30, 2010  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Welfare:				
Salaries	\$ 590	\$ 520	\$ 520	\$ -
Allowances	19	16	16	-
Operating	41	49	18	31
Total public welfare	<u>650</u>	<u>585</u>	<u>554</u>	<u>31</u>
Reserves	<u>46,853</u>	<u>27,545</u>	<u>-</u>	<u>27,545</u>
Total expenditures	<u>484,687</u>	<u>484,612</u>	<u>431,978</u>	<u>52,634</u>
Excess ( deficiency) of revenues over (under) expenditures	<u>(68,636)</u>	<u>(68,561)</u>	<u>(25,035)</u>	<u>43,526</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	29,502	29,502	37,215	7,713
Transfers (out)	<u>(5,362)</u>	<u>(5,437)</u>	<u>(5,437)</u>	<u>-</u>
Total other financing sources (uses)	<u>24,140</u>	<u>24,065</u>	<u>31,778</u>	<u>7,713</u>
Net change in fund balance	(44,496)	(44,496)	6,743	51,239
Fund balance - beginning	<u>44,496</u>	<u>44,496</u>	<u>44,496</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,239</u>	<u>\$ 51,239</u>

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

DALLAS COUNTY, TEXAS  
 Required Supplementary Information  
 Debt Service Fund - County Wide - Fund  
 (Unaudited)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2010  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 24,065	\$ 24,065	\$ 23,087	\$ (978)
Investment income	206	206	144	(62)
Charges for current services	1,200	1,200	1,092	(108)
Total revenues	<u>25,471</u>	<u>25,471</u>	<u>24,323</u>	<u>(1,148)</u>
<b>EXPENDITURES:</b>				
Principal	17,355	17,355	17,355	-
Interest	6,625	6,625	6,625	-
Total expenditures	<u>23,980</u>	<u>23,980</u>	<u>23,980</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,491</u>	<u>1,491</u>	<u>343</u>	<u>(1,148)</u>
Net change in fund balance	1,491	1,491	343	(1,148)
Fund balance - beginning	<u>2,785</u>	<u>2,785</u>	<u>2,785</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,276</u>	<u>\$ 4,276</u>	<u>\$ 3,128</u>	<u>\$ (1,148)</u>

(Continued)

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

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Year Ended September 30, 2010  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 47,422	\$ 47,422	\$ 48,895	\$ 1,473
Investment income	551	551	474	(77)
Total revenues	<u>47,973</u>	<u>47,973</u>	<u>49,369</u>	<u>1,396</u>
<b>EXPENDITURES:</b>				
Highways and streets	41,345	38,343	13,140	25,203
Public welfare	5,341	5,278	5,271	7
Capital outlay	80,810	81,405	14,094	67,311
Total expenditures	<u>127,496</u>	<u>125,026</u>	<u>32,505</u>	<u>92,521</u>
Reserves	14,300	16,969	-	16,969
Total expenditures	<u>141,796</u>	<u>141,995</u>	<u>32,505</u>	<u>109,490</u>
Excess ( deficiency) of revenues over (under) expenditures	<u>(93,823)</u>	<u>(94,022)</u>	<u>16,864</u>	<u>110,886</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,840	7,840	3,711	(4,129)
Transfers (out)	(650)	(451)	(221)	230
Sale of capital asset	-	-	4,462	4,462
Insurance proceeds	-	-	3,000	3,000
Total other financing sources (uses)	<u>7,190</u>	<u>7,389</u>	<u>10,952</u>	<u>3,563</u>
Net change in fund balance	(86,633)	(86,633)	27,816	114,449
Fund balance - beginning	86,633	86,633	86,633	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,449</u>	<u>\$ 114,449</u>

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

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

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 20	\$ 20	\$ 15	\$ (5)
Intergovernmental revenues	117,089	117,089	98,856	(18,233)
Total revenues	<u>117,109</u>	<u>117,109</u>	<u>98,871</u>	<u>(18,238)</u>
<b>EXPENDITURES:</b>				
Judicial	4,035	4,035	2,908	1,127
Public safety	8,227	8,227	7,520	707
Health	39,452	39,452	32,339	7,113
Education	12,253	12,253	10,981	1,272
Public welfare	71,356	71,356	50,214	21,142
Total expenditures	<u>135,323</u>	<u>135,323</u>	<u>103,962</u>	<u>31,361</u>
Excess ( Deficiency) of revenues over (under) expenditures	<u>(18,214)</u>	<u>(18,214)</u>	<u>(5,091)</u>	<u>13,123</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,230	4,230	5,362	1,132
Transfers (out)	-	-	(2,208)	(2,208)
Total other financing sources and (uses)	<u>4,230</u>	<u>4,230</u>	<u>3,154</u>	<u>(1,076)</u>
Net change in fund balance	(13,984)	(13,984)	(1,937)	12,047
Fund balance - beginning	7,532	7,532	7,532	-
Fund balance - ending	<u>\$ (6,452)</u>	<u>\$ (6,452)</u>	<u>\$ 5,595</u>	<u>\$ 12,047</u>

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

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## DALLAS COUNTY, TEXAS

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

September 30, 2010

**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 draw-down of beginning balance only to the extent that such draw-down does not exceed 4% of total General Fund resources. The amounts budgeted in a fiscal year for expenditures in various funds may not exceed the balances in those funds as of the first day of the fiscal year plus any anticipated revenue for the fiscal year as estimated by the County Auditor.

The following are the funds which have legally adopted annual budgets prepared on a basis consistent with GAAP: General Fund, Debt Service Fund and Special Revenue Funds (except for District Attorney funds). A legally adopted budget is not prepared for the Judicial, Technology, Local Government, Local Official, Record Management and Payroll Special Revenue Funds. Project-length financial plans are adopted for Capital Projects Funds. Budget funds are allocated annually for Major Project's funds in accordance to long-term requirements and projections.

Budget laws of the State of Texas provides that “the amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in said funds plus the anticipated revenues for the current year for which the budget is made as estimated by the County Auditor.” In addition, the law provides that the Commissioners Court “may, upon proper application, transfer an existing budget surplus during the year to a budget of like kind and fund but no such transfer shall increase the total budget.”

Each year, all departments submit to the Budget 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.

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 fiscal year 2010 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 budgetary basis is provided in a separate report, which is available for public inspection in the office of the Dallas County Auditor, 509 Main Street, Room 407, and Dallas, Texas 75202-3504.

**DALLAS COUNTY, TEXAS**

**Notes to Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
(Unaudited)**

**September 30, 2010**

**Encumbrances**

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

DALLAS COUNTY, TEXAS  
 Required Supplementary Information  
**Infrastructure Assets Under Modified Approach**  
 September 30, 2010  
 (in thousands of dollars)  
 (Unaudited)

**ROADS**

A federal highway administration pavement condition rating (PCR) was utilized to assess the condition of the 133.45 lane miles of County roads. District 1 does not have any County roads. The County policy is to maintain roads at a minimum of 2.5 on a 4.0 scale. The following conditions were defined and associated to a rating:

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

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

<u>Road and Bridge District</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
District 1	--- %	--- %	--- %	--- %	--- %
District 2	100.0	100.0	100.0	97.5	97.5
District 3	98.0	96.6	95.7	97.9	94.4
District 4	75.0	61.8	66.7	100.0	100.0
Overall System	91.0%	86.1%	87.5%	98.5%	95.0%

**Comparison of Estimated to Actual Maintenance Costs**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Estimated	\$ 929	\$813	\$962	\$962	\$1,026
Actual	1,585	1,821	1,701	1,238	1,149

DALLAS COUNTY, TEXAS  
 Required Supplementary Information  
**Infrastructure Assets Under Modified Approach**  
 September 30, 2010  
 (in thousands of dollars)  
 (Unaudited)

**Bridges**

	<u>Rating</u>	<u>Number</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Very good	6.0 – 9.0	35	97%	97%	97%	92%	93%
Good	4.0 – 5.9	1	3	3	3	8	7
Fair	3.0 – 3.9	---	---	---	---	---	---
Poor	0.0 – 2.9	---	---	---	---	---	---
Total		<u>36</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

The condition of the County’s bridges is determined using the State of Texas Bridge Inventory Inspection System (BRINSAP). A numerical condition range 0.0 (beyond repair) to 9.0 (excellent condition) is used to assess each of seven elements of the structure. These include deck, superstructure, substructure, channel, culvert, approaches, and miscellaneous items.

There is no change in the number of bridges for 2010.

County’s policy is to maintain bridges at the 4.0 – 5.9 level. Consistent with County policy, the above chart shows that 97% of the County’s bridges are in very good condition and the rest are in good condition.

**Comparison of Estimated to Actual Maintenance Costs**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Estimated	\$1,000	\$1,000	\$1,000	\$1,348	\$1,000
Actual	175	106	230	337	202

DALLAS COUNTY, TEXAS  
Required Supplementary Information  
**Primary Government**  
(Unaudited)

Schedule of Funding Progress  
for the Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded OAAL (UAAL) (b-a)	Funded Ratio (a/b)	Actuarial Covered Payroll (c)	UAAL as a Percentage of Actuarial Covered Payroll {((b-a)/c)}
December 31, 2007	\$861,802	\$915,680	\$(53,878)	94.12%	\$306,761	(17.56)%
December 31, 2008	858,899	986,173	(127,274)	87.09	326,355	(39.00)
December 31, 2009	953,736	1,072,039	(118,303)	88.96	318,942	(37.09)

Note (1): The annual required contributions for fiscal 2010 complied with GASB Statement No. 27 parameters based on the actuarial valuation dated December 31, 2008. The actuarial valuation as of December 31, 2009 will be used to assess the adequacy of future financing arrangements in Fiscal 2011. For additional information see Note VIII on page 65.

Note (2): The above information includes actuarial valuation information for CSCD, which is not a department or component unit of the County. Any experience adjustment, based on the TCDRS actuarial studies, is passed to CSCD based on the associated actuarial covered payroll. For additional information see Note VIII on page 65.

Schedule of Funding Progress  
for Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded OAAL (UAAL) (b-a)	Funded Ratio (a/b)	Actuarial Covered Payroll (c)	UAAL as a Percentage of Actuarial Covered Payroll {((b-a)/c)}
October 1, 2007	\$ 0	\$ 165,000	\$ (165,000)	0%	\$ 288,600	(57.2)%
October 1, 2007	0	165,000	(165,000)	0	288,654	(57.2)
October 1, 2009	0	370,000	(370,000)	0	286,081	(129.3)

Note: The above table is for GASB 45 disclosure reporting requirements effective beginning with fiscal year 2008. For additional information see Note VIII on page 67.

DALLAS COUNTY, TEXAS  
Required Supplementary Information  
**Discretely Presented Component Unit**  
(Unaudited)

Three-Year Historical Trend Beginning January 1, 2006  
Schedule of Funding Progress of Defined Benefit Pension Plan  
(in thousands of dollars)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded OAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {((b-a)/c)}
January 1, 2008	\$432,300	\$460,600	\$(28,300)	93.9%	\$400,500	(7.1)%
January 1, 2009	413,100	507,000	(93,900)	81.5	434,400	(21.6)
January 1, 2010	486,400	562,000	(75,600)	86.5	475,700	(15.9)

Schedule of Funding Progress  
for Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded OAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {((b-a)/c)}
January 1, 2008	\$ 0	\$ 18,000	\$ (18,000)	0%	\$ 400,500	(4.5)%
January 1, 2009	0	20,400	(20,400)	0%	434,400	(4.7)
January 1, 2010	0	25,100	(25,100)	0%	475,700	(5.3)

Note: The above table is for GASB 45 disclosure reporting requirements effective beginning with fiscal year 2008. For additional information see Note VIII on page 71.

# SUPPLEMENTARY INFORMATION

DALLAS COUNTY, TEXAS  
NON-MAJOR GOVERNMENT FUNDS

**Special Revenue Funds**

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

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

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

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

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

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

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

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

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

Historical Exhibit Fund 169 - used to account for proceeds from the John F. Kennedy Sixth Floor Exhibit.

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.

Judicial Fund 532 - 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 532 - 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 532 - used to account for a statutory fee and earnings which are restricted for the use of elections, transportation and other projects as defined by statute.

DALLAS COUNTY, TEXAS  
NON-MAJOR GOVERNMENT FUNDS

Local Official Fund 532 - used to account for money and property forfeited in criminal seizures restricted for use by County Sheriff, Constables and Special VIT interest managed by the County Assessor–Collector of Taxes.

Record Management Fund 532 - 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 Projects Funds**

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

Certifications of Obligation Funds 416, 417 and 423 - used to finance certain equipment purchases and capital improvements to County facilities.

Permanent Improvement Bonds Funds 415, 482, 491 and 493 - used to account for proceeds from improvements to various County buildings, in addition to the acquisition and improvement of open-space land.

Road Bond Funds 414, 418, 424, 427, 481, 490, 492 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

Non-major Governmental Funds

September 30, 2010

(in thousands of dollars)

	<b>Special Revenue</b>										
						<u>District Attorney</u>			<u>District Attorney Forfeitures</u>		Historical Commission
		<u>Road and Bridge</u>	<u>Permanent Improvement</u>	<u>Law Library</u>	<u>Major Technology</u>	<u>HIDTA Federal</u>	<u>Special</u>	<u>Federal</u>	<u>State</u>	<u>Other</u>	
<b>ASSETS</b>											
Cash and investments	\$ 16,124	\$ 3,773	\$ 274	\$ 9,727	\$ 256	\$ 45	\$ 933	\$ 1,308	\$ 116	\$ 11	
Receivables:											
Taxes - current	-	3,057	-	20,982	-	-	-	-	-	-	
Less allowance for uncollectible	-	(241)	-	(1,350)	-	-	-	-	-	-	
Net taxes receivable	-	2,816	-	19,632	-	-	-	-	-	-	
Accounts	236,717	-	3,712	-	-	-	-	1	-	-	
Less allowance	(229,340)	-	(3,668)	-	-	-	-	-	-	-	
Accounts receivable	7,377	-	44	-	-	-	-	1	-	-	
Accrued interest	26	6	-	16	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	-	-	-	-	
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	
Inventories	169	-	-	-	-	-	-	-	-	-	
Prepayments and advances	39	-	4	-	-	-	-	-	-	-	
<b>Total assets</b>	<b>\$ 23,735</b>	<b>\$ 6,595</b>	<b>\$ 322</b>	<b>\$ 29,375</b>	<b>\$ 256</b>	<b>\$ 45</b>	<b>\$ 933</b>	<b>\$ 1,309</b>	<b>\$ 116</b>	<b>\$ 11</b>	
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities :											
Accounts payable	\$ 511	\$ 314	\$ 96	\$ 2,856	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Due to other funds	232	28	3	78	-	-	-	-	-	-	
Due to other governmental units	1,790	-	-	-	-	-	-	-	-	-	
Deferred and unearned revenue	6,662	2,814	42	19,612	-	-	-	-	-	-	
<b>Total liabilities</b>	<b>9,195</b>	<b>3,156</b>	<b>141</b>	<b>22,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>FUND BALANCES</b>											
Reserved for encumbrances	526	960	7	1,083	-	-	-	-	-	-	
Reserved for inventories	169	-	-	-	-	-	-	-	-	-	
Reserved for prepayments, advances and change funds	39	-	4	-	-	-	-	-	-	-	
Reserved for HUD Section 8 Grants	-	-	-	-	-	-	-	-	-	-	
Unreserved special revenue funds	13,806	2,479	170	5,746	256	45	933	1,309	116	11	
Unreserved capital project funds	-	-	-	-	-	-	-	-	-	-	
<b>Total fund balances</b>	<b>14,540</b>	<b>3,439</b>	<b>181</b>	<b>6,829</b>	<b>256</b>	<b>45</b>	<b>933</b>	<b>1,309</b>	<b>116</b>	<b>11</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 23,735</b>	<b>\$ 6,595</b>	<b>\$ 322</b>	<b>\$ 29,375</b>	<b>\$ 256</b>	<b>\$ 45</b>	<b>\$ 933</b>	<b>\$ 1,309</b>	<b>\$ 116</b>	<b>\$ 11</b>	

(Continued)

**DALLAS COUNTY, TEXAS**

Combining Balance Sheet

Non-major Governmental Funds

September 30, 2010

(in thousands of dollars)

**Special Revenue**

	<u>Historical Exhibit</u>	<u>Alternative Dispute Resolution</u>	<u>Appellate Justice System</u>	<u>HUD Section 8 Grants</u>	<u>Judicial</u>	<u>Technology</u>	<u>Local Government</u>	<u>Local Official</u>	<u>Record Management</u>	<u>Total</u>
<b>ASSETS</b>										
Cash and investments	\$ 206	\$ 1,394	\$ 554	\$ 4,687	\$ 1,309	\$ 2,864	\$ 3,091	\$ 3,052	\$ 9,285	\$ 59,009
Receivables:										
Taxes - current	-	-	-	-	-	-	-	-	-	24,039
Less allowance for uncollectible	-	-	-	-	-	-	-	-	-	(1,591)
Net taxes receivable	-	-	-	-	-	-	-	-	-	22,448
Accounts	81	3,116	1,130	-	11,376	30	5,947	16	8,825	270,951
Less allowance	-	(3,066)	(1,114)	-	(11,084)	(28)	(5,837)	(13)	(8,558)	(262,708)
Accounts receivable	81	50	16	-	292	2	110	3	267	8,243
Accrued interest	-	2	-	1	-	-	-	-	-	51
Due from other funds	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	193	-	-	-	-	-	193
Inventories	-	-	-	-	-	-	-	-	-	169
Prepayments and advances	-	-	-	-	-	-	-	-	-	43
Total assets	<u>\$ 287</u>	<u>\$ 1,446</u>	<u>\$ 570</u>	<u>\$ 4,881</u>	<u>\$ 1,601</u>	<u>\$ 2,866</u>	<u>\$ 3,201</u>	<u>\$ 3,055</u>	<u>\$ 9,552</u>	<u>\$ 90,156</u>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities :										
Accounts payable	\$ -	\$ 3	\$ 3	\$ 236	\$ 28	\$ -	\$ 15	\$ 98	\$ 207	\$ 4,367
Due to other funds	-	2	30	15	1	-	-	6	14	409
Due to other governmental units	-	-	-	-	-	-	-	-	-	1,790
Deferred and unearned revenue	-	48	15	-	281	1	102	2	263	29,842
Total liabilities	-	53	48	251	310	1	117	106	484	36,408
<b>FUND BALANCES</b>										
Reserved for encumbrances	-	1	-	24	4	-	130	29	1,812	4,576
Reserved for inventories	-	-	-	-	-	-	-	-	-	169
Reserved for prepayments, advances and change funds	-	-	-	-	-	-	-	-	-	43
Reserved for HUD Section 8 Grants	-	-	-	4,606	-	-	-	-	-	4,606
Unreserved special revenue funds	287	1,392	522	-	1,287	2,865	2,954	2,920	7,256	44,354
Unreserved capital project funds	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>287</u>	<u>1,393</u>	<u>522</u>	<u>4,630</u>	<u>1,291</u>	<u>2,865</u>	<u>3,084</u>	<u>2,949</u>	<u>9,068</u>	<u>53,748</u>
Total liabilities and fund balances	<u>\$ 287</u>	<u>\$ 1,446</u>	<u>\$ 570</u>	<u>\$ 4,881</u>	<u>\$ 1,601</u>	<u>\$ 2,866</u>	<u>\$ 3,201</u>	<u>\$ 3,055</u>	<u>\$ 9,552</u>	<u>\$ 90,156</u>

(Continued)

**DALLAS COUNTY, TEXAS**

Combining Balance Sheet

Non-major Governmental Funds

September 30, 2010

(in thousands of dollars)

**Capital Projects**

	<b>Certificates of Obligation</b>	<b>Permanent Improvement</b>	<b>Roads</b>	<b>Total</b>	<b>Total Non-major Governmental Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 883	\$ 16,836	\$ 17,719	\$ 76,728
Receivables:					
Taxes - current	-	-	-	-	24,039
Less allowance for uncollectible	-	-	-	-	(1,591)
Net taxes receivable	-	-	-	-	22,448
Accounts	-	-	-	-	270,951
Less allowance	-	-	-	-	(262,708)
Accounts receivable	-	-	-	-	8,243
Accrued interest	-	-	-	-	51
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	1,940	1,940	2,133
Inventories	-	-	-	-	169
Prepayments and advances	-	-	-	-	43
Total assets	<u>\$ -</u>	<u>\$ 883</u>	<u>\$ 18,776</u>	<u>\$ 19,659</u>	<u>\$ 109,815</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities :					
Accounts payable	\$ -	\$ -	\$ 8	\$ 8	\$ 4,375
Due to other funds	-	-	-	-	409
Due to other governmental units	-	-	48	48	1,838
Deferred and unearned revenue	-	-	166	166	30,008
Total liabilities	-	-	222	222	36,630
<b>FUND BALANCES</b>					
Reserved for encumbrances	-	69	736	805	5,381
Reserved for inventories	-	-	-	-	169
Reserved for prepayments, advances and change funds	-	-	-	-	43
Reserved for HUD Section 8 Grants	-	-	-	-	4,606
Unreserved special revenue funds	-	-	-	-	44,354
Unreserved capital project funds	-	814	17,818	18,632	18,632
Total fund balances	-	883	18,554	19,437	73,185
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 883</u>	<u>\$ 18,776</u>	<u>\$ 19,659</u>	<u>\$ 109,815</u>

(Concluded)

**DALLAS COUNTY, TEXAS**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Non-major Governmental Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

**Special Revenue**

	<u>District Attorney</u>					<u>District Attorney Forfeitures</u>			<u>Historical Commission</u>	
	<u>Road and Bridge</u>	<u>Permanent Improvement</u>	<u>Law Library</u>	<u>Major Technology</u>	<u>HIDTA Federal</u>	<u>Special</u>	<u>Federal</u>	<u>State</u>		<u>Other</u>
<b>REVENUES</b>										
Property taxes	\$ -	\$ 2,878	\$ -	\$ 20,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway license fees	25,477	-	-	-	-	-	-	-	-	-
Fines and forfeitures	7,313	-	-	-	-	-	-	-	-	-
Investment income	134	16	1	73	1	-	4	6	1	-
Intergovernmental revenues	-	-	-	-	-	-	-	-	-	-
Charges for current services	2,532	-	847	-	-	-	-	-	-	-
Miscellaneous	17	-	-	-	26	287	22	787	4	-
Total revenues	<u>35,473</u>	<u>2,894</u>	<u>848</u>	<u>20,192</u>	<u>27</u>	<u>287</u>	<u>26</u>	<u>793</u>	<u>5</u>	<u>-</u>
<b>EXPENDITURES</b>										
Current:										
General government	-	1,589	-	18,437	-	-	-	-	-	1
Judicial	-	-	855	-	18	332	23	329	67	-
Public safety	-	-	-	-	-	-	-	-	-	-
Highways and streets	8,982	-	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>8,982</u>	<u>1,589</u>	<u>855</u>	<u>18,437</u>	<u>18</u>	<u>332</u>	<u>23</u>	<u>329</u>	<u>67</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,491</u>	<u>1,305</u>	<u>(7)</u>	<u>1,755</u>	<u>9</u>	<u>(45)</u>	<u>3</u>	<u>464</u>	<u>(62)</u>	<u>(1)</u>
<b>OTHER FINANCING (USES)</b>										
Transfers in	170	-	-	-	-	-	-	-	-	-
Transfers (out)	<u>(28,014)</u>	<u>-</u>	<u>(175)</u>	<u>(1,211)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(27,844)</u>	<u>-</u>	<u>(175)</u>	<u>(1,211)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,353)	1,305	(182)	544	9	(45)	3	404	(62)	(1)
Fund balance - beginning	15,893	2,134	363	6,285	247	90	930	905	178	12
Fund balance - ending	<u>\$ 14,540</u>	<u>\$ 3,439</u>	<u>\$ 181</u>	<u>\$ 6,829</u>	<u>\$ 256</u>	<u>\$ 45</u>	<u>\$ 933</u>	<u>\$ 1,309</u>	<u>\$ 116</u>	<u>\$ 11</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Non-major Governmental Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

**Special Revenue**

	<b>Historical Exhibit</b>	<b>Alternative Dispute Resolution</b>	<b>Appellate Justice System</b>	<b>HUD Section 8 Grants</b>	<b>Judicial</b>	<b>Technology</b>	<b>Local Government</b>	<b>Local Official</b>	<b>Record Management</b>	<b>Total</b>
<b>REVENUES</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,997
Highway license fees	-	-	-	-	-	-	-	-	-	25,477
Fines and forfeitures	-	-	-	-	-	-	-	-	-	7,313
Investment income	1	5	3	12	-	-	-	-	-	257
Intergovernmental revenues	-	-	-	27,772	-	-	-	-	-	27,772
Charges for current services	2,620	843	330	-	3,474	475	4,302	3,829	5,386	24,638
Miscellaneous	-	-	-	-	-	-	-	-	-	1,143
<b>Total revenues</b>	<b>2,621</b>	<b>848</b>	<b>333</b>	<b>27,784</b>	<b>3,474</b>	<b>475</b>	<b>4,302</b>	<b>3,829</b>	<b>5,386</b>	<b>109,597</b>
<b>EXPENDITURES</b>										
Current:										
General government	2,230	-	-	-	-	-	646	128	-	23,031
Judicial	-	403	322	-	869	11	33	178	5,911	9,351
Public safety	-	-	-	-	-	-	-	2,633	-	2,633
Highways and streets	-	-	-	-	-	-	-	-	-	8,982
Public welfare	-	-	-	27,638	-	-	-	-	-	27,638
Capital outlay	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,230</b>	<b>403</b>	<b>322</b>	<b>27,638</b>	<b>869</b>	<b>11</b>	<b>679</b>	<b>2,939</b>	<b>5,911</b>	<b>71,635</b>
Excess (deficiency) of revenues over (under) expenditures	391	445	11	146	2,605	464	3,623	890	(525)	37,962
<b>OTHER FINANCING (USES)</b>										
Transfers in	-	-	-	-	175	-	929	8	-	1,282
Transfers (out)	(192)	(379)	(104)	-	(3,832)	-	(3,475)	(1)	(2,261)	(39,704)
<b>Total other financing sources (uses)</b>	<b>(192)</b>	<b>(379)</b>	<b>(104)</b>	<b>-</b>	<b>(3,657)</b>	<b>-</b>	<b>(2,546)</b>	<b>7</b>	<b>(2,261)</b>	<b>(38,422)</b>
Net change in fund balance	199	66	(93)	146	(1,052)	464	1,077	897	(2,786)	(460)
Fund balance - beginning	88	1,327	615	4,484	2,343	2,401	2,007	2,052	11,854	54,208
<b>Fund balance - ending</b>	<b>\$ 287</b>	<b>\$ 1,393</b>	<b>\$ 522</b>	<b>\$ 4,630</b>	<b>\$ 1,291</b>	<b>\$ 2,865</b>	<b>\$ 3,084</b>	<b>\$ 2,949</b>	<b>\$ 9,068</b>	<b>\$ 53,748</b>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Non-major Governmental Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

**Capital Projects**

	<u>Certificates of Obligation</u>	<u>Permanent Improvement</u>	<u>Roads</u>	<u>Total</u>	<u>Total Non-major Governmental Funds</u>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 22,997
Highway license fees	-	-	-	-	25,477
Fines and forfeitures	-	-	-	-	7,313
Investment income	-	-	-	-	257
Intergovernmental revenues	-	-	226	226	27,998
Charges for current services	-	-	-	-	24,638
Miscellaneous	-	-	-	-	1,143
Total revenues	<u>-</u>	<u>-</u>	<u>226</u>	<u>226</u>	<u>109,823</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	23,031
Judicial	-	-	-	-	9,351
Public safety	-	-	-	-	2,633
Highways and streets	-	-	-	-	8,982
Public welfare	-	-	-	-	27,638
Capital outlay	174	244	942	1,360	1,360
Total expenditures	<u>174</u>	<u>244</u>	<u>942</u>	<u>1,360</u>	<u>72,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(174)</u>	<u>(244)</u>	<u>(716)</u>	<u>(1,134)</u>	<u>36,828</u>
<b>OTHER FINANCING (USES)</b>					
Transfers in	-	-	-	-	1,282
Transfers (out)	-	-	-	-	(39,704)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,422)</u>
Net change in fund balance	(174)	(244)	(716)	(1,134)	(1,594)
Fund balance - beginning	174	1,127	19,270	20,571	74,779
Fund balance - ending	<u>\$ -</u>	<u>\$ 883</u>	<u>\$ 18,554</u>	<u>\$ 19,437</u>	<u>\$ 73,185</u>

(Concluded)

DALLAS COUNTY, TEXAS  
Road and Bridge Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Highway license fees	\$ 25,984	\$ 25,984	\$ 25,477	\$ (507)
Fines and forfeitures	9,207	9,207	7,313	(1,894)
Investment income	137	137	134	(3)
Charges for current services	3,335	3,335	2,532	(803)
Miscellaneous	99	99	17	(82)
Total revenues	<u>38,762</u>	<u>38,762</u>	<u>35,473</u>	<u>(3,289)</u>
<b>EXPENDITURES:</b>				
Highways and streets:				
Salaries	5,594	5,206	5,206	-
Allowances	64	55	55	-
Operating	14,913	15,304	3,551	11,753
Property	1,000	1,006	170	836
Total highways and streets	<u>21,571</u>	<u>21,571</u>	<u>8,982</u>	<u>12,589</u>
Reserves	1,104	1,104	-	1,104
Total expenditures	<u>22,675</u>	<u>22,675</u>	<u>8,982</u>	<u>13,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,087</u>	<u>16,087</u>	<u>26,491</u>	<u>10,404</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,400	6,400	170	(6,230)
Transfers (out)	<u>(38,380)</u>	<u>(38,380)</u>	<u>(28,014)</u>	<u>10,366</u>
Total other financing sources (uses)	<u>(31,980)</u>	<u>(31,980)</u>	<u>(27,844)</u>	<u>4,136</u>
Net change in fund balance	(15,893)	(15,893)	(1,353)	14,540
Fund balance - beginning	<u>15,893</u>	<u>15,893</u>	<u>15,893</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,540</u>	<u>\$ 14,540</u>

(Continued)

DALLAS COUNTY, TEXAS  
 Permanent Improvement Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2010  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 2,880	\$ 2,880	\$ 2,878	\$ (2)
Investment income	-	-	16	16
Total revenues	<u>2,880</u>	<u>2,880</u>	<u>2,894</u>	<u>14</u>
<b>EXPENDITURES:</b>				
General government:				
Property	<u>973</u>	<u>2,722</u>	<u>1,589</u>	<u>1,133</u>
Total general government	<u>973</u>	<u>2,722</u>	<u>1,589</u>	<u>1,133</u>
Reserves	<u>4,041</u>	<u>2,292</u>	-	<u>2,292</u>
Total expenditures	<u>5,014</u>	<u>5,014</u>	<u>1,589</u>	<u>3,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,134)</u>	<u>(2,134)</u>	<u>1,305</u>	<u>3,439</u>
Net change in fund balance	(2,134)	(2,134)	1,305	3,439
Fund balance - beginning	<u>2,134</u>	<u>2,134</u>	<u>2,134</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,439</u>	<u>\$ 3,439</u>

(Continued)

DALLAS COUNTY, TEXAS  
 Law Library Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2010  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 2	\$ 2	\$ 1	\$ (1)
Charges for current services	860	860	847	(13)
Total revenues	<u>862</u>	<u>862</u>	<u>848</u>	<u>(14)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Salaries	465	422	422	-
Operating	411	454	433	21
Total judicial	<u>876</u>	<u>876</u>	<u>855</u>	<u>21</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14)</u>	<u>(14)</u>	<u>(7)</u>	<u>7</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(175)</u>	<u>(175)</u>	<u>(175)</u>	<u>-</u>
Total other financing sources (uses)	<u>(175)</u>	<u>(175)</u>	<u>(175)</u>	<u>-</u>
Net change in fund balance	(189)	(189)	(182)	7
Fund balance - beginning	363	363	363	-
Fund balance - ending	<u>\$ 174</u>	<u>\$ 174</u>	<u>\$ 181</u>	<u>\$ 7</u>

(Continued)

DALLAS COUNTY, TEXAS  
Major Technology Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 19,867	\$ 19,867	\$ 20,119	\$ 252
Investment income	76	76	73	(3)
Total revenues	<u>19,943</u>	<u>19,943</u>	<u>20,192</u>	<u>249</u>
<b>EXPENDITURES:</b>				
General government:				
Property	26,091	25,530	18,437	7,093
Reserves	1,137	1,687	-	1,687
Total expenditures	<u>27,228</u>	<u>27,217</u>	<u>18,437</u>	<u>8,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,285)</u>	<u>(7,274)</u>	<u>1,755</u>	<u>9,029</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,200	2,200	-	(2,200)
Transfers (out)	<u>(1,200)</u>	<u>(1,211)</u>	<u>(1,211)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,000</u>	<u>989</u>	<u>(1,211)</u>	<u>(2,200)</u>
Net change in fund balance	(6,285)	(6,285)	544	6,829
Fund balance - beginning	<u>6,285</u>	<u>6,285</u>	<u>6,285</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,829</u>	<u>\$ 6,829</u>

(Continued)

DALLAS COUNTY, TEXAS  
 Historical Commission Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2010  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
General government:				
Operating	\$ 1	\$ 1	\$ 1	\$ -
Total expenditures	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>
Net change in fund balance	(1)	(1)	(1)	-
Fund balance - beginning	<u>12</u>	<u>12</u>	<u>12</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 11</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ -</u></u>

(Continued)

DALLAS COUNTY, TEXAS  
Historical Exhibit Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 1	\$ 1	\$ 1	\$ -
Charges for current services	2,600	2,600	2,620	20
Total revenues	<u>2,601</u>	<u>2,601</u>	<u>2,621</u>	<u>20</u>
<b>EXPENDITURES:</b>				
General government:				
Operating	2,416	2,416	2,230	186
Reserves	132	81	-	81
Total expenditures	<u>2,548</u>	<u>2,497</u>	<u>2,230</u>	<u>267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53</u>	<u>104</u>	<u>391</u>	<u>287</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(141)</u>	<u>(192)</u>	<u>(192)</u>	<u>-</u>
Total other financing sources (uses)	<u>(141)</u>	<u>(192)</u>	<u>(192)</u>	<u>-</u>
Net change in fund balance	(88)	(88)	199	287
Fund balance - beginning	88	88	88	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287</u>	<u>\$ 287</u>

(Continued)

DALLAS COUNTY, TEXAS  
Alternative Dispute Resolution Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 8	\$ 8	\$ 5	\$ (3)
Charges for current services	888	888	843	(45)
Total revenues	<u>896</u>	<u>896</u>	<u>848</u>	<u>(48)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Salaries	81	53	53	-
Operating	353	381	350	31
Total expenditures	<u>434</u>	<u>434</u>	<u>403</u>	<u>31</u>
Excess of revenues over expenditures	<u>462</u>	<u>462</u>	<u>445</u>	<u>(17)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(463)</u>	<u>(463)</u>	<u>(379)</u>	<u>84</u>
Total other financing sources and (uses)	<u>(463)</u>	<u>(463)</u>	<u>(379)</u>	<u>84</u>
Net change in fund balances	(1)	(1)	66	67
Fund balances - beginning	<u>1,327</u>	<u>1,327</u>	<u>1,327</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,326</u>	<u>\$ 1,326</u>	<u>\$ 1,393</u>	<u>\$ 67</u>

(Continued)

DALLAS COUNTY, TEXAS  
Appellate Justice System Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 4	\$ 4	\$ 3	\$ (1)
Charges for current services	364	364	330	(34)
Total revenues	<u>368</u>	<u>368</u>	<u>333</u>	<u>(35)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Operating	429	460	322	138
Total judicial	<u>429</u>	<u>460</u>	<u>322</u>	<u>138</u>
Reserves	274	243	-	243
Total expenditures	<u>703</u>	<u>703</u>	<u>322</u>	<u>381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(335)</u>	<u>(335)</u>	<u>11</u>	<u>346</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>(125)</u>	<u>(125)</u>	<u>(104)</u>	<u>21</u>
Total other financing sources (uses)	<u>(125)</u>	<u>(125)</u>	<u>(104)</u>	<u>21</u>
Net change in fund balance	(460)	(460)	(93)	367
Fund balance - beginning	<u>615</u>	<u>615</u>	<u>615</u>	<u>-</u>
Fund balance - ending	<u>\$ 155</u>	<u>\$ 155</u>	<u>\$ 522</u>	<u>\$ 367</u>

(Continued)

DALLAS COUNTY, TEXAS  
 HUD Section 8 Grants Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2010  
 (in thousands of dollars)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 54	\$ 54	\$ 12	\$ (42)
Intergovernmental revenues	39,002	39,002	27,772	(11,230)
Total revenues	<u>39,056</u>	<u>39,056</u>	<u>27,784</u>	<u>(11,272)</u>
<b>EXPENDITURES:</b>				
Public welfare	29,983	29,983	27,638	2,345
Total expenditures	<u>29,983</u>	<u>29,983</u>	<u>27,638</u>	<u>2,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,073</u>	<u>9,073</u>	<u>146</u>	<u>(8,927)</u>
Net change in fund balance	9,073	9,073	146	(8,927)
Fund balance - beginning	4,484	4,484	4,484	-
Fund balance - ending	<u>\$ 13,557</u>	<u>\$ 13,557</u>	<u>\$ 4,630</u>	<u>\$ (8,927)</u>

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# FIDUCIARY SECTION

DALLAS COUNTY, TEXAS

FIDUCIARY FUNDS – AGENCY FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

Police 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.

**DALLAS COUNTY, TEXAS**

Combining Statement of Fiduciary Assets and Liabilities- Agency Funds

September 30, 2010

(in thousands of dollars)

	<u>Fee Office Funds</u>						<u>Fee Office Funds</u>			<u>Housing Finance Corporation - 1993 Refunding</u>
	<u>Administrative Fund Escrow</u>	<u>Grant Fund Juvenile Probation Commission</u>	<u>State Reports</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>	<u>Community Supervision and Corrections</u>	<u>Justices of the Peace</u>	<u>Constables</u>	
<b>Assets:</b>										
Cash and investments	\$ 7,669	\$ 309	\$4,680	\$ 58,667	\$11,510	\$ 1,080	\$ 8,551	\$ 3,275	\$ 115	\$ 40
Accrued interest	48	-	-	-	-	-	2	-	-	-
Cash and investments held in escrow	9,846	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 17,563</u>	<u>\$ 309</u>	<u>\$4,680</u>	<u>\$ 58,667</u>	<u>\$11,510</u>	<u>\$ 1,080</u>	<u>\$ 8,553</u>	<u>\$ 3,275</u>	<u>\$ 115</u>	<u>\$ 40</u>
<b>Liabilities:</b>										
Due to other governmental units and others	\$ 17,563	\$ 309	\$4,680	\$ 58,667	\$11,510	\$ 1,080	\$ 8,553	\$ 3,275	\$ 115	\$ 40
<b>Total liabilities</b>	<u>\$ 17,563</u>	<u>\$ 309</u>	<u>\$4,680</u>	<u>\$ 58,667</u>	<u>\$11,510</u>	<u>\$ 1,080</u>	<u>\$ 8,553</u>	<u>\$ 3,275</u>	<u>\$ 115</u>	<u>\$ 40</u>

(Continued)

**DALLAS COUNTY, TEXAS**

Combining Statement of Fiduciary Assets and Liabilities- Agency Funds

September 30, 2010

(in thousands of dollars)

	Departmental Special Funds					District Attorney Seized Funds				Total
	Juvenile Department Child Support	Housing Finance Corporation - 1994 Refunding	Community Supervision and Corrections Special	Youth Village	Tax Assessor - Collector	Police Agencies	Attorney General	Gambling	Narcotics	
<b>Assets:</b>										
Cash and investments	\$ 179	\$ 1,128	\$ 1,276	\$ 1	\$ 47,703	\$ 32	\$ 26	\$ 50	\$ 153	\$ 146,444
Accrued interest	-	-	-	-	-	-	-	-	-	50
Cash and investments held in escrow	-	-	-	-	-	-	-	-	-	9,846
<b>Total assets</b>	<u>\$ 179</u>	<u>\$ 1,128</u>	<u>\$ 1,276</u>	<u>\$ 1</u>	<u>\$ 47,703</u>	<u>\$ 32</u>	<u>\$ 26</u>	<u>\$ 50</u>	<u>\$ 153</u>	<u>\$ 156,340</u>
<b>Liabilities:</b>										
Due to other governmental units and others	\$ 179	\$ 1,128	\$ 1,276	\$ 1	\$ 47,703	\$ 32	\$ 26	\$ 50	\$ 153	\$ 156,340
<b>Total liabilities</b>	<u>\$ 179</u>	<u>\$ 1,128</u>	<u>\$ 1,276</u>	<u>\$ 1</u>	<u>\$ 47,703</u>	<u>\$ 32</u>	<u>\$ 26</u>	<u>\$ 50</u>	<u>\$ 153</u>	<u>\$ 156,340</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<b>Balance October 1, 2009</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2010</b>
<b>Administrative Fund - Escrow</b>				
Assets:				
Cash and investments	\$ 7,173	\$ 42,766	\$ (42,270)	\$ 7,669
Accrued interest receivable	40	69	(61)	\$ 48
Cash and investments held in escrow	9,712	355	(221)	\$ 9,846
Total assets	<u>\$ 16,925</u>	<u>\$ 43,190</u>	<u>\$ (42,552)</u>	<u>\$ 17,563</u>
Liabilities:				
Due to other governmental units and others - administrative	<u>\$ 16,925</u>	<u>\$ 80,781</u>	<u>\$ (80,143)</u>	<u>\$ 17,563</u>
Total liabilities	<u>\$ 16,925</u>	<u>\$ 80,781</u>	<u>\$ (80,143)</u>	<u>\$ 17,563</u>
<b>Grant Fund - Juvenile Probation Commission</b>				
Assets:				
Cash and investments	\$ 116	\$ 824	\$ (631)	\$ 309
Accrued interest receivable	-	-	-	-
Total assets	<u>\$ 116</u>	<u>\$ 824</u>	<u>\$ (630)</u>	<u>\$ 309</u>
Liabilities:				
Accounts payable - grants	<u>\$ 116</u>	<u>\$ 1,529</u>	<u>\$ (1,336)</u>	<u>\$ 309</u>
Total liabilities	<u>\$ 116</u>	<u>\$ 1,529</u>	<u>\$ (1,336)</u>	<u>\$ 309</u>

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<hr/> <b>Fee Office Fund - State Reports</b> <hr/>				
Assets:				
Cash and investments	\$ 5,316	\$ 346,011	\$ (346,647)	\$ 4,680
Total assets	<u>\$ 5,316</u>	<u>\$ 346,011</u>	<u>\$ (346,647)</u>	<u>\$ 4,680</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 5,316	\$ 40,095	\$ (40,731)	\$ 4,680
Total liabilities	<u>\$ 5,316</u>	<u>\$ 40,095</u>	<u>\$ (40,731)</u>	<u>\$ 4,680</u>
 <hr/> <b>Fee Office Fund - County Clerk</b> <hr/>				
Assets:				
Cash and investments	\$ 51,535	\$ 661,911	\$ (654,779)	\$ 58,667
Total assets	<u>\$ 51,535</u>	<u>\$ 661,911</u>	<u>\$ (654,779)</u>	<u>\$ 58,667</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 51,535	\$ 785,456	\$ (778,324)	\$ 58,667
Total liabilities	<u>\$ 51,535</u>	<u>\$ 785,456</u>	<u>\$ (778,324)</u>	<u>\$ 58,667</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<hr/> <b>Fee Office Fund - District Clerk</b> <hr/>				
Assets:				
Cash and investments	\$ 13,131	\$ 164,415	\$ (166,036)	\$ 11,510
Total assets	<u>\$ 13,131</u>	<u>\$ 164,415</u>	<u>\$ (166,036)</u>	<u>\$ 11,510</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 13,131	\$ 149,158	\$ (150,779)	\$ 11,510
Total liabilities	<u>\$ 13,131</u>	<u>\$ 149,158</u>	<u>\$ (150,779)</u>	<u>\$ 11,510</u>
 <hr/> <b>Fee Office Fund - Sheriff</b> <hr/>				
Assets:				
Cash and investments	\$ 778	\$ 13,440	\$ (13,138)	\$ 1,080
Total assets	<u>\$ 778</u>	<u>\$ 13,440</u>	<u>\$ (13,138)</u>	<u>\$ 1,080</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 778	\$ 9,213	\$ (8,911)	\$ 1,080
Total liabilities	<u>\$ 778</u>	<u>\$ 9,213</u>	<u>\$ (8,911)</u>	<u>\$ 1,080</u>

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<b>Fee Office Fund - Community Supervision and Corrections</b>				
Assets:				
Cash and investments	\$ 10,574	\$ 92,728	\$ (94,751)	\$ 8,551
Accrued interest receivable	3	2	(3)	2
Total assets	<u>\$ 10,577</u>	<u>\$ 92,730</u>	<u>\$ (94,754)</u>	<u>\$ 8,553</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 10,577	\$ 42,691	\$ (44,715)	\$ 8,553
Total liabilities	<u>\$ 10,577</u>	<u>\$ 42,691</u>	<u>\$ (44,715)</u>	<u>\$ 8,553</u>
<b>Fee Office Fund - Justices of the Peace</b>				
Assets:				
Cash and investments	\$ 3,190	\$ 1,479	\$ (1,394)	\$ 3,275
Total assets	<u>\$ 3,190</u>	<u>\$ 1,479</u>	<u>\$ (1,394)</u>	<u>\$ 3,275</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 3,190	\$ 1,589	\$ (1,504)	\$ 3,275
Total liabilities	<u>\$ 3,190</u>	<u>\$ 1,589</u>	<u>\$ (1,504)</u>	<u>\$ 3,275</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<hr/> <b>Fee Office Fund - Constables</b> <hr/>				
Assets:				
Cash and investments	\$ 95	\$ 2,474	\$ (2,454)	\$ 115
Total assets	<u>\$ 95</u>	<u>\$ 2,474</u>	<u>\$ (2,454)</u>	<u>\$ 115</u>
Liabilities:				
Due to other governmental units and others - fee office	\$ 95	\$ 1,239	\$ (1,219)	\$ 115
Total liabilities	<u>\$ 95</u>	<u>\$ 1,239</u>	<u>\$ (1,219)</u>	<u>\$ 115</u>
 <hr/> <b>Departmental Special Fund - Housing Finance Corporation - 1993 Refunding</b> <hr/>				
Assets:				
Cash and investments	\$ 35	\$ 4,487	\$ (4,482)	\$ 40
Total assets	<u>\$ 35</u>	<u>\$ 4,487</u>	<u>\$ (4,482)</u>	<u>\$ 40</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 35	\$ 5	\$ -	\$ 40
Total liabilities	<u>\$ 35</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 40</u>

DALLAS COUNTY, TEXAS  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<b>Departmental Special Fund - Juvenile Department Child Support</b>				
Assets:				
Cash and investments	\$ 244	\$ 403	\$ (468)	\$ 179
Total assets	<u>\$ 244</u>	<u>\$ 403</u>	<u>\$ (468)</u>	<u>\$ 179</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 244	\$ 403	\$ (468)	\$ 179
Total liabilities	<u>\$ 244</u>	<u>\$ 403</u>	<u>\$ (468)</u>	<u>\$ 179</u>
<b>Departmental Special Fund - Housing Finance Corporation - 1994 Refunding</b>				
Assets:				
Cash and investments	\$ 1,434	\$ 268	\$ (574)	\$ 1,128
Accrued interest receivable	0	0	0	-
Total assets	<u>\$ 1,434</u>	<u>\$ 268</u>	<u>\$ (574)</u>	<u>\$ 1,128</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 1,434	\$ 42	\$ (348)	\$ 1,128
Total liabilities	<u>\$ 1,434</u>	<u>\$ 42</u>	<u>\$ (348)</u>	<u>\$ 1,128</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<b>Departmental Special Fund - Community Supervision and Corrections Special</b>				
Assets:				
Cash and investments	\$ 1,309	\$ 7,698	\$ (7,731)	\$ 1,276
Total assets	<u>\$ 1,309</u>	<u>\$ 7,698</u>	<u>\$ (7,731)</u>	<u>\$ 1,276</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 1,309	\$ 7,779	\$ (7,812)	1,276
Total liabilities	<u>\$ 1,309</u>	<u>\$ 7,779</u>	<u>\$ (7,812)</u>	<u>\$ 1,276</u>
<b>Departmental Special Fund - Youth Village</b>				
Assets:				
Cash and investments	\$ 1	\$ -	\$ -	\$ 1
Total assets	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 1	\$ -	\$ -	\$ 1
Total liabilities	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<hr/>				
<b>Departmental Special Fund - Tax Assessor and Collector</b>				
<hr/>				
Assets:				
Cash and investments	\$ 50,846	\$ 52,420	\$ (55,563)	\$ 47,703
Accrued interest receivable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 50,846</u>	<u>\$ 52,420</u>	<u>\$ (55,563)</u>	<u>\$ 47,703</u>
Liabilities:				
Due to other governmental units and others - departmental special	\$ 50,846	\$ 554,709	\$ (557,852)	\$ 47,703
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 50,846</u>	<u>\$ 554,709</u>	<u>\$ (557,852)</u>	<u>\$ 47,703</u>
<b>District Attorney Seized Funds - Police Agencies</b>				
<hr/>				
Assets:				
Cash and investments	\$ 32	\$ 1,047	\$ (1,047)	\$ 32
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 32</u>	<u>\$ 1,047</u>	<u>\$ (1,047)</u>	<u>\$ 32</u>
Liabilities:				
Due to other governmental units and others	\$ 32	\$ -	\$ -	\$ 32
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32</u>

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<b>District Attorney Seized Funds - Attorney General</b>				
Assets:				
Cash and investments	\$ 26	\$ 26	\$ (26)	\$ 26
Total assets	<u>\$ 26</u>	<u>\$ 26</u>	<u>\$ (26)</u>	<u>\$ 26</u>
Liabilities:				
Due to other governmental units and others	\$ 26	\$ -	\$ -	\$ 26
Total liabilities	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>
<b>District Attorney Seized Funds - Gambling</b>				
Assets:				
Cash and investments	\$ 50	\$ 1,080	\$ (1,080)	\$ 50
Total assets	<u>\$ 50</u>	<u>\$ 1,080</u>	<u>\$ (1,080)</u>	<u>\$ 50</u>
Liabilities:				
Due to other governmental units and others	\$ 50	\$ -	\$ -	\$ 50
Total liabilities	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<u>Balance October 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<b>District Attorney Seized Funds - Narcotics</b>				
Assets:				
Cash and investments	\$ 88	\$ 340	\$ (275)	\$ 153
Total assets	<u>\$ 88</u>	<u>\$ 340</u>	<u>\$ (275)</u>	<u>\$ 153</u>
Liabilities:				
Due to other governmental units and others	\$ 88	\$ 158	\$ (93)	\$ 153
Total liabilities	<u>\$ 88</u>	<u>\$ 158</u>	<u>\$ (93)</u>	<u>\$ 153</u>

(Continued)

**DALLAS COUNTY, TEXAS**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
All Agency Funds  
For the Year Ended September 30, 2010  
(in thousands of dollars)

	<b>Balance October 1, 2009</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2010</b>
Assets:				
Cash and investments	\$ 145,973	\$ 1,393,816	\$ (1,393,345)	\$ 146,444
Accrued interest	43	71	(64)	50
Cash and investments held in escrow	9,712	355	(221)	9,846
Total assets	<u>\$ 155,728</u>	<u>\$ 1,394,242</u>	<u>\$ (1,393,630)</u>	<u>\$ 156,340</u>
Liabilities:				
Due to other governmental units and others	\$ 155,728	\$ 1,674,847	\$ (1,674,235)	\$ 156,340
Total liabilities	<u>\$ 155,728</u>	<u>\$ 1,674,847</u>	<u>\$ (1,674,235)</u>	<u>\$ 156,340</u>

(Concluded)

**STATISTICAL SECTION**  
(Unaudited)

## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	126
These schedules contain trend information to aid in understanding how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	131
These schedules contain information to aid in assessing the County's most significant local revenue source - property tax.	
<b>Debt Capacity</b>	136
These schedules present information to aid in assessing the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	141
These schedules offer demographic and economic indicators to aid in understanding the environment within which the County's financial activities take place.	
<b>Operating Information</b>	143
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 Assets by Component**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**  
**(unaudited)**

Table 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 298,000	\$ 334,983	\$ 318,404	\$ 343,757	\$ 371,524	\$ 429,277	\$ 455,302	\$ 453,807
Restricted	27,618	24,123	16,584	21,548	59,017	40,360	63,686	61,654
Unrestricted	(56,351)	(31,472)	69,644	91,806	46,414	18,529	28,797	26,672
Total governmental activities net assets	<u>\$ 269,267</u>	<u>\$ 327,634</u>	<u>\$ 404,632</u>	<u>\$ 457,111</u>	<u>\$ 476,955</u>	<u>\$ 488,166</u>	<u>\$ 547,785</u>	<u>\$ 542,133</u>

Source: Dallas County Financial Records

Note: Data was not accumulated for presentation prior to implementation of GASB 34 in 2002.

**DALLAS COUNTY, TEXAS**

Table 2

Changes in Net Assets  
Last Eight Fiscal Years  
(accrual basis of accounting)  
(in thousands of dollars)  
(unaudited)

<b>Expenses</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:								
General government	\$ 68,466	\$ 71,871	\$ 72,765	\$ 77,465	\$ 99,805	\$ 126,656	\$ 120,224	\$ 147,707
Judicial	102,611	98,858	102,371	115,244	126,971	134,413	139,852	136,703
Public Safety	172,274	169,137	172,347	198,138	216,521	235,161	234,898	236,728
Highways and Streets	21,748	21,143	33,852	29,174	32,955	34,689	30,119	23,787
Health	39,576	40,506	44,285	45,948	41,590	46,735	48,598	51,033
Education	5,671	6,461	7,941	9,547	10,189	11,699	11,470	11,104
Public Welfare	58,871	56,735	61,106	65,908	66,913	72,374	82,019	85,635
Libraries	23	60	23	12	10	3	-	-
Interest on long term debt	11,795	11,534	10,131	9,288	10,599	9,784	6,939	6,475
Total primary government expenses	<u>\$ 481,035</u>	<u>\$ 476,305</u>	<u>\$ 504,821</u>	<u>\$ 550,724</u>	<u>\$ 605,553</u>	<u>\$ 671,514</u>	<u>\$ 674,119</u>	<u>\$ 699,172</u>
<b>Program Revenues</b>								
Governmental activities:								
Charges for services:								
General government	\$ 48,567	\$ 50,562	\$ 44,371	\$ 50,809	\$ 47,125	\$ 55,659	\$ 50,104	\$ 46,405
Judicial	44,299	48,633	52,703	58,257	58,164	60,655	68,280	50,648
Public Safety	20,642	19,928	21,046	20,337	22,845	21,156	23,143	21,133
Highways and Streets	39,508	36,778	38,954	41,849	42,244	44,495	40,002	36,968
Health	8,477	6,451	6,193	6,409	6,150	6,385	7,171	7,607
Public Welfare	1,457	1,400	2,671	2,530	1,134	1,423	1,323	1,399
Operating grants and contributions:								
General government	-	-	-	-	-	-	156	819
Judicial	3,415	2,107	3,009	3,330	1,636	2,475	28,398	15,259
Public Safety	6,259	6,774	4,269	5,977	5,419	5,373	8,066	10,935
Health	19,821	27,067	26,892	26,359	26,472	28,943	29,948	33,309
Education	8,136	6,019	9,060	9,444	7,879	12,155	10,742	8,971
Public Welfare	48,019	47,528	44,132	47,706	51,880	59,293	67,345	74,318
Capital grants and contributions:								
Judicial	17	1,252	-	-	26	-	-	50
Public Safety	17	-	-	-	480	621	-	389
Health	-	564	-	-	-	-	-	-
Public Welfare	-	5,592	4,192	10,649	5,650	442	1,843	76
Total governmental activities program revenues	<u>\$ 248,634</u>	<u>\$ 260,655</u>	<u>\$ 257,492</u>	<u>\$ 283,656</u>	<u>\$ 277,104</u>	<u>\$ 299,075</u>	<u>\$ 336,521</u>	<u>\$ 308,286</u>
Total net (expense) revenue	<u>\$ (232,401)</u>	<u>\$ (215,650)</u>	<u>\$ (247,329)</u>	<u>\$ (267,068)</u>	<u>\$ (328,449)</u>	<u>\$ (372,439)</u>	<u>\$ (337,598)</u>	<u>\$ (390,886)</u>
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Taxes								
Property taxes	\$ 242,408	\$ 255,324	\$ 267,462	\$ 284,946	\$ 309,560	\$ 356,596	\$ 372,201	\$ 364,868
Alcoholic beverage taxes	9,778	10,120	10,695	11,129	11,858	12,119	11,742	11,732
Gain on the sale of property	-	-	31,203	-	-	-	-	3,967
Unrestricted grants and contributions	2,986	4,180	5,243	3,640	3,534	4,659	1,750	5,161
Investment earnings	4,756	4,393	9,724	19,832	23,341	10,276	11,524	3,521
Total primary government	<u>\$ 259,928</u>	<u>\$ 274,017</u>	<u>\$ 324,327</u>	<u>\$ 319,547</u>	<u>\$ 348,293</u>	<u>\$ 383,650</u>	<u>\$ 397,217</u>	<u>\$ 389,249</u>
Other activities:								
Insurable loss, net of insurance proceeds of \$3,000	-	-	-	-	-	-	-	(4,015)
Interest expenses	-	-	-	-	-	-	-	-
Total other expenses	<u>\$ -</u>	<u>\$ (4,015)</u>						
<b>Change in Net Assets</b>								
Governmental activities	\$ 27,527	\$ 58,367	\$ 76,998	\$ 52,479	\$ 19,844	\$ 11,211	\$ 59,619	\$ (5,652)
Total primary government	<u>\$ 27,527</u>	<u>\$ 58,367</u>	<u>\$ 76,998</u>	<u>\$ 52,479</u>	<u>\$ 19,844</u>	<u>\$ 11,211</u>	<u>\$ 59,619</u>	<u>\$ (5,652)</u>

Source: Dallas County Financial Records

Note: Data was not accumulated for presentation prior to implementation of GASB 34 in 2002.

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

Table 3

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Property Taxes	\$ 236,929	\$ 242,408	\$ 255,324	\$ 267,462	\$ 284,946	\$ 309,560	\$ 356,596	\$ 372,201	\$ 364,868
Alcoholic beverage / other taxes	9,732	9,778	10,120	10,695	11,129	11,858	12,119	11,742	11,732
<b>Total Taxes</b>	<b><u>\$ 246,661</u></b>	<b><u>\$ 252,186</u></b>	<b><u>\$ 265,444</u></b>	<b><u>\$ 278,157</u></b>	<b><u>\$ 296,075</u></b>	<b><u>\$ 321,418</u></b>	<b><u>\$ 368,715</u></b>	<b><u>\$ 383,943</u></b>	<b><u>\$ 376,600</u></b>

Source: Dallas County Financial Records

Note: Data was not accumulated for presentation prior to implementation of GASB 34 in 2002.

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

Table 4

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ 12,284	\$ 12,065	\$ 11,637	\$ 13,926	\$ 16,925	\$ 12,050	\$ 7,822	\$ 8,073	\$ 8,734	\$ 9,886
Unreserved	30,821	35,245	24,577	41,195	38,857	44,346	32,139	26,737	35,762	41,353
Total general fund	<u>\$ 43,105</u>	<u>\$ 47,310</u>	<u>\$ 36,214</u>	<u>\$ 55,121</u>	<u>\$ 55,782</u>	<u>\$ 56,396</u>	<u>\$ 39,961</u>	<u>\$ 34,810</u>	<u>\$ 44,496</u>	<u>\$ 51,239</u>
All other governmental funds										
Reserved	\$ 18,700	\$ 26,345	\$ 33,404	\$ 48,856	\$ 39,364	\$ 40,519	\$ 107,960	\$ 90,351	\$ 72,436	\$ 56,123
Unreserved reported in:										
Debt Service	17,567	14,461	12,181	5,484	7,369	13,420	7,631	3,381	2,785	3,128
Major Projects	-	33,267	31,056	12,440	53,696	65,709	6,091	6,249	29,567	77,906
Grants Funds	-	-	1,054	4,950	6,780	6,437	9,298	1,993	1,819	(3,786)
Special Revenue	53,458	22,299	24,084	21,060	22,153	21,091	19,916	29,840	46,103	44,354
Capital Projects	76,934	62,622	78,104	72,395	39,851	81,422	45,263	13,057	19,019	18,632
Total all other governmental funds	<u>\$ 166,659</u>	<u>\$ 158,994</u>	<u>\$ 179,883</u>	<u>\$ 165,185</u>	<u>\$ 169,213</u>	<u>\$ 228,598</u>	<u>\$ 196,159</u>	<u>\$ 144,871</u>	<u>\$ 171,729</u>	<u>\$ 196,357</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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Property taxes	\$ 219,273	\$ 236,929	\$ 242,408	\$ 255,324	\$ 262,124	\$ 286,792	\$ 308,443	\$ 356,136	\$ 372,285	\$ 364,620
Licenses, fees and permits	36,245	36,497	33,564	33,776	33,458	32,704	33,826	31,413	29,253	26,422
Fines and forfeitures	19,638	18,683	19,931	22,837	24,404	26,060	25,691	27,507	25,280	21,512
Investments and rentals	19,750	12,122	9,924	9,605	14,856	22,851	26,654	14,558	15,173	6,790
Intergovernmental revenues	75,294	84,702	88,704	101,494	94,575	104,752	103,944	112,951	151,373	128,861
Charges for current services	99,065	106,583	100,308	95,172	100,209	115,239	114,991	123,353	128,905	126,521
Miscellaneous revenues	13,884	11,229	10,865	13,545	13,023	16,277	11,579	17,852	10,635	14,603
<b>Total revenues</b>	<b>483,149</b>	<b>506,745</b>	<b>505,704</b>	<b>531,753</b>	<b>542,649</b>	<b>604,675</b>	<b>625,128</b>	<b>683,770</b>	<b>732,904</b>	<b>689,329</b>
<b>Expenditures</b>										
General government and judicial (a)	161,371	168,915	169,363	170,880	179,375	194,847	221,496	234,758	238,079	232,214
Public safety (a)	142,566	160,781	165,571	165,390	169,831	192,710	211,970	231,062	228,083	225,898
Streets and highways (a)	20,355	11,673	10,161	13,666	20,059	22,040	22,728	26,107	23,116	22,122
Health (a)	43,010	47,202	39,713	40,659	43,895	45,484	41,020	46,584	48,711	51,094
Welfare (a)	54,093	51,434	58,536	60,113	60,225	70,261	65,364	70,484	79,815	83,677
Libraries (a)	41	40	40	49	19	-	-	-	-	-
Education (a)	-	5,569	5,604	6,455	8,061	9,512	10,102	11,599	11,358	10,981
Capital outlay (a)	18,202	17,102	24,794	41,188	48,869	34,748	59,172	82,798	39,660	15,454
Debt Service										
Principal	35,930	34,140	32,795	35,225	34,940	32,180	30,980	27,915	19,955	17,355
Interest	12,971	13,225	11,404	10,645	9,265	8,310	11,170	8,902	7,583	6,625
<b>Total expenditures</b>	<b>488,539</b>	<b>510,081</b>	<b>517,981</b>	<b>544,270</b>	<b>574,539</b>	<b>610,092</b>	<b>674,002</b>	<b>740,209</b>	<b>696,360</b>	<b>665,420</b>
Excess of revenues over (under) expenditures	(5,390)	(3,336)	(12,277)	(12,517)	(31,890)	(5,417)	(48,874)	(56,439)	36,544	23,909
<b>Other financing sources (uses)</b>										
Transfers in	56,917	50,001	49,544	67,357	60,473	59,833	71,749	67,551	63,473	47,570
Transfers out	(56,917)	(50,001)	(49,544)	(67,357)	(60,473)	(59,833)	(71,749)	(67,551)	(63,473)	(47,570)
Proceeds from refunding bonds	74,884	-	-	-	24,096	-	-	-	-	-
Proceeds from sale of bonds	39,524	-	22,070	16,145	36,535	63,220	-	-	-	-
Premium on bonds issued	-	-	-	509	1,933	2,196	-	-	-	-
Accrued interest on revenue bonds	-	-	-	72	-	-	-	-	-	-
Payments to refunded bond escrow agent	(73,946)	-	-	-	(25,985)	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	4,462
Insurance proceeds	-	-	-	-	-	-	-	-	-	3,000
<b>Total other financing sources (uses)</b>	<b>40,462</b>	<b>-</b>	<b>22,070</b>	<b>16,726</b>	<b>36,579</b>	<b>65,416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,462</b>
<b>Net change in fund balance</b>	<b>35,072</b>	<b>(3,336)</b>	<b>9,793</b>	<b>4,209</b>	<b>4,689</b>	<b>59,999</b>	<b>(48,874)</b>	<b>(56,439)</b>	<b>36,544</b>	<b>31,371</b>
(a) Sum of expenditures	439,638	462,716	473,782	498,400	530,334	569,602	631,852	703,392	668,822	641,440
(b) Less: Expenditures capitalized for government-wide statement of net assets (on page 48).	(7,574)	(15,218)	(18,434)	(43,723)	(43,349)	(45,354)	(66,128)	(84,369)	(39,508)	(12,711)
<b>Non-capital expenditures</b>	<b>\$ 432,064</b>	<b>\$ 447,498</b>	<b>\$ 455,348</b>	<b>\$ 454,677</b>	<b>\$ 486,985</b>	<b>\$ 524,248</b>	<b>\$ 565,724</b>	<b>\$ 619,023</b>	<b>\$ 629,314</b>	<b>\$ 628,729</b>
Debt service as a percentage of non-capital expenditures	11.3%	10.6%	9.7%	10.1%	9.1%	7.7%	7.5%	5.9%	4.4%	3.8%

Source: Dallas County Financial Records

**DALLAS COUNTY, TEXAS**

Table 6

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands of dollars)  
(unaudited)

Year	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)		
2001	\$ 123,189,433	\$ 124,337,500	\$ 28,560,279	\$ 28,560,279	\$ 151,749,712	\$ 152,897,779	0.19600	99.25%
2002	130,890,166	131,328,094	28,898,480	28,898,480	159,788,646	160,226,574	0.19600	99.73%
2003	132,669,788	133,793,253	27,047,926	27,047,926	159,717,714	160,841,179	0.20390	99.30%
2004	137,634,909	139,194,180	25,506,283	25,506,283	163,141,192	164,700,463	0.20390	99.05%
2005	145,616,669	147,709,138	25,613,845	25,613,845	171,230,514	173,322,983	0.21390	98.79%
2006	158,357,737	161,310,649	25,992,417	25,992,417	184,350,154	187,303,066	0.21390	98.42%
2007	175,200,112	177,328,144	28,323,579	28,323,579	203,523,691	205,651,723	0.22810	98.97%
2008	187,657,752	189,375,558	30,463,426	30,463,426	218,121,178	219,838,984	0.22810	99.22%
2009	182,573,892	183,604,362	30,712,196	30,712,196	213,286,088	214,316,558	0.22810	99.52%
2010	176,079,924	176,830,527	28,685,037	28,685,037	204,764,961	205,515,564	0.24310	99.63%

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 exemption for all taxpayers. The Dallas County Commissioners Court approved an additional \$69,000 allowance for homestead exemption for taxpayers over 65 years of age. The approved allowance for disabled veterans is \$1,500 for disabilities of 10% to 30%, \$2,000 for disabilities of 31% to 50%, \$2,500 for disabilities of 51% to 70%, and \$3,000 for disabilities greater than 70%.

Note (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 tax limitation "freeze" on the total taxes imposed by the County on property held by disabled and over 65 homeowners.

Note (4) The assessment date is January 1.

Table 7

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

<u>Tax Year</u>	<u>General Fund</u>	<u>Major Technology Fund</u>	<u>Permanent Improvement Fund</u>	<u>Major Capital Development Fund</u>	<u>Debt Service Funds</u>	<u>Total Primary Government</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
Rates (1)								
2001	\$ 0.14520	\$ 0.00500	\$ 0.00180	\$ 0.01050	\$ 0.03350	\$ 0.19600	\$ 0.25400	\$ 0.45000
2002	0.14420	0.00500	0.00180	0.01450	0.03050	0.19600	0.25400	0.45000
2003	0.15832	0.00500	0.00180	0.01450	0.02428	0.20390	0.25400	0.45790
2004	0.15210	0.00500	0.00180	0.01301	0.03199	0.20390	0.25400	0.45790
2005	0.16210	0.00500	0.00180	0.01621	0.02879	0.21390	0.25400	0.46790
2006	0.15450	0.01260	0.00180	0.02525	0.01975	0.21390	0.25400	0.46790
2007	0.16870	0.01260	0.00180	0.02593	0.01907	0.22810	0.25400	0.48210
2008	0.16870	0.01260	0.00180	0.02996	0.01504	0.22810	0.25400	0.48210
2009	0.16870	0.01260	0.00180	0.03064	0.01436	0.22810	0.27400	0.50210
2010	0.18370	0.01260	0.00180	0.03083	0.01417	0.24310	0.27100	0.51410

## Tax levies (1)

(in thousands of dollars)

2001	\$ 179,571	\$ 6,184	\$ 2,226	\$ 12,985	\$ 41,430	\$ 242,396 (a)	\$ 314,100	\$ 556,496
2002	185,186	6,421	2,311	18,621	39,169	251,708 (a)	326,195	577,903
2003	202,119	6,383	2,298	18,511	30,997	260,308 (a)	324,269	584,577
2004	197,148	6,481	2,333	16,863	41,465	264,290 (a)	329,229	593,519
2005	219,902	6,783	2,442	21,990	39,056	290,173 (a)	344,572	634,745
2006	226,423	18,466	2,638	37,004	28,944	313,475 (b)	372,243	685,718
2007	272,413	20,346	2,907	41,871	30,794	368,331 (c)	410,153	778,484
2008	287,381	21,464	3,066	51,041	25,617	388,569 (d)	433,936	822,505
2009	278,064	20,768	2,967	50,500	23,673	375,972 (e)	453,929	829,901
2010	287,607	19,727	2,818	48,270	22,183	380,605 (f)	429,605	810,210

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.

## 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>

includes tax increment financing (listed below) for collection by Dallas County with remittance to the City without actual revenue recognition totaling:

- (a) in excess of \$ 1 million
- (b) \$ 1.7 million
- (c) \$ 2.9 million
- (d) \$ 3.8 million
- (e) \$ 3.2 million
- (f) \$ 2.7 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

Table 8

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

<u>Name</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Dallas County	\$ 0.19600	\$ 0.19600	\$ 0.20390	\$ 0.20390	\$ 0.21390	\$ 0.21390	\$ 0.22810	\$ 0.22810	\$ 0.22810	\$ 0.24310
Hospital District	0.25400	0.25400	0.25400	0.25400	0.25400	0.25400	0.25400	0.25400	0.27400	0.27100
Community College District	0.06000	0.06000	0.07780	0.08030	0.08160	0.08100	0.08040	0.08940	0.09490	0.09923
<b>School Districts</b>										
Carrollton-Farmers Branch	1.72420	1.72240	1.73580	1.78240	1.82590	1.68300	1.36700	1.36230	1.34220	1.34690
Cedar Hill	1.63000	1.68000	1.70160	1.74130	1.84843	1.74330	1.40000	1.50000	1.40000	1.44000
Coppell	1.65500	1.70500	1.73500	1.73500	1.72900	1.59900	1.26900	1.27900	1.28340	1.42420
Dallas	1.54753	1.58753	1.63950	1.66940	1.68836	1.50264	1.19964	1.18340	1.27134	1.23781
Desoto	1.68000	1.71000	1.71000	1.74000	1.79000	1.76000	1.49000	1.51000	1.49000	1.49000
Duncanville	1.67000	1.75000	1.85500	1.83600	1.86600	1.73600	1.41800	1.41800	1.41800	1.41800
Ferris	1.51000	1.53950	1.53700	1.77190	1.77190	1.57070	1.26970	1.27720	1.27720	1.31785
Garland	1.47170	1.45860	1.55850	1.62140	1.67010	1.54490	1.25330	1.25330	1.25330	1.25330
Grand Prairie	1.66710	1.66710	1.72710	1.75110	1.75860	1.62970	1.46500	1.46500	1.46500	1.46500
Grapevine-Colleyville	1.58200	1.65979	1.70100	1.70105	1.70000	1.57430	1.29000	1.29000	1.29000	1.29000
Highland Park	1.61000	1.61000	1.61000	1.61000	1.53000	1.35570	1.03670	1.09000	1.11000	1.11500
Irving	1.69500	1.77060	1.81500	1.83700	1.81400	1.64400	1.34850	1.39100	1.42500	1.46500
Lancaster	1.67000	1.67000	1.64915	1.85446	1.85446	1.72600	1.40770	1.41270	1.41270	1.41270
Mesquite	1.58000	1.62000	1.67000	1.76000	1.76240	1.66800	1.37670	1.40000	1.42000	1.42000
Richardson	1.79930	1.80810	1.82000	1.82000	1.82000	1.63005	1.34005	1.34005	1.34005	1.34005
Sunnyvale	1.30000	1.34947	1.46600	1.44600	1.66590	1.51905	1.38005	1.37000	1.36000	1.35100
Wilmer / Hutchins*	1.55840	1.54820	1.54820	1.58000	1.28540	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Cities and Towns</b>										
Addison	0.38480	0.39990	0.42280	0.47600	0.47600	0.46400	0.43370	0.45350	0.49600	0.53000
Balch Springs	0.62900	0.61700	0.54000	0.52550	0.55571	0.57728	0.62098	0.62000	0.76000	0.76000
Carrollton	0.59930	0.59930	0.59930	0.59930	0.63288	0.63288	0.61788	0.61788	0.61788	0.61788
Cedar Hill	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140	0.67000
Cockrell Hill	0.74507	0.74036	0.77349	0.73379	0.76159	0.76853	0.78811	0.78811	0.78811	0.81109
Combine**	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.21000	0.21000	0.23000	0.23000
Coppell	0.64860	0.64860	0.64860	0.64860	0.64860	0.64146	0.64146	0.64146	0.64146	0.69046
Dallas	0.66750	0.69980	0.69980	0.71970	0.74170	0.72920	0.74790	0.74790	0.74790	0.79700
Desoto	0.63639	0.65921	0.65879	0.66689	0.68499	0.69835	0.70973	0.69973	0.69973	0.73512
Duncanville	0.71800	0.71800	0.71800	0.71800	0.71800	0.69600	0.69600	0.69600	0.69600	0.73769
Farmers Branch	0.44000	0.44000	0.46000	0.49450	0.49450	0.49450	0.49450	0.49450	0.51950	0.52950
Garland	0.64110	0.64110	0.64110	0.64110	0.66610	0.67860	0.68860	0.69960	0.70460	0.70460
Glenn Heights	0.72840	0.70990	0.69576	0.65310	0.65310	0.69617	0.68404	0.69436	0.73932	0.79500
Grand Prairie	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000	0.67000
Highland Park	0.22900	0.22080	0.23000	0.23000	0.23000	0.22500	0.22000	0.22000	0.22000	0.22000
Hutchins	0.48165	0.50882	0.52917	0.53300	0.54000	0.54109	0.53755	0.52810	0.56300	0.58100
Irving	0.48800	0.49800	0.53280	0.54790	0.54790	0.54790	0.54060	0.54060	0.54060	0.57610
Lancaster	0.67170	0.67170	0.67170	0.67170	0.67170	0.67170	0.73750	0.77750	0.77750	0.86750
Mesquite	0.54148	0.54148	0.54148	0.58148	0.60148	0.62000	0.64000	0.64000	0.64000	0.64000
Richardson	0.44385	0.47785	0.47785	0.52516	0.52516	0.57516	0.57516	0.57516	0.57516	0.63516
Rowlett	0.64000	0.64000	0.64000	0.67695	0.74717	0.74717	0.74717	0.74717	0.74717	0.74717
Sachse	0.58882	0.57540	0.56006	0.55832	0.55832	0.55341	0.55341	0.61000	0.70582	0.70582
Seagoville	0.58000	0.65000	0.65000	0.63500	0.63500	0.63500	0.63500	0.63500	0.65000	0.66500
Sunnyvale	0.37997	0.37997	0.37997	0.37997	0.37997	0.37997	0.37997	0.37796	0.40796	0.40796
University Park	0.33999	0.32932	0.32601	0.32539	0.30958	0.29272	0.26836	0.26548	0.26548	0.27845
Wilmer*	0.66000	0.66000	0.66000	0.66000	0.66000	0.61000	0.61000	0.48566	0.43599	0.43599

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

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

\* Wilmer - Hutchins ISD was absorbed by Dallas ISD beginning in 2006

\*\* The City of Combine was not a taxable entity until 2007

Table 9

**DALLAS COUNTY, TEXAS**  
Principal Property Taxpayers  
September 30, 2010  
(in thousands of dollars)  
(unaudited)

Name of Taxpayer	Type of Property	2010		2001		Percent of Dallas County Assessed Valuation	Percent of Dallas County Assessed Valuation
		Total Assessed Valuation	Rank	Total Assessed Valuation	Rank		
Oncor Electric Delivery	Electric Utility	\$ 1,225,464	1	0.70 %	\$ —	—	%
AT&T/SouthWestern Bell Telephone Company	Telephone Utility	1,222,824	2	0.69	1,593,285	2	1.29
Texas Instruments	Electronics	769,422	3	0.44	1,693,719	1	1.37
NorthPark Land Partners	Real Estate	530,065	4	0.30	—	—	—
Southwest Airlines	Airline	473,624	5	0.27	565,343	5	0.46
Wal-Mart Real Estate/Stores	Retail	453,385	6	0.26	—	—	—
Verizon	Telephone Utility	429,566	7	0.24	380,788	7	0.31
Crescent TC Investors LP	Real Estate	353,769	8	0.20	1,080,569	4	0.88
YPI Central Expy LP	Real Estate	337,437	9	0.19	—	—	—
Galleria Mall Inv LP	Real Estate	326,981	10	0.19	—	—	—
Texas Utilities Company	Electric Utility	—	—	—	1,388,807	3	1.13
Trammel Crow	Real Estate	—	—	—	361,937	8	0.29
Post Apartment Homes LP	Real Estate	—	—	—	390,442	6	0.32
MCI Worldcom	Telephone utility	—	—	—	341,555	9	0.28
Metropolitan Life Insurance	Insurance	—	—	—	271,943	10	0.22
Total		\$ <u>6,122,537</u>		<u>3.49</u> %	\$ <u>8,068,388</u>		<u>6.55</u> %

Notes (1) Estimated amounts based on 2010 and 2001 appraisal roll excluding property under protest.

Source: Dallas County Tax Assessor-Collector.

Table 10

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

<u>Year</u>	<u>Tax Levies (h)</u>	<u>Collections of Current Tax Levy During Fiscal Period</u>	<u>Percentage of Collected During Fiscal Period</u>	<u>Collections of Delinquent Tax During Fiscal Period</u>	<u>Total Collections (g)</u>	<u>Percentage of Total Collections to Tax Levies</u>
2001	\$ 556,476	\$ 537,790 (a)	96.64 % (a)	\$ 4,963 (c)	\$ 542,753	97.53 %
2002	577,903	553,641 (a)	95.80 (a)	4,287 (c)	557,928	96.54
2003	584,578	566,558 (a)	96.92 (a)	6,260 (c)	572,818	97.99
2004	593,519	582,127 (b)	98.08 (b)	8,908 (d)	591,035	99.58
2005	638,335 (e)	624,911 (b)	97.90 (b)	7,027 (d)	631,938	99.00
2006	683,907 (e)	671,481 (b)	98.18 (b)	7,951 (d)	679,432	99.35
2007	767,576 (e)	756,012 (b)	98.49 (b)	8,016 (d)	764,028	99.54
2008	810,865 (e)	795,692 (b)	98.13 (b)	7,497 (d)	803,189	99.05
2009	822,915 (e)	808,714 (b)	98.27 (b)	7,512 (d)	816,226	99.19
2010	810,210 (f)					

Source: Dallas County Financial Records.

- Notes: (a) Current fiscal period collections are those collected between October 1 of the year levied through June 30 (date of delinquency) for the following year.  
(b) Current fiscal period collections are those collected between October 1 and September 30.  
(c) Delinquent taxes include current tax year delinquencies and prior fiscal period taxes collected (in the nine months between October 1 and June 30) for prior tax years.  
(d) Delinquent taxes include taxes collected in subsequent fiscal years.  
(e) Total levy as of the last supplement processed during the fiscal year.  
(f) Collections on the 2010 tax roll are incomplete until the end of the fiscal year, September 30, 2011.  
(g) Tax collections exclude TIF payments and are reported net of commission for the office of the Tax Assessor Collector.  
(h) Original levy excludes property under protest which is subsequently added to tax rolls as a result of arbitration.

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 Court in accordance with Sections 6.30, 33.11 and 33.07 of the Property Tax Code of the State of Texas. A delinquent tax notice is mailed to the taxpayer not less than 30 or more than 60 days prior to the date (either April 1, for personal property or July 1, for real property) at which unpaid accounts are placed with the law firm for collection. The taxpayer is notified by the law firm that the delinquent tax account has been placed for collection with the law firm. If payment is not received within a reasonable period of time, the law firm will file suit for collection.

**DALLAS COUNTY, TEXAS**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
(in thousands of dollars, except per capita amount)  
(unaudited)

<b>Year</b>	<b>Estimated Population</b>	<b>Assessed Value</b>	<b>Gross Bonded Debt (1)</b>	<b>Less Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Percentage of Personal Income (2)</b>	<b>Net Bonded Debt Per Capita</b>
2001	2,219	\$ 152,897,778	\$ 280,623 *	\$ 17,567	\$ 263,056	0.17205 %	0.3197 %	\$ 118
2002	2,245	160,226,576	247,753 *	14,671	233,082	0.14547	0.2809	104
2003	2,284	160,841,180	238,143 *	12,327	225,816	0.14040	0.2679	99
2004	2,284	164,700,463	220,640 *	5,633	215,007	0.13054	0.2397	94
2005	2,330	173,322,983	188,131 *	7,369	180,762	0.10429	0.1890	78
2006	2,383	187,303,067	221,723 *	13,420	208,303	0.11121	0.2047	87
2007	2,417	205,651,722	186,676 **	7,631	179,045	0.08706	0.1710	74
2008	2,452	219,838,984	158,885 **	3,381	155,504	0.07074	0.1426	63
2009	2,471	214,316,558	139,059 **	2,785	136,274	0.06359	0.1270	55
2010	2,493	205,515,564	124,211 **	3,128	121,083	0.05892	0.1122	49

Note: Assessed Value includes rolling stock, values under protest as claimed by property owners and adjusted market value.

(1) Total gross bonded debt for the primary government is all general obligation bonds.

(2) Figures for 2004-2007 reflect adjusted personal income numbers.

See schedule of Demographic and Economic Statistics on page 138 (Table 15) for personal income data.

\* Includes Premium on Tax notes and Bonds

\*\* Excludes Premium on Tax Notes and Bonds

Source: Dallas County Financial Records.

Table 12

**DALLAS COUNTY, TEXAS**  
**Direct and Overlapping Bonded Debt**  
**September 30, 2010**  
(in thousands of dollars)  
(unaudited)

<u>Name</u>	<u>Indebtedness as of</u>	<u>Gross Debt Less Sinking Funds</u>	<u>Percentage of Debt Applicable to Dallas County</u>	<u>Dallas County's Share of Debt</u>
Dallas County	9/30/2010	\$ 121,083	100.00%	\$ 121,083
Hospital District	9/30/2010	697,838	100.00%	697,838
Water Control and Improvement District No. 6	9/30/2010	13,195	100.00%	13,195
Total direct		<u>\$ 832,116</u>		<u>\$ 832,116</u>
<b>Overlapping Debt:</b>				
<b>Independent school districts:</b>				
Carrollton-Farmers Branch	8/31/2010	\$ 353,476	80.54%	\$ 284,690
Cedar Hill	8/31/2010	95,112	100.00%	95,112
Coppell	8/31/2010	139,887	100.00%	139,887
Dallas	6/30/2010	1,701,164	100.00%	1,701,164
Desoto	8/31/2010	141,230	100.00%	141,230
Duncanville	8/31/2010	156,959	100.00%	156,959
Ferris	8/31/2010	57,278	5.05%	2,893
Garland	8/31/2010	374,694	100.00%	374,694
Grand Prairie	8/31/2010	438,026	100.00%	438,026
Grapevine-Colleyville	8/31/2010	319,842	5.47%	17,495
Highland Park	8/31/2010	115,884	100.00%	115,884
Irving	8/31/2010	343,487	100.00%	343,487
Lancaster	8/31/2010	100,500	100.00%	100,500
Mesquite	8/31/2010	436,986	100.00%	436,986
Richardson	6/30/2010	397,923	100.00%	397,923
Sunnyvale	8/31/2010	42,849	100.00%	42,849
Total independent school districts		<u>\$ 5,215,297</u>		<u>\$ 4,789,777</u>

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

Table 12

**DALLAS COUNTY, TEXAS**  
**Computation of Direct and Overlapping Bonded Debt**  
**September 30, 2010**  
(in thousands of dollars)  
(unaudited)

<u>Name</u>	<u>Indebtedness as of</u>	<u>Gross Debt Less Sinking Funds</u>	<u>Percentage of Debt Applicable to Dallas County</u>	<u>Dallas County's Share of Debt</u>
Overlapping Debt (Continued):				
Cities and towns:				
Addison	9/30/2010	\$ 50,837	100.00%	\$ 50,837
Balch Springs	9/30/2010	8,176	100.00%	8,176
Carrollton	9/30/2010	169,830	50.11%	85,102
Cedar Hill	9/30/2010	63,757	100.00%	63,757
Cockrell Hill	9/30/2010	1,875	100.00%	1,875
Coppell	9/30/2010	88,943	98.17%	87,315
Dallas	9/30/2010	1,933,903	94.64%	1,830,246
Desoto	9/30/2010	92,557	100.00%	92,557
Duncanville	9/30/2010	22,227	100.00%	22,227
Farmers Branch	9/30/2010	18,136	100.00%	18,136
Ferris	9/30/2010	2,820	9.70%	274
Garland	9/30/2010	234,319	99.78%	233,803
Glenn Heights	9/30/2010	4,365	68.79%	3,003
Grand Prairie	9/30/2010	158,366	51.39%	81,384
Grapevine	9/30/2010	132,008 (a)	1.86%	2,455
Hutchins	9/30/2010	7,933	100.00%	7,933
Irving	9/30/2010	203,773	100.00%	203,773
Lancaster	9/30/2010	77,690	100.00%	77,690
Lewisville	9/30/2010	145,656	0.76%	1,107
Mesquite	9/30/2010	111,687	99.65%	111,296
Ovilla	9/30/2010	7,505	8.81%	661
Richardson	9/30/2010	244,561	65.03%	159,038
Rowlett	9/30/2010	82,596	85.22%	70,388
Sachse	9/30/2010	42,310	67.94%	28,745
Seagoville	9/30/2010	6,370	99.18%	6,318
Sunnyvale	9/30/2010	9,218	100.00%	9,218
Wilmer	9/30/2010	77	100.00%	77
Wylie	9/30/2010	118,399	0.42%	497
Total cities and towns		<u>4,039,894</u>		<u>3,257,887</u>
Total Overlapping		<u>9,255,191</u>		<u>8,047,666</u>
Total Direct and Overlapping		<u>\$ 10,087,307</u>		<u>\$ 8,879,782</u>

## Source:

Financial reports of governmental units which have overlapping debt.

Notes: (a) 2009 Figure (2010 figure not available)

(Continued)

**DALLAS COUNTY, TEXAS**  
**Legal Debt Margin - Primary Government**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**  
**(unaudited)**

Table 13

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit (Article 3, Section 52 of the Texas Constitution)	\$ 30,794,940	\$ 32,719,808	\$ 33,164,120	\$ 34,405,411	\$ 36,400,734	\$ 39,585,249	\$ 43,795,676	\$ 46,909,632	\$ 45,638,690 (1)	\$ 44,015,299
Total net debt applicable to limit	176,070	160,298	144,941	132,919	91,805	75,736	65,628	55,831	46,415	37,565
Legal debt margin	\$ <u>30,618,870</u>	\$ <u>32,559,510</u>	\$ <u>33,019,179</u>	\$ <u>34,272,492</u>	\$ <u>36,308,929</u>	\$ <u>39,509,513</u>	\$ <u>43,730,048</u>	\$ <u>46,853,801</u>	\$ <u>45,592,275</u>	\$ <u>43,977,733</u>
Total net debt applicable to the limit as a percentage of debt limit	0.57%	0.49%	0.44%	0.39%	0.25%	0.19%	0.15%	0.12%	0.10%	0.09%
Debt Limit (Under Texas General Law)	\$ 7,587,002	\$ 7,988,886	\$ 7,985,220	\$ 8,156,396	\$ 8,560,839	\$ 9,216,671	\$ 10,175,314	\$ 10,905,098	\$ 10,663,348 (2)	\$ 10,237,312
Total net debt applicable to limit	86,986	72,784	80,496	81,214	86,518	128,137	113,417	99,673	89,859	81,145
Legal debt margin	\$ <u>7,500,016</u>	\$ <u>7,916,102</u>	\$ <u>7,904,724</u>	\$ <u>8,075,182</u>	\$ <u>8,474,321</u>	\$ <u>9,088,534</u>	\$ <u>10,061,897</u>	\$ <u>10,805,425</u>	\$ <u>10,573,489</u>	\$ <u>10,156,167</u>
Total net debt applicable to the limit as a percentage of debt limit	1.15%	0.91%	1.01%	1.00%	1.01%	1.39%	1.11%	0.91%	0.84%	0.79%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Assessed valuation of real property*	\$ 176,061,194
Assessed valuation of all taxable property*	<u>204,746,231</u>
Bonds issued under Article 3, Section 52 of the Texas Constitution:	
Debt limit, one-fourth of real property assessed valuation	44,015,299 (1)
Amount of debt applied to debt limit:	
Bonded debt	\$ (38,555)
Less debt service funds - appropriation for future debt payments	<u>990</u>
Total amount of debt applicable to debt limit	<u>(37,565)</u>
Legal debt margin, bonds issued under Article 3, section 52, of the Texas Constitution	<u>\$ 43,977,733</u>
Bonds issued under Texas General Laws:	
Debt limit, five percent of assessed valuation of all taxable property	10,237,312 (2)
Amount of debt applied to debt limit:	
Bonded debt	\$ (83,283)
Less debt service funds - appropriation for future debt payments	<u>2,138</u>
Total amount of debt applicable to debt limit	<u>(81,145)</u>
Legal debt margin, bonds issued under Texas General Laws	<u>\$ 10,156,167</u>

(1) As to bonds issued under Article 3, Section 52e of the Texas Constitution, counties "may issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of such district or territory."

(2) Government Code 1301.003 (c) "the total indebtedness of any County for the purpose provided in this chapter, shall not be increased by any issue of bonds to a sum exceeding five percent of its said taxable values."

	Real Property	All
* Assessed value of real property	\$ 176,079,924	\$ 204,764,961
Rolling Stock	(18,730)	(18,730)
Adjusted Assessed Value of Real Property	<u>\$ 176,061,194</u>	<u>\$ 204,746,231</u>

**DALLAS COUNTY, TEXAS**

## Pledged Revenue Coverage

Last Five Fiscal Years

(in thousands of dollars)

(unaudited)

Fiscal Year (1)	Tax and Parking Garage Revenue Bonds						
	Total Resources	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage (2)
				Principal	Interest		
2006	\$ 1,084	\$ -	\$ 1,084	\$ 350	\$ 734	\$ 1,084	1.00
2007	1,201	48	1,153	380	724	1,104	1.04
2008	1,194	150	1,044	410	712	1,122	0.93
2009	1,155	136	1,019	445	700	1,145	0.89
2010	1,092	173	919	480	686	1,166	0.79

(1) Operating expenses from fiscal year 2008 forward include 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.

Note: Parking garage opened March 19, 2007. George Allen parking garage system revenues are available for debt service.

**DALLAS COUNTY, TEXAS**  
Demographic and Economic Statistics  
Last Ten Years  
(unaudited)

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (in millions of dollars) (2)</b>	<b>Wage Mean (3)</b>	<b>Median Age (4)</b>	<b>School Enrollment (5)</b>	<b>Unemployment Rate (6)</b>	
2001	2,218,899	\$ 82,272	\$ 36,373	31.3	157,726	5.1	(c)
2002	2,245,398	82,983	36,205	31.8	150,742	6.4	(c)
2003	2,283,953	84,278	36,617	31.9	149,597	6.6	(c)
2004	2,284,096	89,692 (a)	39,766	32.2	148,131	5.5	(c)
2005	2,330,050	95,652 (a)	40,959	32.6	146,216	5.2	(c)
2006	2,383,300	101,747 (a)	41,321	32.4	158,700	4.6	(c)
2007	2,417,650	104,705	42,174	32.8	158,126	4.3	(c)
2008	2,451,800	109,053	44,060	33.1	157,631	5.3	(c)
2009	2,471,000	107,337 (d)	45,422	33.2	157,524	8.7	(c) (d)
2010	2,492,850	107,915 (d)	47,351	31.7	157,524 (b)	8.4	(c) (d)

Source:

- 1) North Texas Commission ([ntc-dfw.org/ntpopopest.html](http://ntc-dfw.org/ntpopopest.html))
- 2) Bureau of Economic Analysis - U.S. Department of Commerce ([www.bea.gov](http://www.bea.gov)) for amounts through Fiscal Year 2005. After 2005, personal income estimated using CPI South-Urban available from U.S. Department of Labor.
- 3) Texas Workforce Commission LMI Tracer ([www.texasindustryprofiles.com/apps/win/eds.php](http://www.texasindustryprofiles.com/apps/win/eds.php))
- 4) U.S. Census Bureau - ACS Survey ([factfinder.census.gov](http://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 metropolitan area.

Note:

- (a) Adjusted personal income figures reflect new Bureau of Labor Statistics estimates for 2006 and revisions for 2004-2005.
- (b) 2009 Figure (2010 figure not available)
- (c) The unemployment rate is reported for the month of September. 2001-2007 unemployment figures were previously reported as an annual average.
- (d) The search criteria used to calculate adjusted figures have been narrowed down to Dallas County area

**DALLAS COUNTY, TEXAS**  
Principal Employers  
September 30, 2010  
(unaudited)

2010					2001				
Company	Product	Employees	Rank	Percentage of Total County Employment	Company	Product	Employees	Rank	Percentage of Total County Employment
Wal-Mart Stores, Inc.	Retail	37,100	1	1.49 %	AMR Corporation (American Airlines)	Airline, Technology and Management Services	35,000	1	1.58 %
AMR Corporation (American Airlines)	Airline, Technology and Management Services	21,935	2	0.88	Raytheon Company	Defense Systems & Electronics	18,500	2	0.83
Dallas Public Schools	Public Independent School District	20,076	3	0.81	Southwestern Bell Telephone	Telecommunications	18,000	3	0.81
Baylor Health Care System	Health Care Provider	18,000	4	0.72	Dallas Public Schools	Public Independent School District	17,169	4	0.77
Texas Health Resource	Non-profit Health Care	17,485	5	0.70	Texas Health Resource	Non-profit Health Care	15,500	5	0.70
AT&T Inc.	Telecommunications	14,400	6	0.58	U.S. Postal Services - Dallas District	Mail Delivery	13,463	6	0.61
Lockheed Martin Aeronautics Company	Military Aircraft Design and Production	14,100	7	0.57	City of Dallas	Municipality	13,000	7	0.59
Verizon Communications	Telecommunications Service Firm	14,000	8	0.56	The Visiting Nurse Association of Texas	Non-profit Health related Services	12,897	8	0.58
City of Dallas	Municipality	12,592	9	0.51	Baylor Health Care System	Health Care in Dallas and North Texas	12,800	9	0.58
HCA North Texas Division	Health Care Provider	12,300	10	0.49	Verizon	Telecommunications Service Firm	12,000	10	0.54
JPMorgan Chase	Financial Services	10,000	11	0.40	Bank of America	Financial Services	10,000	11	0.45
Raytheon Co.	Defense Systems & Electronics	9,100	12	0.37	Texas Instruments, Incorporated	Electronics and Semi-conductors	9,500	12	0.43
Citigroup Inc.	Financial Services	9,100	13	0.37	Kroger L.P.I., Dallas Marketing Area	Grocery Store Chain	9,000	13	0.41
Kroger Food Stores	Retail Grocery	9,052	14	0.36	Electronic Data Systems	Computer and Data Services	8,200	14	0.37
Texas Instruments, Inc.	Electronics and Semi-conductors	8,900	15	0.36	Baylor University Medical Center	Hospital	8,108	15	0.37
Target Corp.	Retail	8,800	16	0.35	United Parcel Service	Package Distribution Company	8,000	16	0.36
Brinker International	Restaurants	8,388	17	0.34	Nortel Networks (Northern Telecom)	Telecommunications Equipment Manufacturer.	8,000	17	0.36
Dallas County Hospital District	Health Care to Dallas County	8,100	18	0.32	Tom Thumb Food & Pharmacy	Retail Grocery	7,680	18	0.35
Bank of America	Financial Services	8,000	19	0.32	Albertson's Inc.	Retail Grocery	7,000	19	0.32
Dallas County	Government	7,917	20	0.32	Alcatel USA	Voice, Data & Switching Infrastructure Mfgr.	7,000	20	0.32
J.C. Penney Company, Inc.	Retail	7,416	21	0.30					
United Parcel Service Inc.	Package Distribution Company	6,850	22	0.27					
Albertson's	Retail Grocery	6,500	23	0.26					
Bell Helicopter Textron	Helicopter and Tilt Rotor Design	6,500	24	0.26					
Methodist Health System	Health Care Provider	5,999	25	0.24					
Tom Thumb	Retail Grocery	5,780	26	0.23					
Children's Medical Center Dallas	Health Care Provider	5,365	27	0.22					
Walgreens	Retail Pharmacy	5,306	28	0.21					

Source: Dallas Business Journal and Ft. Worth Business Press Book of Lists 2010, City of Dallas and Dallas County Records

Dallas County Financial Records

<http://www.ntc-dfw.org/northtexas/corporate/largestemployers.html>

[www.dallascityhall.org](http://www.dallascityhall.org)

[www.dallasisd.org](http://www.dallasisd.org)

Table 17

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	3,440	3,934	4,367	4,518	4,821	5,080	4,260	4,164	4,517	736
Judicial										
Truancy*	-	-	-	22	22	18	28	27	22	34 (1)
Courts**	-	-	-	-	-	-	-	-	-	1,382
Public Safety										
Constable	221	222	224	224	257	256	270	293	270	181 (2)
Sheriff	1,823	1,700	1,692	1,884	1,693	1,828	2,280	2,392	2,203	2,242
Juvenile**	-	-	-	-	-	-	817	775	731	678
Other**	-	-	-	-	-	-	-	-	-	221
Highways and streets										
Road and Bridge	149	150	151	117	117	103	86	87	88	78
Public Works**	-	-	-	-	-	-	-	-	-	62
Health**	-	-	-	-	-	-	-	-	-	284
Education**	-	-	-	-	-	-	-	-	-	158
Public Welfare**	-	-	-	-	-	-	-	-	-	228
Total***	<u>5,633</u>	<u>6,006</u>	<u>6,434</u>	<u>6,765</u>	<u>6,910</u>	<u>7,285</u>	<u>7,741</u>	<u>7,738</u>	<u>7,831</u>	<u>6,284</u>

\* Department established 2004

\*\* Reported in General Government category prior to 2010

\*\*\* Eliminated seasonal employees as of 2010

Source: Dallas County Financial Records

Note:

(1) 22 plus 12 judges & clerks from Truancy court department 1011

(2) 71 full time positions were rifted from Constable Traffic Section

Table 18

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Assessor-Collector of Taxes:</b>										
Budgeted employees	227	233	233	229	229	229	227	227	229	222
Ad valorem assessment notices issued	731,051	743,709	750,087	762,082	771,740	780,046	790,552	795,364	797,621	797,652
Motor vehicle registrations	1,818,868	1,816,528	1,929,114	1,806,423	1,856,256	1,981,824	1,987,802	2,036,945	2,076,773	2,060,385
Number of entity collection contracts	37	39	42	44	48	51	51	53	55	59
<b>Constables (3):</b>										
Budgeted employees	221	222	224	224	257	256	288	312	309	277
Civil process papers served	165,627	151,020	144,620	127,907	128,722	122,517	123,926	126,021	115,865	111,996
<b>County Clerk:</b>										
Budgeted employees	191	192	192	195	198	201	205	207	210	161
Marriage licenses	19,660	17,778	17,209	17,071	17,277	16,535	16,630	17,000	15,937	15,443
Civil suits	13,557	15,774	15,261	15,277	16,882	17,629	18,337	13,462	11,456	11,574
Probate cases	9,331	9,681	8,826	9,515	9,566	10,230	10,891	10,965	11,396	12,128
Criminal cases	61,194	54,694	52,244	63,502	66,691	67,505	64,852	63,000	67,305	70,540
<b>District Clerk:</b>										
Budgeted employees	246	250	250	254	262	266	267	266	264	264
Civil process cases	42,601	44,505	44,952	45,710	45,706	42,152	45,006	47,671	49,629	47,849
Criminal cases	26,246	26,114	27,566	29,564	29,907	28,879	27,379	26,319	26,280	24,560
Jurors	123,653	113,489	118,960	100,049	96,219	102,165	100,003	105,672	99,459	90,894
<b>Justice of the Peace Courts (1):</b>										
Budgeted employees	143	143	140	136	149	147	170	167	166	166
Cases	185,633	263,529	307,499	314,708	366,492	412,118	411,311	466,453	423,508	340,175
<b>Sheriff (5):</b>										
Budgeted employees	1,823	1,700	1,692	1,684	1,693	1,828	2,068	2,195	2,420	2,392
Daily average in county jail	6,218	6,663	6,827	7,017	7,330	8,037	6,568	6,060	5,983	6,550
Persons booked	99,751	93,786	95,858	93,757	101,080	107,571	96,751	99,078	98,821	96,533
Civil process papers served	6,083	6,825	6,616	785	841	589	492	795	485	749
<b>Truancy Courts (2) :</b>										
Budgeted employees	—	—	—	22	22	18	29	29	29	32
Cases Filed	—	—	—	19,061	14,300	20,933	16,270	32,619	40,439	47,012
<b>County Treasurer</b>										
Budgeted employees	20	20	20	18	18	18	18	18	17	16
Total Receipts (4) (6)	\$ 39,248,528	\$ 33,736,025	\$ 29,368,183	\$ 27,530,654	\$ 34,833,076	\$ 37,138,554	\$ 43,216,196	\$ 45,112,755	\$ 11,985,157	\$ 14,036,054
Total Disbursements (4) (6)	\$ 39,269,634	\$ 33,736,341	\$ 29,355,391	\$ 27,518,573	\$ 34,806,088	\$ 37,044,033	\$ 43,236,585	\$ 45,130,340	\$ 12,004,698	\$ 14,013,885
Investment Earnings (4)	\$ 16,321	\$ 8,379	\$ 5,425	\$ 5,360	\$ 11,396	\$ 20,525	\$ 26,323	\$ 17,716	\$ 9,234	\$ 4,746

Sources: Dallas County Financial Records

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

(2): Truancy courts established April 2004. Dallas County currently operates four Truancy courts.

(3): Redistricting of Constables in FY2002 reduced number of Precincts from 8 to 5. Incumbents in 2 non-named precincts will serve out balance of elected term. One incumbent was appointed to another political office. In FY 2008, the increase in number of employees was a result of budgeted positions which were filled in FY 08.

(4): In thousands of dollars.

(5): In FY 2008, the increase in number of employees was a result of budgeted positions which were filled in FY 08.

(6): 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.

Table 19

**DALLAS COUNTY, TEXAS**  
**Capital Asset Statistics by Function**  
**Last Eight Fiscal Years**  
**(unaudited)**

Function	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>								
Number of buildings	22	22	22	22	22 (a)	21 (b)	21 (b)	21 (b)
<b>Public Safety</b>								
Number of buildings	10	10	10	10	10	10	9 (c)	9 (c)
Number of jails	5	5	4	4	5	5	4 (e)	4 (e)
Number of vehicles	485	492	479	593	584	640	713	816
<b>Highways and streets</b>								
Number of buildings	4	4	4	4	4	4	4	4
Streets (lane miles)	142	137	137	137	137	137	135	133
Number of bridges	51	51	51	41	38	37	36	36
<b>Health</b>								
Number of buildings	1	1	1	1	1	1	1	1
<b>Public Welfare</b>								
Number of buildings	3	3	3	3	3	3	3	2 (f)
<b>Judicial</b>								
Number of buildings	7	7	7	7	7	7	7	7
Number of Juvenile beds	486	670	706	750	750	762	710 (d)	787
Number of courts	71	71	69	70	71	71	71	71

Source: Operating Indicators were provided by the various operating departments.

Notes:

- (a) Includes a demolished (FY 07) building. The land was used to construct a new County building (Forensic Science)
  - (b) Does not include Forensic Science building which is complete but not yet occupied.
  - (c) Building reduction in Public Safety due to the swap of Auto Service Center Building for future location.
  - (d) 2010 budget ramifications and the re-structuring of internal programs reduced the number of juvenile beds.
  - (e) George Allen Jail is used for overflow and is presently not occupied.
- Statistics were not accumulated for presentation prior to implementation of GASB 34 in 2002.
- (f) Building reduction in Public Welfare due to the sale of the Juvenile Administration/ Detention Building



**DALLAS COUNTY, TEXAS**

Single Audit

September 30, 2010

# DALLAS COUNTY, TEXAS

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

**Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

The Honorable County Judge  
and Commissioner's Court:

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 (Dallas County) as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 31, 2011. Our report was modified to include reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the Dallas County Hospital District, as described in our report on the County's financial statements. This report does not include the results of the auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Dallas County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dallas County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Dallas County's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and that are described in the accompanying schedule of findings and responses as items 2010-01 and 2010-02. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dallas County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Dallas County in a separate letter dated June 3, 2011.

Dallas County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Dallas County's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of Dallas County management, Honorable County Judge, Commissioner's Court, others within the entity, and Federal and State awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

March 31, 2011



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

**Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Uniform Grants Management Standards and on Schedule of Expenditures of Federal and State Awards**

The Honorable County Judge  
and Commissioners' Court:

**Compliance**

We have audited Dallas County, Texas' (Dallas County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on each of Dallas County's major federal and state programs for the year ended September 30, 2010. Dallas County's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of Dallas County's management. Our responsibility is to express an opinion on Dallas County's compliance based on our audit.

Dallas County's basic financial statements include the operations of the Dallas County Hospital District (the District), which received federal awards that are not included in the schedule during the year ended September 30, 2010. Our audit, described below, did not include the operations of the District, because the District engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and UGMS. Those standards, OMB Circular A-133 and UGMS, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Dallas County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Dallas County's compliance with those requirements.

In our opinion, Dallas County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2010. However, the results of our procedures also disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-03 and 2010-04.

## **Internal Control over Compliance**

The management of Dallas County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered Dallas County's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dallas County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-04, 2010-05, and 2010-06 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 2010-03 to be a material weakness.

## **Schedule of Expenditures of Federal and State Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dallas County as of and for the year ended September 30, 2010, and have issued our report thereon dated March 31, 2011. Our report was modified to include a reference to other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Dallas County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and UGMS and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dallas County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Dallas County's responses, and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of Dallas County's management, Honorable County Judge, the Commissioners' Court, others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

June 9, 2011, except for the paragraph related to the  
Schedule of Expenditures of Federal and State Awards,  
which is as of March 31, 2011

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS**

**DALLAS COUNTY, TEXAS**  
Schedule of Expenditures of Federal and State Awards  
Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
U.S. Department of Agriculture:				
Texas Department of State Health Services:				
Program – Food Donation:				
Federal – pass-through:				
5117 Youth Village Commodities	10.550	057-046A	\$ 5,397	—
Total indirect			5,397	—
Total program			5,397	—
Total CFDA 10.550			5,397	—
Texas Health and Human Services Commission:				
Program – School Breakfast Program:				
Federal – pass-through:				
51101 Juvenile Department School Breakfast Program	10.553	2003-705	308,643	—
U.S. Department Total indirect				
Total program			308,643	—
Total CFDA 10.553			308,643	—
Program – National School Lunch Program:				
Federal – pass through:				
5110-5116 Juvenile Department School Lunch/Snack Program	10.555	057-204	606,868	—
Total indirect			606,868	—
Total program			606,868	—
Total CFDA 10.555			606,868	—
U.S. Department of Housing and Urban Development:				
U.S. Department of Housing and Urban Development:				
Program – Community Development Block Grants/Entitlement Grants:				
Federal – direct:				
Community Development Block Grants	14.218	B-96-UC-48-0003	41,858	—
Community Development Block Grants	14.218	B-99-UC-48-0003	—	—
Community Development Block Grants	14.218	B-00-UC-48-0003	9,830	—
Community Development Block Grants	14.218	B-01-UC-48-0003	—	—
Community Development Block Grants	14.218	B-03-UC-48-0003	613	—
Community Development Block Grants	14.218	B-04-UC-48-0003	53,059	—
Community Development Block Grants	14.218	B-05-UC-48-0003	14,289	12,731
Community Development Block Grants	14.218	B-06-UC-48-0003	30,608	16,180
Community Development Block Grants	14.218	B-07-UC-48-0003	164,794	22,238
Community Development Block Grants	14.218	B-08-UC-48-0003	429,304	187,715
Community Development Block Grants	14.218	B-09-UC-48-0003	1,366,817	298,985
Community Development Block Grants	14.218	B-10-UC-48-0003	12,770	—
Total direct			2,123,942	537,849
Total program			2,123,942	537,849
Program – Community Development Block Grants/Entitlement Grants:				
Federal – direct:				
950009 Neighborhood Stabilization Program (NSP)	14.218	B-08-UN-48-0001	3,307,213	—
Total direct			3,307,213	—
Total program			3,307,213	—
Total CFDA 14.218			5,431,155	537,849
U.S. Department of Housing and Urban Development:				
Program – Emergency Shelter Grant Program:				
Federal – direct:				
960008 Emergency Shelter Grant	14.231	S07-UC-48-0005	(2,264)	(2,264)
960009 Emergency Shelter Grant	14.231	S08-UC-48-0005	14,677	14,677
960010 Emergency Shelter Grant	14.231	S09-UC-48-0005	89,699	88,819
Total direct			102,112	101,232
Total program			102,112	101,232
Total CFDA 14.231			102,112	101,232

**DALLAS COUNTY, TEXAS**  
Schedule of Expenditures of Federal and State Awards  
Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
Program – Shelter Plus Care:				
Federal – Direct:				
290609 Shelter Plus Care	14.238	TX01C600025	\$ 88,474	88,474
Total direct			88,474	88,474
Total program			88,474	88,474
Total CFDA 14.238			88,474	88,474
City of Dallas:				
Program – HOME Investment Partnerships Program:				
Federal – Pass Through:				
810010 City Home	14.239	CTGH184118/184119	300,219	—
Total indirect			300,219	—
Total program			300,219	—
U.S. Department of Housing and Urban Development:				
Program – HOME Investment Partnerships Program:				
Federal – Direct:				
First Time Home Buyer	14.239	M-06-UC-48-0221	62,403	—
American Dream	14.239	M-07-UC-48-0221	92,826	—
Community Housing Development Organization (CHDO)	14.239	M-08-UC-48-0221	151,060	—
Housing Replacement	14.239	M-09-UC-48-0221	131,315	—
Total direct			437,604	—
Total program			437,604	—
Total CFDA 14.239			737,823	—
City of Dallas:				
Program – Housing Opportunities for Persons with AIDS:				
Federal – Pass Through:				
820009 Housing Opportunities for Persons with AIDS	14.241	09-01910	1,164,821	—
820109 Housing Opportunities for Persons with AIDS	14.241	09-01910	40,071	—
Total indirect			1,204,892	—
Total program			1,204,892	—
Department of State Health Services:				
Program – Housing Opportunities for Persons with AIDS (HOPWA):				
Federal – Pass Through:				
820309 DSHS HOPWA/HIV	14.241	2009-030673-001	22,816	22,816
820310 DSHS HOPWA/HIV	14.241	2010-034043-001	31,937	31,937
820409 HOPWA	14.241	2009-030673-001	744	—
820410 DSHS Program HIV HOPWA	14.241	2010-034043-001	56	—
Total indirect			55,553	54,753
Total program			55,553	54,753
Total CFDA 14.241			1,260,445	54,753
U.S. Department of Housing and Urban Development:				
Program – CDBG ARRA Entitlement Grants (CDBG-R) Recovery Act funded:				
Federal – Direct:				
951509 CDBG-Recovery Funding (ARRA)	14.253	B-09-UY-48-0003	566,867	—
Total direct			566,867	—
Total program			566,867	—
Total CFDA 14.253			566,867	—
U.S. Department of Housing and Urban Development:				
Program – Homelessness Prevention and Rapid Re-Housing Program (HPRP):				
Federal – Direct:				
960209 Homelessness Prevention and Rapid Re-Housing (ARRA)	14.257	S09-UY-48-0005	631,845	—
Total direct			631,845	—
Total program			631,845	—
Total CFDA 14.257			631,845	—

**DALLAS COUNTY, TEXAS**  
Schedule of Expenditures of Federal and State Awards  
Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
U.S. Department of Housing and Urban Development:				
Program – Section 8 Housing Choice Vouchers:				
Federal – Direct:				
800102 Section 8-V2	14.871	TX559	\$ 1,878	—
800103 Section 8 – Choice Voucher Program	14.871	TX559VO0084	949	—
800109 Housing Choice Voucher 467	14.871	TX559VO0095	(1,041)	—
800110 Housing Choice Voucher 467	14.871	TX559	27,060,249	—
805004 Section 8 Voucher Program Admin Fee 467	14.871	TX559	282,170	—
805105 Section 8 Undesignated Fund Balance 467	14.871	TX559	(14,867)	—
806003 Section 8 Homeownership Program	14.871	TX559	2	—
806004 Section 8 Homeownership Program	14.871	TX559	4	—
806009 Section 8 Home Ownership Program 467	14.871	TX559VO0095	1	—
806010 Section 8 Home Ownership Program 467	14.871	TX559	311,035	—
Total direct			27,640,380	—
Total program			27,640,380	—
Total CFDA 14.871			27,640,380	—
U.S. Department of Justice:				
Program – State and Local Narcotics Control Assistance:				
Federal – Direct:				
91001 Confiscated Funds Constable Pct 4 – Federal	16.000	N/A	1,000	—
91002 Sheriff Federal Asset Sharing	16.000	N/A	519,665	—
91004 Federal Forfeiture Funds Pct 2	16.000	N/A	10,283	—
91005 Federal Forfeiture Funds Pct3	16.000	N/A	1,040	—
91006 Federal Forfeiture Funds Pct 3	16.000	N/A	23,712	—
Total direct			555,700	—
Total program			555,700	—
Program – State and Local Narcotics Control Assistance:				
Federal 0 Pass Through:				
540 DA Forfeiture – Federal	16.000	N/A	17,845	—
Total indirect			17,845	—
Total program			17,845	—
Total CFDA 16.000			573,545	—
Office of the Governor, Criminal Justice Division:				
Program – Juvenile Accountability Block Grants:				
Federal – Pass Through:				
701210 Dallas County Juvenile Drug Court	16.523	JB-08-J20-18683-04	146,175	—
701211 Dallas County Juvenile Drug Court	16.523	JB-09-J20-23630-01	15,138	—
730210 Juvenile Accountability Incentive Block Grant	16.523	JB-08-J20-13292-11	172,038	—
730211 Juvenile Accountability Incentive Block Grant	16.523	JB-09-J20-13292-12	4,230	—
Total indirect			337,581	—
Total program			337,581	—
Total CFDA 16.523			337,581	—
Office of Justice Programs/Bureau of Justice Assistance:				
Program – Supervised Visitation, Safe Havens for Children:				
Federal – Direct:				
601305 Safe Havens: Supervised Visit & Safe Exchange	16.527	2004-CW-AX-0005	80,673	80,673
Total direct			80,673	80,673
Total program			80,673	80,673
Total CFDA 16.527			80,673	80,673
U.S. Department of Justice:				
City of Dallas:				
Program – Missing Children’s Assistance:				
Federal – Pass Through				
640109 Internet Crimes Against Children	16.543	2006-MC-CX-K031	8,900	—
Total indirect			8,900	—
Total program			8,900	—
Total CFDA 16.543			8,900	—

**DALLAS COUNTY, TEXAS**  
Schedule of Expenditures of Federal and State Awards  
Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
National Institute of Justice/Office of Justice Programs:				
Program – National Institute of Justice Research, Evaluation, and Development Project Grants:				
Federal – Direct:				
620510 D.A.'s Office Motor Vehicle Theft DNA Demonstration	16.560	2009-DNR-109	\$ 167,892	—
Total direct			167,892	—
Total program			167,892	—
Total CFDA 16.560			167,892	—
U.S. Department of Justice:				
Office of the Governor, Criminal Justice Division:				
Program – Crime Victim Assistance:				
Federal – Pass Through:				
600709 Collaborative Domestic Violence Project Supplemental	16.575	VA-07-V30-21174-01	(8,640)	—
600810 Child Victim's Assistant	16.575	VA-09-V30-15793-09	51,353	—
600811 Child Victim's Assistant	16.575	VA-10-V30-15793-10	4,772	—
602011 Emergency Civil Legal Representation	16.575	VA-09-V30-24002-01	6,608	—
602111 Bilingual Protective Order Assistance	16.575	VA-09-V30-23990-01	4,500	—
602211 Bilingual Criminal Justice Advocacy	16.575	VA-09-V30-24001-01	5,454	—
Total indirect			64,047	—
Total program			64,047	—
Total CFDA 16.575			64,047	—
Federal Bureau of Investigations (FBI):				
Program – Edward Byrne Memorial Formula Grant Program:				
Federal – Pass Through:				
540010 DEA-HIDTA	16.579	2009-2297	13,705	—
540209 FBI – HIDTA	16.579	281D-DL-58600	1,299	—
540210 FBI – HIDTA	16.579	281D-DL-58600	8,508	—
Total indirect			23,512	—
Total program			23,512	—
Total CFDA 16.579			23,512	—
U.S. Department of Justice:				
Nat'l Institute of Justice/Office of Justice Programs:				
Program – Drug Court Discretionary				
Federal – Direct:				
251010 PRIDE (Positive Intensive Divert Experience) Court	16.585	2009-DC-BX-0030	107,916	—
Total direct			107,916	—
Total program			107,916	—
Total CFDA 16.585			107,916	—
Office of the Governor, Criminal Justice Division:				
Program – Violence Against Women Formula Grants:				
Federal – Pass Through:				
600010 Protective Order Prosecutor	16.588	WF-09-V30-13430-12	69,499	—
600011 Protective Order Prosecutor	16.588	WF-10-V30-13430-13	6,736	—
600109 Regional Training Coordinator	16.588	WF-08-V30-13429-11	(379)	—
600110 Regional Training Coordinator	16.588	WF-09-V30-13429-12	43,155	—
600111 Regional Training Coordinator	16.588	WF-10-V30-13429-13	3,436	—
600210 Protective Order Case Manager	16.588	WF-09-V30-13609-11	26,382	—
600211 Protective Order Case Manager	16.588	WF-10-V30-13609-12	6,254	—
600710 Collaborative Domestic Violence Project	16.588	WF-09-V30-15785-09	107,200	—
601610 Collaborative Domestic Violence Project VAWA	16.588	WF-09-V30-16181-10	194,082	—
601611 Collaborative Domestic Violence Project VAWA	16.588	WF-10-V30-16181-11	17,368	—
601810 Sexual Assault Prosecutor ARRA	16.588	EF-09-V30-23005-01	50,988	—
601910 Apprehension & Prosecution of Domestic Violence & Sexual	16.588	EF-09-V30-24110-01	11,778	—
602311 Domestic Violence Prosecutor	16.588	WF-10-V30-23998-01	6,376	—
701410 Strengthening Dallas County Victim Restoration Services ARRA	16.588	EF-09-V30-22963-01	3,154	—
Total indirect			546,029	—
Total program			546,029	—
Total CFDA 16.588			546,029	—

**DALLAS COUNTY, TEXAS**  
Schedule of Expenditures of Federal and State Awards  
Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
National Institute of Justice/Office of Justice Programs:				
Program – Grants to Encourage Arrest Policies and Enforcement of Protection Orders:				
Federal – Direct:				
620007 Dallas County Domestic Violence Project	16.590	2007-WE-AX-0019	\$ 521,911	—
Total direct			521,911	—
Total program			521,911	—
Total CFDA 16.590			521,911	—
Dallas Community Supervision and Corrections:				
Program – Residential Substance Abuse Treatment for State Prisoners:				
Federal – Pass Through:				
100410 RSAT Wilmer	16.593	RT-09-A10-14879-11	283,555	—
Total indirect			283,555	—
Total program			283,555	—
Office of the Governor, Criminal Justice Division:				
Program – Residential Substance Abuse Treatment for State Prisoners:				
Federal – Pass Through:				
700610 Residential Drug Treatment Center (Juv)	16.593	RT-09-A10-14874-12	157,704	—
Total indirect			157,704	—
Total program			157,704	—
Total CFDA 16.593			441,259	—
U.S. Department of Justice:				
Program – State Criminal Alien Assistance Program:				
Federal – Direct:				
47220 SCAAP 2009	16.606	2009-1902	1,259,167	—
Total direct			1,259,167	—
Total program			1,259,167	—
Total CFDA 16.606			1,259,167	—
U.S. Department of Justice				
Program – Bulletproof Vest Partnership Program:				
Federal – Direct:				
48050 Bulletproof Vest Program	16.607	2008-703	24,628	—
Total direct			24,628	—
Total program			24,628	—
Total CFDA 16.607			24,628	—
North Texas Crime Commission:				
Program – Community Prosecution and Project Safe Neighborhoods:				
Federal – Pass Through:				
511209 DFW FAST	16.609	FWF4010R	23,921	—
511210 DFW FAST	16.609	FWF4010R	37,059	—
Total indirect			60,980	—
Total program			60,980	—
Total CFDA 16.609			60,980	—
Office of Community Oriented Policing Services:				
Program – Public Safety Partnership and Community Policing Grants:				
Federal – Direct:				
510006 COPS Ahead & UHP	16.710	2002ULWX0044	365,814	—
510210 Cops Technology Program	16.710	2009-CK-WX-0056	7,565	—
Total direct			373,379	—
Total program			373,379	—
Total CFDA 16.710			373,379	—
U.S. Department of Justice:				
City of Dallas:				
Program – Edward Byrne Memorial Justice Assistance Grant Program:				
Federal – Pass Through:				
202007 Justice Assistance Grant FY07	16.738	2007-DJ-BX-0568	341,467	—
202008 Justice Assistance Grant FY08	16.738	2008-DJ-BX-0602	3,238	—
202009 Justice Assistance Grant FY08	16.738	2009-DJ-BX-1444	37,096	—
Total indirect			381,801	—
Total program			381,801	—

**DALLAS COUNTY, TEXAS**  
Schedule of Expenditures of Federal and State Awards  
Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
Office of the Governor, Criminal Justice Division:				
Program – Edward Byrne Memorial Justice Assistance Grant Program:				
Federal – Pass Through:				
100711 Felony DWI Court	16.738	DJ-11-A10-19689-04	\$ 6,477	—
201110 Dallas County DWI Court	16.738	DJ-08-C40-18681-04	86,914	—
260009 Drug Intervention Court	16.738	DJ-07-A10-16042-08	(7,866)	—
260010 Drug Intervention Court	16.738	DJ-08-A10-16042-09	206,239	—
601511 Child Abuse Court Prosecutor	16.738	DJ-11-A10-16753-08	4,999	—
Total indirect			296,763	—
Total program			296,763	—
Total CFDA 16.738			678,564	—
National Institute of Justice:				
Program – Forensic DNA Backlog Reduction Program:				
Federal – Direct:				
340008 DNA Backlog Reduction Program	16.741	2007-DN-BX-K106	366,631	—
340009 DNA Backlog Reduction Program	16.741	2008-DN-BX-K037	19,038	—
Total direct			385,669	—
Total program			385,669	—
Total CFDA 16.741			385,669	—
National Institute of Justice:				
Program – Paul Coverdell Forensic Sciences Improvement Grant Program				
Federal – Direct				
340307 Enhancement of Firearms Analysis Services	16.742	2006-DN-BX-0037	101,164	—
Total direct			101,164	—
Total program			101,164	—
U.S. Department of Justice:				
Office of the Governor, Criminal Justice Division:				
Program – Paul Coverdell Forensic Sciences Improvement Grant Program:				
Federal – Pass Through:				
300710 Backlog Reduction – Non DNA Evidence	16.742	CD-09-A10-19793-03	44,555	—
Total indirect			44,555	—
Total program			44,555	—
Total CFDA 16.742			145,719	—
Office of the Governor, Criminal Justice Division				
Program – Edward Byrne memorial justice Asst. Grant Stimulus 2009 ARRA:				
Federal – Pass Through:				
100810 DC Criminal Justice Improvement Program ARRA	16.803	SU-09-A10-22189-01	297,614	—
500510 DC Criminal Justice Improvements Program ARRA	16.803	SU-09-A10-22189-01	49,671	—
601710 DC Criminal Justice Improvements Program ARRA	16.803	SU-09-A10-22189-01	200,793	—
701310 DC Criminal Justice Improvement Program ARRA	16.803	SU-09-A10-22189-01	200,000	—
Total indirect			748,078	—
Total program			748,078	—
Total CFDA 16.803			748,078	—
U.S. Department of Justice:				
City of Dallas:				
Program – Recovery Act-Edward Byrne Memorial JAG Program/Grants to Units of Local Government:				
Federal – Pass Through				
202210 Edward Byrne Memorial JAG Program (ARRA)	16.804	2009-SB-B9-969	16,308	—
Total indirect			16,308	—
Total program			16,308	—
Total CFDA 16.804			16,308	—
U.S. Department of Transportation:				
Texas Department of Transportation:				
Program – Highway Planning and Construction:				
Federal – Pass Through:				
13110 Congestion Mitigation Air Quality (CMAQ)	20.205	N/A	33,609	—
31401 Local Project Advanced funding activity	20.205	N/A	161,588	—
Total indirect			195,197	—

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Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
North Central Texas Council of Governments:				
Program – Highway Planning and Construction:				
Federal – Pass Through:				
530408 Courtesy Patrol Program	20.205	CSJ-918-00-089	\$ 18,648	—
530409 Courtesy Patrol Program	20.205	187XXIL001	494,684	—
530410 Courtesy Patrol Program	20.205	187XXIL001	3,208,804	—
530411 Courtesy Patrol Program	20.205	187XXIL001	12,029	—
Total indirect			3,734,165	—
Total program			3,929,362	—
Total CFDA 20.205			3,929,362	—
Texas Department of Transportation:				
Program – Capital Assistance Program for Elderly Persons and Persons with Disabilities:				
Federal – Pass Through:				
840209 Transportation For Elderly	20.513	51918F7201	57,830	—
Total indirect			57,830	—
Total program			57,830	—
Total CFDA 20.513			57,830	—
U.S. Department of Transportation:				
Texas Department of Transportation:				
Program – State and Community Highway Safety				
Federal – Pass Through				
530309 STEP Comprehensive	20.600	2008-1820	349,829	—
Total indirect			349,829	—
Total program			349,829	—
Total CFDA 20.600			349,829	—
U.S. Elections Assistance Commission:				
Texas Secretary of State:				
Program – Election Reform Payments:				
Federal – Pass Through:				
230408 TEAM Compatibility	39.011	2008-1551	10,171	—
Total indirect			10,171	—
Total program			10,171	—
Total CFDA 39.011			10,171	—
U.S. Department of Energy (DOE):				
Texas Department of Housing and Community Affairs:				
Program – Weatherization Assistance for Low-Income Persons:				
Federal – Pass Through:				
830509 DOE Weatherization	81.042	56090000460	302,230	—
831810 ARRA City of Balch Springs/ Hutchins	81.042	16090000782	346,887	—
831110 DOE Weatherization-ARRA	81.042	16090000661	6,560,896	—
831210 ARRA City of Garland Weatherization	81.042	16090000754	681,616	—
831310 ARRA City of Irving Weatherization Program	81.042	16090000748	727,849	—
831410 ARRA City of Carrollton Weatherization Program	81.042	16090000761	321,990	—
831510 ARRA City of Grand Prairie	81.042	16090000762	635,939	—
831610 ARRA City of Mesquite	81.042	16090000763	205,668	—
831710 ARRA City of Richardson Weatherization Program	81.042	16090000764	226,989	—
Total indirect			10,010,064	—
Total program			10,010,064	—
Total CFDA 81.042			10,010,064	—
U.S. Department of Education:				
Texas Education Agency:				
Program – Title I Grants to Local Education Agencies:				
Federal – Pass Through				
750110 Title I School Improvement Program	84.010	057-814	135,149	—
750210 Improving Basic & Delinquent Programs	84.010	057-814	351,817	—
750910 Title I Part D Delinquent Program	84.010	057-814	1,323,123	—
750911 Title I Part D Delinquent Program	84.010	057-814	4,500	—
Total indirect			1,814,589	—
Total program			1,814,589	—
Total CFDA 84.010			1,814,589	—

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Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
Texas Education Agency:				
Program – Special Education Grants to States:				
Federal – Pass Through:				
750610 Idea B Formula Idea B Cap Bldg & Improv	84.027	057-814	\$ 50,647	—
Total indirect			50,647	—
Region 10 Education Services (ESC10):				
Program – Special Education Grants to States:				
Federal – Pass Through:				
751310 Residential Facility (RF) Tracker IDEA-Part B	84.027	057-814	4,280	—
Total indirect			4,280	—
Total program			54,927	—
Total CFDA 84.027			54,927	—
Region 10 Education Services (ESC10):				
Program – Safe and Drug Free Schools and Communities State Grants:				
Federal – Pass Through:				
751210 Title IV Part A Safe and Drug Free Schools and Community Act	84.186	0186A090045	300	—
Total indirect			300	—
Total program			300	—
Total CFDA 84.186			300	—
Texas Education Agency:				
Program – Title II Part D, Enhancing Education Technology:				
Federal – Pass Through:				
750510 Title II Part D, Enhancing Education Technology	84.318	10630001057814	216	—
Total indirect			216	—
Total program			216	—
Total CFDA 84.318			216	—
U.S. Department of Education:				
Region 10 Education Services (ESC10):				
Program – English Language Acquisition Grants:				
Federal – Pass Through:				
751110 Title III Part A LEP	84.365	S365A090043A	4,736	—
Total indirect			4,736	—
Total program			4,736	—
TOTAL CFDA 84.365			4,736	—
Region X:				
Program – Improving Teacher Quality State Grants:				
Federal – Pass Through:				
750310 Title II Part A Teacher and Principal Training and Recruiting	84.367	S367A090041	10,030	—
Total indirect			10,030	—
Total program			10,030	—
Total CFDA 84.367			10,030	—
Texas Education Agency:				
Program – School Improvement Grants:				
Federal – Pass Through:				
751010 Title I School Improvement Program (Academy)	84.377	057-814	46,517	—
Total indirect			46,517	—
Total program			46,517	—
Total CFDA 84.377			46,517	—
Program – Title I Part D (ARRA):				
Federal – Pass Through:				
753010 Title I Part A – ARRA/Stimulus	84.389	10551001057950	106,347	—
753110 Title I Part D (ARRA)	84.389	057-814	424,521	—
753510 Title I SIP, ARRA	84.389	10551004057814	78,609	—
Total indirect			609,477	—
Total program			609,477	—
Total CFDA 84.389			609,477	—

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Program – Special Education – Grants for Infants & Family, Recovery Act:				
Federal – Pass Through:				
753210 IDEA B Formula (ARRA)	84.391	057-814	\$ 54,675	—
Total indirect			54,675	—
Total program			54,675	—
Total CFDA 84.391			54,675	—
Texas Education Agency:				
Program – State Fiscal Stabilization Fund – Education State Grants, Recovery Act:				
Federal – Pass Through:				
753310 Title XIV State Fiscal Stabilization Funds ARRA	84.394	10557001057814	98,231	—
Total indirect			98,231	—
Total program			98,231	—
Total CFDA 84.394			98,231	—
U.S. Elections Assistance Commission:				
Texas Secretary of State:				
Program – Help America Vote Act Requirements Payments:				
Federal – Pass Through:				
230104 General HAVA Compliance	90.401	78,532	18,652	—
230209 HAVA Program Income	90.401	78,532	97,708	—
230210 HAVA Program Income	90.401	78,532	437,900	—
Total indirect			554,260	—
Total program			554,260	—
Total CFDA 90.401			554,260	—
U.S. Department of Health and Human Services:				
National Assn of County and City Health Officials:				
Program – Medical Reserve Corps. Small Grant Program:				
Federal – Pass Through:				
890207 Capacity Building Award	93.008	MRCSG061001-01	3,229	—
Total indirect			3,229	—
Total program			3,229	—
Total CFDA 93.008			3,229	—
Dallas Area Agency on Aging:				
Program – Grants for Supportive Services and Senior Centers:				
Federal – Pass Through:				
840108 Nutrition Transportation	93.044	08-732-P	78,101	—
840109 Nutrition Transportation	93.044	08-732-P	(46,459)	—
840110 Nutrition Transportation 2010	93.044	2010-732-P	403,749	—
840111 Nutrition Transportation 2011	93.044	2010-1164	12,001	—
Total indirect			447,392	—
Total program			447,392	—
Total CFDA 93.044			447,392	—
Dallas Area Agency on Aging:				
Program – Special Programs for Aging Title III Part C Nutrition Services:				
Federal – Pass Through:				
840008 Nutrition 2008	93.045	07-331-SC	263,465	—
840009 Nutrition 2009	93.045	2008-331-SC	(205,754)	—
840010 Nutrition 2010	93.045	2010-331-SC	602,274	—
840309 Congregate Meals	93.045	2010-331-CM	(898)	—
840310 Congregate Meals	93.045	2010-331-CM	1,356,217	—
Total indirect			2,015,304	—
Total program			2,015,304	—
Total CFDA 93.045			2,015,304	—

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Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
Department of State Health Services:				
Program – CPS – Laboratory Response Network:				
Federal – Pass Through:				
872010 Bioterrorism Preparedness lab	93.069	2009-032152-001	\$ 176,798	—
872011 Bioterrorism Preparedness lab	93.069	2010-035441-001	18,617	—
872511 CPS – Cities Readiness Initiative	93.069	2010-035577-001	34,234	—
872310 CPS/Bioterrorism Preparedness	93.069	2009-031826-001	1,192,079	—
872311 CPS/Bioterrorism Preparedness	93.069	2009-035368-001	27,565	—
872510 CPS – Cities Readiness Initiative	93.069	2009-031826-001	160,875	—
873310 CPS – (PHER)	93.069	2010-033408-001	783,828	—
873410 CPS – (PHER) Focus Area 2	93.069	2010-033398-001	198,184	—
Total indirect			2,592,180	—
Total program			2,592,180	—
Total CFDA 93.069			2,592,180	—
Department of State Health Services:				
Program – Project Grants and Cooperative Agreements for Tuberculosis Control Programs:				
Federal – Pass Through:				
870709 Tuberculosis	93.116	2009-030775-001	56,831	—
870710 Tuberculosis	93.116	2010-034147-001	589,398	—
Total indirect			646,229	—
Total program			646,229	—
Total CFDA 93.116			646,229	—
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program – Hansen’s Disease National Ambulatory Care Program:				
Federal – Pass Through:				
870509 Hansen’s Disease	93.215	2009-030537-001	7,318	—
870510 Hansen’s Disease	93.215	2010-025324-001	64,987	—
Total indirect			72,305	—
Total program			72,305	—
Total CFDA 93.215			72,305	—
Department of State Health Services:				
Program – Immunizations Grants:				
Federal – Pass Through:				
870808 Immunization Registry	93.268	2008-023557-001	169,320	—
870808 Immunization Registry	93.268	2009-028946-001	(126,290)	—
870809 Immunization Registry	93.268	2010-032092-001	1,534,326	—
870810 Immunization Registry	93.268	2011-036727-001	116,069	—
870811 Immunization Registry	93.268	2008-023557-001	(169,320)	—
871008 Immunization Program Income	93.268	2009-028946-001	126,330	—
871009 Immunization Program Income	93.268	2010-032092-001	(38,209)	—
871010 Immunization Registry P I	93.268	2011-36727-001	(6,214)	—
871011 Immunization Registry P.I.	93.268	2011-36727-001	239	—
871511 Adult Safety Net Program	93.268	7560009056-2005-04	7,303,751	—
Total indirect			8,910,002	—
Total program			8,910,002	—
Total CFDA 93.268			8,910,002	—
Attorney General of Texas:				
Program – Child Support Enforcement:				
Federal – Pass Through:				
31901 IV-D Fees Dist Clerk	93.563	N/A	1,403,112	—
31902 IV-D Fees Constable	93.563	N/A	159,964	—
31903 IV-D Fees Child Support	93.563	N/A	810,525	—
31904 Child Support Customer Service	93.563	N/A	33,612	—
31905 Child Support IV-D Local Rule Incentive	93.563	N/A	46,806	—
Total indirect			2,454,019	—
Total program			2,454,019	—
Total CFDA 93.563			2,454,019	—

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Texas Department of Housing and Community Affairs:				
Program – Low Income Home Energy Assistance:				
Federal – Pass Through:				
830105 CEAP Other	93.568	582102	\$ 95	—
830109 CEAP 2009	93.568	58090000426	1,664,561	—
830110 CEAP	93.568	58100000838	5,514,214	—
830209 LIHEAP Weatherization	93.568	81090000493	526,557	—
830210 LIHEAP Weatherization	93.568	81100000906	1,333,906	—
Total indirect			9,039,333	—
Total program			9,039,333	—
Total CFDA 93.568			9,039,333	—
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program – Refugee and Entrant Assistance Discretionary Grants:				
Federal – Pass Through				
870209 TB Refugee	93.576	2009-029960-001	(472)	—
870210 TB Refugee	93.576	2010-033371-001	879,289	—
Total indirect			878,817	—
Total program			878,817	—
Total CFDA 93.576			878,817	—
Admin for Children and Families:				
Program – State Court Improvement Program:				
Federal – Pass Through:				
741110 Juvenile Court Video Conferencing	93.586	201-10-0032	50,000	—
Total indirect			50,000	—
Total program			50,000	—
Total CFDA 93.586			50,000	—
U.S. Elections Assistance Commission:				
Texas Secretary of State:				
Program – Voting Access For Individuals:				
Federal – Pass Through:				
230508 Opportunity for Access	93.617	78532	3,000	—
230608 Polling Place Accessibility	93.617	78532	8,448	—
Total indirect			11,448	—
Total program			11,448	—
Total CFDA 93.617			11,448	—
U.S. Department of Health and Human Services:				
Texas Department of Family and Protective Services:				
Program – Foster Care – Title IV E:				
Federal – Pass Through:				
47530 CPS Attorney	93.658	23357384	561,011	—
47760 Child Specific Expense	93.658		47,802	—
Total indirect			608,813	—
Total program			608,813	—
Texas Juvenile Probation Commission:				
Program – Foster Care – Title IV E:				
Federal – Pass Through:				
710607 Title IV-E Federal Foster Care	93.658	TJCP-E-057-2007	83,935	—
710608 Title IV-E	93.658	TJPC-E-057-2008	71,980	—
Total indirect			155,915	—
Total program			155,915	—
Total CFDA 93.658			764,728	—

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Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
Department of State Health Services:				
Program – ARRA-Immunization:				
Federal – Pass Through:				
871111 Immunizations ARRA	93.712	2011-036282-001	\$ 68,450	—
Total indirect			68,450	—
Total program			68,450	—
Total CFDA 93.712			68,450	—
Department of State Health Services:				
Program – CPS – Laboratory Response Network – HPPL:				
Federal – Pass Through:				
872810 CPS – Laboratory Response Network – HPP	93.889	2009-032215-001	20,054	—
872811 CPS – Laboratory Response Network	93.889	2010-035150-001	5,715	—
Total indirect			25,769	—
Total program			25,769	—
Total CFDA 93.889			25,769	—
U.S. Department of Health and Human Services:				
Program – HIV Emergency Relief Project Grants:				
Federal – Direct:				
6550209 RW HIV/AIDS Part A Formula Admin agency	93.914	H 89-HA-00014-19-00	3,448,687	2,719,325
6550210 RW HIV/AIDS Part A Formula Admin agency	93.914	H 89-HA-00014-20-01	5,895,900	5,496,325
6550309 RW HIV/AIDS Part A Formula Admin Agency	93.914	H 89-HA-00014-19-00	166,079	—
6550310 RW HIV/AIDS Part A Formula Admin Agency	93.914	H 89-HA-00014-20-01	129,203	—
6550609 RW HIV/AIDS Part A Formula Admin Agency	93.914	H 89-HA-00014-19-00	64,520	—
6550610 RW HIV/AIDS Part A Formula Admin Agency	93.914	H 89-HA-00014-20-01	128,910	—
6550809 RW HIV/AIDS Part A Supplemental	93.914	H 89-HA-00014-19-01	2,938,286	2,847,578
6550810 RW HIV/AIDS Part A Supplemental	93.914	H 89-HA-00014-19-01	1,399,079	1,399,079
6550909 RW TMA 2006 Part A Supplemental	93.914	H 89-HA-00014-19-01	55,655	—
6550910 RW TMA 2006 Part A Supplemental	93.914	H 89-HA-00014-19-01	7,974	—
6551009 RW TMA 2006 Minority AIDS Initiative Admin and Contractual	93.914	H3MHA08459AO	681,999	639,907
6551010 RW TMA 2006 Minority AIDS Initiative Admin and Contractual	93.914	H-89-HA-00014-20-01	286,725	279,719
6551109 RW TMA 2006 Minority AIDS Initiative Quality Management	93.914	H3MHA08459AO	25,578	—
6551110 RW TMA 2006 Minority AIDS Initiative Quality Management	93.914	H-89-HA-00014-20-01	5,478	—
Total direct			15,234,073	13,381,933
Total program			15,234,073	13,381,933
Total CFDA 93.914			15,234,073	13,381,933
Department of State Health Services:				
Program – HIV Care Formula Grants:				
Federal – Pass Through:				
6560009 DSHS Part B – HIV RW Admin Agency	93.917	2009-030893	212,530	—
6560010 DSHS Part B – HIV RW Admin Agency	93.917	2010-034671	149,982	—
6560309 DSHS Part B--HIV – RW Service Delivery	93.917	2009-030805	1,103,630	1,103,630
6560310 DSHS Part B--HIV – RW Service Delivery	93.917	2010-034671	870,852	870,852
Total indirect			2,336,994	1,974,482
Total program			2,336,994	1,974,482
Total CFDA 93.917			2,336,994	1,974,482
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program – Human Immune Virus/Acquired Immuno-Deficiency Syndrome Surveillance:				
Federal – Pass Through:				
870309 AIDS Surveillance	93.944	2009-030609-001	54,821	—
870310 AIDS Surveillance	93.944	2010-034510-001	230,681	—
872709 AIDS Surveillance (IPP)	93.944	2009-030637-001	10,909	—
872710 AIDS Surveillance Perinatal	93.944	2010-034572-001	44,202	—
Total indirect			340,613	—
Total program			340,613	—
Total CFDA 93.944			340,613	—

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Department of State Health Services:				
Program – Preventive Health Services Sexually Transmitted Disease Control Grants:				
Federal – Pass Through:				
870607 VD Epidemiology	93.977	2007-021958-001	\$ 4,250	—
870609 VD Epidemiology	93.977	2009-030622-001	666,559	—
870610 VD Epidemiology	93.977	2010-034549-001	1,033,777	—
874010 Syphilis Elimination Effort Program	93.977	2010-034549-001	312,303	—
874110 HIV Prevention Special Projects	93.977	2010-034549-001	268,115	—
874210 Expanded HIV Testing Budget	93.977	2010-034549-001	32,505	—
Total indirect			2,317,509	—
Total program			2,317,509	—
Total CFDA 93.977			2,317,509	—
Department of State Health Services:				
Program – Preventive Health Services Sexually Transmitted Disease Research, Demonstrations, and Public Information Education Grants:				
Federal – Pass Through:				
870909 STD Training	93.978	2009-030925-001	108,273	—
870910 STD Training	93.978	2010-034637-001	111,613	—
Total indirect			219,886	—
Total program			219,886	—
Total CFDA 93.978			219,886	—
Department of State Health Services:				
Program – Preventive Health and Health Services Block Grant:				
Federal – Pass Through:				
871211 RLSS-Local Public Health System	93.991	2010-035515-001	16,503	—
871210 RLSS-Local Public Health System	93.991	2010-032748-001	173,065	—
Total indirect			189,568	—
Total program			189,568	—
Total CFDA 93.991			189,568	—
U.S. Department of Homeland Security:				
U.S. Immigration and Customs Enforcement:				
Program – High Intensity Drug Trafficking Areas Program:				
Federal – Direct:				
540109 DHS/ICE Joint Task Forces	95.001	2007-2038	11,153	—
540110 DHS/ICE Joint Task Forces	95.001	2007-2038	45,108	—
Total direct			56,261	—
Total program			56,261	—
Total CFDA 95.001			56,261	—
Social Security Administration:				
Social Security Administration:				
Program – Social Security Disability Insurance:				
Federal – Direct:				
590009 Social Security Fraud Investigation	96.001	SS06-04-60001	137,201	—
590010 Social Security Fraud Investigation	96.001	SS06-10-60012	154,564	—
47750 Social Security Recovery	96.001	N/A	386,400	—
Total direct			678,165	—
Total program			678,165	—
Total CFDA 96.001			678,165	—
U.S. Department of Homeland Security:				
Governors Division of Emergency Management:				
Program – Urban Area Security Initiative:				
Federal – Pass Through:				
410703 2003 Urban Areas Security Initiative Part II	97.008	2003 USAI II-48113	1,609	—
410706 2006 Urban Area Security Initiative	97.008	2006-GE-T6-0068	147	—
410707 Urban Areas Security Initiative	97.008	2007-GE-T7-0024	5,487	—
410708 Urban Areas Security Initiative	97.008	2008-GE-T8-0034	120,107	—
410709 Urban Areas Security Initiative	97.008	2009-SS-T9-0064	112,125	—
Total indirect			239,475	—
Total program			239,475	—
Total CFDA 97.008			239,475	—

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Governor's Division of Emergency Management:				
Program – Disaster Grants – Public Assistance (Presidentially Declared Disaster):				
Federal – Pass Through:				
430408 Hurricane Gustav Emergency Assistance	97.036	EM-3290-TX	\$ 11,378	—
430508 Hurricane Ike Emergency Assistance	97.036	DR-1791-TX	72,120	—
Total indirect			83,498	—
Total program			83,498	—
Total CFDA 97.036			83,498	—
U.S. Department of Homeland Security:				
Office of Domestic Preparedness:				
Program – Assistance to Firefighters:				
Federal – Pass Through:				
410109 Federal Assistance to Firefighters	97.044	EMW-2008-FO-09613	6,789	—
Total indirect			6,789	—
Total program			6,789	—
Total CFDA 97.044			6,789	—
Governors Division of Emergency Management:				
Program – Citizen Corps:				
Federal – Pass Through:				
410807 CCP – Citizen Corps	97.053	2007-GE-T7-0024	6,284	—
Total indirect			6,284	—
Total program			6,284	—
Total CFDA 97.053			6,284	—
Grand Total Federal			\$ 111,239,300	16,219,396
State of Texas:				
Attorney General of Texas:				
Program – Victim Information and Notification Everyday:				
Direct:				
240011 Victim Information Notification Everyday	N/A	1120716	\$ 10,493	—
Total direct			10,493	—
Total program			10,493	—
Attorney General of Texas:				
Program – Other Victim Assistance:				
Direct:				
690010 Family Violence Victim Caseworker	N/A	1015932	45,473	—
690011 Family Violence Victim Caseworker	N/A	1015932	4,179	—
Total direct			49,652	—
Total program			49,652	—
Community Justice Assistance Program:				
Dallas Community Supervision and Corrections:				
Program – Jail Chemical Dependency Treatment Program:				
Pass Through:				
110009 Jail Substance Abuse	N/A	PRG IN#009	(1,776)	—
Total indirect			(1,776)	—
Total program			(1,776)	—
Department of State Health Services:				
Program – Centers for Disease Control & Prevention:				
Direct:				
872910 Infectious Disease Control Unit FLU-LAB	N/A	2010-031534-001	4,647	—
Total direct			4,647	—
Total program			4,647	—

**DALLAS COUNTY, TEXAS**  
Schedule of Expenditures of Federal and State Awards  
Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
Department of State Health Services:				
Program – HIV Care Formula Grant:				
Direct:				
6550110 DSHS HIV State Services	N/A	2010-031494-001	\$ 1,501,541	1,501,541
6550111 DSHS HIV State Services	N/A	2011-035175	82,524	82,523
Total direct			<u>1,584,065</u>	<u>1,584,064</u>
Total program			<u>1,584,065</u>	<u>1,584,064</u>
Department of State Health Services:				
Program – Tuberculosis Control:				
Direct:				
870110 TB Prevention & Control	N/A	2010-032848.001	898,526	—
870111 TB Prevention & Control	N/A	2011-036068.001	83,407	—
871409 Tuberculosis-Epidemiologic Studies Consortiums	N/A	2009-030441-001	(1,031)	—
Total direct			<u>980,902</u>	<u>—</u>
Total program			<u>980,902</u>	<u>—</u>
Department of State Health Services:				
Program – African American TB:				
Direct:				
871311 TB State African American Project	N/A	2011-036068-001	6,385	—
Total direct			<u>6,385</u>	<u>—</u>
Total program			<u>6,385</u>	<u>—</u>
District Court:				
Program – State and Local Narcotics Control Assistance:				
Direct:				
91042 State: Sheriff Narcotics Seizure Fund	N/A	N/A	8,704	—
91049 State: Constable 2 Seizures	N/A	N/A	662	—
91052 State: Constable 4 Forfeiture Funds	N/A	N/A	5,032	—
91053 State: Constable 5 Confiscated Funds	N/A	N/A	1,323	—
Total direct			<u>15,721</u>	<u>—</u>
Pass Through:				
541 DA Forfeiture – State	N/A	N/A	261,945	—
Total indirect			<u>261,945</u>	<u>—</u>
Total program			<u>277,666</u>	<u>—</u>
Office of the Governor, Criminal Justice Division:				
Program – Crime Lab Equipment:				
Crime Lab Equipment:				
300009 DNA Profiling – Program Income	N/A	SF97-A03-10139	27,713	—
Total pass thru			<u>27,713</u>	<u>—</u>
Total program			<u>27,713</u>	<u>—</u>
Program – Criminal Justice Planning (421) Fund:				
Criminal Justice Planning (421) Fund:				
Direct:				
100510 SAFPF Re-Entry Court	N/A	SF-10-A10-18041-05	55,813	—
100609 Female Offender Program (Felony)	N/A	SF-09-A10-19733-02	363	—
100610 Female Offender Program (Felony)	N/A	SF-10-A10-19733-03	88,065	—
100611 Female Offender Program (Felony)	N/A	SF-11-A10-19733-04	10,781	—
100710 Felony DWI Court	N/A	SF-10-A10-19689-03	45,574	—
201111 Dallas County DWI Court	N/A	SF-11-A10-18681-05	11,699	—
261110 Mental Health Diversion Court	N/A	SF-10-A10-18046-05	23,012	—
261111 Mental Health Diversion Court	N/A	SF-11-A10-18046-06	1,036	—
600910 Collaborative Domestic Violence Project	N/A	SF-10-V30-15871-09	128,028	—
601110 Collaborative Prosecutor Project	N/A	SF-10-A10-18716-04	51,919	—
601510 Child Abuse Court Prosecutor	N/A	SF-10-A10-16753-07	67,745	—
Total direct			<u>484,035</u>	<u>—</u>
Total program			<u>484,035</u>	<u>—</u>
Program – Drug Court Program:				
Direct:				
	N/A	DJ-09-A10-16042-10	11,310	—
Total direct			<u>11,310</u>	<u>—</u>
Total program			<u>11,310</u>	<u>—</u>

**DALLAS COUNTY, TEXAS**  
Schedule of Expenditures of Federal and State Awards  
Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
TAIP (Treatment Alternative to Incarceration Program):				
Dallas Community Supervision and Corrections:				
Program – Residential Substance Abuse Treatment for State Prisons:				
Pass Through:				
100410 Wilmer Residential Substance Abuse	N/A	RT-09-A10-14879-11	\$ 94,518	—
Total indirect			94,518	—
Total program			94,518	—
Tarrant County:				
Program – Tarrant County for Influenza Surveillance:				
Pass Through:				
873209 Tarrant County for Influenza Surveillance	N/A	2009-030452	1,030	—
Total indirect			1,030	—
Total program			1,030	—
Task Force on Indigent Defense:				
Program – Indigent Defense Grant:				
Direct:				
46645 SB 7 – Indigent Defense Grant	N/A	212-02-057	1,616,452	—
Total direct			1,616,452	—
Total program			1,616,452	—
Texas Board Foundation:				
Program – Specialized Veterans Court:				
Direct:				
262010 Dallas County Specialized Veterans Court	N/A		214	—
Total direct			214	—
Total program			214	—
Texas Commission on Environmental Quality:				
Program – Local Initiative Project:				
Direct:				
200408 Dallas County Clean Air Emissions Task Force	N/A	582-8-89951	52,240	—
200409 Dallas County Clean Air Emissions Task Force	N/A	582-8-89951	99,621	—
200410 Dallas County Clean AIR Emissions Task Force	N/A	582-8-89951	317,408	—
200509 Dallas County Clean Air Vehicle Fleet Initiative	N/A	582-8-89951	261	—
200510 Dallas County Clean Air Vehicle Fleet Initiative	N/A	582-8-89951	56,944	—
200609 Dallas County Counterfeit Inspections Initiative	N/A	582-8-89951	35,933	—
200610 Dallas County Counterfeit Inspections Initiative	N/A	582-8-89951	572,906	—
94072 Dallas County Clean Air Emissions Task Force			2,000	—
Total direct			1,137,313	—
Total program			1,137,313	—
Texas Commission on Environmental Quality:				
Program – Air Check Texas Repair & Replacement Assistance Program:				
Direct:				
200310 AirCheck Texas Repair & Replacement	N/A	582-9-90416-05	2,390,548	2,390,548
Total direct			2,390,548	2,390,548
Total program			2,390,548	2,390,548
Texas Department of Criminal Justice:				
Program – TX Correctional Office on Offenders w/Medical & Mental Impairments:				
Direct:				
204008 TCOOMMI	N/A	696-TC-8-9-L00090	18,750	—
204010 TCOOMMI	N/A	696-TC-8-9-L00090	81,250	—
Total direct			100,000	—
Total program			100,000	—

**DALLAS COUNTY, TEXAS**  
Schedule of Expenditures of Federal and State Awards  
Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
Texas Department of Criminal Justice:				
Program – Alternative to Transitional Treatment Center Program:				
Direct:				
37009 DC Community Continuum of Care (4C Program)	N/A	696-TC-8-9-L00090	\$ 239,323	—
37010 DC Community Continuum of Care (4C Program)	N/A	696-CJ-10-11-L124	93,778	—
Total direct			333,101	—
Total program			333,101	—
Texas Department of Transportation:				
Program – Automobile Theft Prevention Authority:				
Direct:				
560009 North Tx Auto Theft Task Force	N/A	SA-T01-10047-09	579	—
560010 North Tx Auto Theft Task Force	N/A	SA-T01-10047-10	980,878	8,280
560011 North Tx Auto Theft Task Force	N/A	SA-T01-10047-11	129,465	—
560209 Auto Theft Program Income	N/A	10047-09	19,416	—
Total direct			1,130,338	8,280
Total program			1,130,338	8,280
Texas Education Agency:				
Program – Juvenile Justice Alternative Education:				
Direct:				
720109 JJAEP School	N/A	TJPC-P-2009-057	(155,915)	—
720110 JJAEP School	N/A	TJPC-P-2010-057	1,158,104	—
720111 JJAEP School	N/A	TJPC-P-11-057	53,485	—
Total direct			1,055,674	—
Total program			1,055,674	—
Texas Education Agency:				
Program – Texas Educator Excellence Award Program:				
Direct:				
750809 Texas Educator Excellence Grant (TEFG)	N/A	57814	(2,000)	—
Total direct			(2,000)	—
Total program			(2,000)	—
Texas Juvenile Probation Commission:				
Program – Juvenile Justice Delinquency Prevention – State:				
Direct:				
710010 TJPC Interest Account	N/A	7100-2010	49,732	—
710310 Community Corrections Assistance Program	N/A	TJPC-Y-2010-057	2,257,573	—
710311 Community Corrections Assistance Program	N/A	TJPC-Y-2011-057	146,277	—
710810 State Aid	N/A	TJPC-A-2010-057	1,306,369	—
710811 State Aid	N/A	TJPC-A-2011-057	109,960	—
711210 Local Post Adjudication Fund	N/A	TJPC-V-2010-057	481,126	—
711211 Local Post Adjudication Fund	N/A	TJPC-V-2011-057	38,015	—
711510 Salary Adj Funding for Juvenile Probation, Detention, & Correction Officers	N/A	TJPC-Z-2010-057	1,012,060	—
711511 Salary Adj Funding for Juvenile Probation, Detention, & Correction Officers	N/A	TJPC-Z-2011-057	33,405	—
711610 Special Needs Diversionary Program	N/A	TJPC-M-2010-057	218,841	—
711611 Special Needs Diversionary Program	N/A	TJPC-M-2011-057	18,570	—
711810 Progressive Sanctions JPO	N/A	TJPC-F-2010-057	660,416	—
711811 Progressive Sanctions JPO	N/A	TJPC-F-2011-057	170,509	—
712010 Progressive Sanctions ISJPO	N/A	TJPC-O-2010-057	239,569	—
712011 Progressive Sanctions ISJPO	N/A	TJPC-O-2011-057	55,696	—
712210 Intensive Community Based Pilot	N/A	TJPC-U-2010-057	187,362	—
712211 Intensive Community Based Pilot	N/A	TJPC-U-2011-057	9,519	—
712310 Intensive Community Based Program	N/A	TJPC-X-2010-057	330,431	—
712311 Intensive Community Based Program	N/A	TJPC-X-2011-057	4,073	—
712410 H-Diversion Placement Fund	N/A	TJPC-H-2010-057	1,284,262	—
712510 Commitment Reduction Program	N/A	TJPC-C-10-057	2,299,500	—
712511 Commitment Reduction Program	N/A	TJPC-C-11-057	9,812	—
712610 Reallocation Reimbursement Fund	N/A	TJPC-I-10-057	426,661	—
720110 x JJAEP School	N/A	TJPC-P-2010-057	1,015,387	—
720111 x JJAEP School	N/A	TJPC-P-2011-057	118,658	—
Total direct			12,483,783	—
Total program			12,483,783	—
State Comptroller:				
Program – Tobacco Compliance for Local Law Enforcement:				
Direct:				
1000609 Tobacco Compliance Grant for Local Law Enforcement Agency	N/A	2008-1650	34,000	—
520010 Tobacco Compliance Grant	N/A	2009-1370	97,801	—
520011 Tobacco Compliance Grant	N/A		4,363	—
Total direct			136,164	—
Total program			136,164	—

**DALLAS COUNTY, TEXAS**  
 Schedule of Expenditures of Federal and State Awards  
 Year ended September 30, 2010

Federal or state grantor/pass-through grantor/ other grantor/program title/grant title	Federal CFDA number	Grant number	Expenditures	Amounts passed through to subrecipients
Program – Minority Business Office:				
Direct:				
200104 Minority Business Office	N/A	2005-1222	\$ 73	—
200107 Minority Business Office	N/A	2007-1475	877	—
200108 Minority Business Office	N/A		<u>3,015</u>	<u>—</u>
Total direct			<u>3,965</u>	<u>—</u>
Total program			<u>3,965</u>	<u>—</u>
Grant total state			<u>\$ 23,916,192</u>	<u>3,982,892</u>

**DALLAS COUNTY, TEXAS**

Notes to Schedule of Expenditures of Federal and State Awards

Year ended September 30, 2010

**(1) General**

The accompanying schedule of expenditures of federal and state awards (the Schedule) presents the activity of all federal and state award programs of Dallas County, Texas (the County), except for the federal and state award programs of the Dallas County Hospital District (the District), a component unit of the County, which has been excluded. The District issued a separate Single Audit report for the year ended September 30, 2010. The County's reporting entity is defined in note 1.A to the County's basic financial statements.

**(2) Basis of Accounting**

The Schedule was prepared using the modified accrual basis of accounting. Federal and state award revenues are reported as intergovernmental revenues in the General Fund and the Special Revenue funds in the County's basic financial statements.

**(3) Noncash Awards**

Certain federal award programs reported in the Schedule do not involve cash awards to the County. They are as follows:

Childhood Immunization Grants CFDA 93.268:	
Health Department: Immunizations	\$ 7,303,751
Food Donation Program CFDA 10.550:	
Youth Village: Food Donations	<u>5,397</u>
Total value of noncash awards	<u><u>\$ 7,309,148</u></u>

**(4) State Grants**

Grants with "N/A" under CFDA number represent state grants received from the State of Texas that are not federally funded.

**SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS**

**DALLAS COUNTY, TEXAS**

Schedule of Findings and Questioned Costs

September 30, 2010

**Section I—Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Noncompliance material to the financial statements noted?  yes  no

***Federal and State Awards***

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported

Type of auditors’ report issued on compliance for major programs **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 and UGMS?  yes  no

<b>CFDA number</b>	<b>Name of federal program or cluster</b>
14.218/14.253	Community Development Block Grants/Entitlement Grants Cluster (CDBG)
14.257	Homelessness Prevention and Rapid Re-Housing (HPRP)
16.803	Edward Byrne Memorial Justice Assistance Grant – ARRA
81.042	Weatherization Assistance of Low-income Persons – ARRA
84.010/84.389	Title I Grants to Local Education Agencies Cluster
93.268	Immunization Grants
93.712	Immunization Grants – ARRA
93.568	Low Income Home Energy Assistance
	<b>Name of state program or cluster</b>
	Automobile Theft Prevention Authority
	Juvenile Justice Alternative Education
	TB Prevention and Control

**DALLAS COUNTY, TEXAS**

Schedule of Findings and Questioned Costs

September 30, 2010

Dollar threshold used to distinguish between  
type A and type B programs:

Federal	\$3,000,000
State	717,486

Auditee qualified as low-risk auditee?

<u>  X  </u>	yes	<u>      </u>	no
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## DALLAS COUNTY, TEXAS

### Schedule of Findings and Questioned Costs

September 30, 2010

#### Section II-Financial Statement Findings

##### **Finding 2010-01:** *Financial Reporting*

###### **Conditions**

Currently, Dallas County's financial reporting process to prepare the Comprehensive Annual Financial Report (CAFR) is not formally documented. The current process is a manual, labor intensive process that takes a significant amount of time and requires numerous manual reconciliations and reclassifications by management to be able to appropriately convert the County's fund level financial statements to the government-wide financial statements. In addition, there is only one employee who is involved in the process of converting the fund level financial statements to the government-wide financial statements. The combination of the lack of formal documentation of the process and the fact that it is currently performed by a single individual creates a single point of failure. This single point of failure increases the risk that if this employee was unable to perform his duties or was no longer employed by the County, the County would exhaust a significant amount of resources to produce its CAFR.

###### **Recommendation**

We recommend that management formally document the financial reporting process related to the preparation of the CAFR. The documentation of the financial reporting process should include sufficient detail to enable an individual with adequate knowledge of the Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments reporting model to prepare the CAFR in a timely manner. This formal documentation would reduce the risk of a Single point of failure related to the preparation of the CAFR.

###### **Views of Responsible Officials**

We agree the CAFR process is labor intensive requiring multiple reconciliations and reclassifications. The financial system supports intra-fund allocations and sub-fund detail required by County management which requires an extensive number of general ledger accounts to be summarized for GAAP financial reporting.

Financial analysts are assigned responsibility to affirm accuracy of Oracle system balances and reconcile system reports to CAFR footnotes. The County Auditor assumes a detailed role in reconciling and interreferencing all CAFR statements. An accounting manual delineating purpose and procedure for various year-end steps is updated annually and will be expanded as staff and time constraints allow.

The County Auditor's process of CAFR financial statement preparation is documented in an Excel model. This model is driven by formulas and logic that are relatively simple for an individual with the qualifications required if a replacement of the current Financial Audit Manager becomes necessary. Financial statement adjustments for Government-wide financial statements are well documented with either internal references within the Excel model or with external Excel documentation. As an example, external documentation includes the County debt and fixed asset "walk forward" schedules. Additionally, financial statement footnotes and exhibits while extensive would not be difficult to prepare by a CPA experienced in preparation of financial statements from either an SEC perspective or a governmental perspective.

The County Auditor is aware of two possible software solutions for CAFR preparation, which will be evaluated; additionally, options within Oracle release 12 will be evaluated.

## DALLAS COUNTY, TEXAS

### Schedule of Findings and Questioned Costs

September 30, 2010

#### **Finding 2010-02: IT Environment**

##### **Conditions**

We noted that various control deficiencies in the County's General Information Technology General Control (General IT Control) environment existed and were identified during the fiscal year 2009 audit by the previous external auditors. Based on our discussions with management and our review of management's update on the status of these deficiencies during the current year's financial statement audit, we noted that although management has made progress in developing policies and procedures to remediate some of these deficiencies, all of the deficiencies were not fully remediated as of the end of the fiscal year. We noted that management's ability to fully remediate these deficiencies has been hampered due to a combination of the following factors; turnover of key personnel within the IT department without being replaced with comparable resources, the lack of governance and effective oversight (CIO/IT director equivalent) of the IT Department during the current fiscal year, and the lack of financial resources.

The IT related deficiencies were previously reported as individual deficiencies. However, these IT deficiencies have been categorized into two general categories in the current year: System Access and Change Management.

The following deficiencies are related to System Access:

##### **System Access for Terminated and Transferred Users**

Terminated user accounts are not being disabled from the various IT systems including Windows network, UNIX, Odyssey, mainframe, and the data center access system within a timely manner. In addition, the changes to IT system access of transferred employees are not always communicated to the IT department for appropriate access modifications. The failure to remove terminated employees in a timely manner increases the risk that a terminated employee may inappropriately access the IT systems and/or execute unauthorized transactions. Similarly, if transferred employee access is not appropriately modified, these employees may have access that is not compatible with their job requirements.

##### **Password Requirement Parameters**

Strong password requirements such as minimum length and complexity have not been established for the mainframe and network systems. Strong password requirement parameters have not been configured for the Oracle database. The password parameters for the UNIX system are inconsistently applied. Additionally, the Odyssey system is not configured to force the usage of strong passwords.

##### **Periodic Review of User Access**

Users' access is not formally reviewed and approved by the system owners on a periodic basis that would enable management to detect inappropriate access from terminated or transferred employees. The lack of a formal review process inhibits management's ability to review and monitor the appropriate access levels for employees. This increases the risk that employees may inappropriately access systems or have access to information that is not appropriate given their job responsibilities.

## DALLAS COUNTY, TEXAS

### Schedule of Findings and Questioned Costs

September 30, 2010

#### **Programmers' Access to the Production Environment**

A programmer had access to production systems that support the Oracle Financial system and the mainframe system. Additionally, there is not currently a mechanism to detect all changes that are pushed into the production environment. Therefore, there is a lack of the appropriate level of segregation of duties between the program testing environment and the production environment. This increases the risk that an inappropriate change to the financial system or mainframe may occur and go undetected.

#### **Access to Odyssey Database Administrator (DBA) Function**

The Odyssey DBA function is currently available to server administrators and programmers through a default account that does not appear to have a business necessity.

#### **Inappropriate Vendor Access**

An external vendor had administrative privileges to the County's system. Additionally, two external vendors had administrator level accounts although they no longer had any business requirements to have an active account. This inappropriate vendor access increases the risk that the County's systems could be compromised.

*The following deficiency is related to the IT Change Management process:*

A change management control process has been implemented by the County. However, the formal documentation of this change management process is not being followed consistently. Additionally, in many instances the changes are formally approved after the change has been implemented. The failure to obtain approval of a change prior to implementation in the system increases the risk that an inappropriate change will be implemented in the system. Although, an inappropriate change may be detected in the subsequent approval, during the time between when the change was implemented and the approval the County would be exposed to the risk associated with this change.

As previously mentioned, the deficiencies discussed above are all related to General IT Controls. General IT controls are policies and procedures that relate to one or more applications and support the effective functioning of application controls by helping to ensure the continued proper operation of information systems. General IT controls maintain the integrity of information and security of data.

Therefore, these deficiencies in the General IT controls have a pervasive impact on the County's applications and the related application controls. This includes applications that are utilized by the County to initiate, process, authorize, and or record transactions that appear in the County's financial statements. As a result, the deficiencies in the IT controls reduce the reliability of controls that are designed to operate at the application level and thus increase the risk that an error may not be prevented or detected.

#### **Recommendation**

We recommend that management commit the resources to fully remediate the deficiencies that have been identified in the County's General IT Control environment. As these deficiencies continue to have a pervasive effect on the County's application controls that operate below the General IT Controls and increase the risk that they may possibly be circumvented, management should make efforts to remediate these deficiencies as soon as possible.

**DALLAS COUNTY, TEXAS**

Schedule of Findings and Questioned Costs

September 30, 2010

In addition to remediating the deficiencies that have been identified, we recommend that management perform an assessment of the current General IT Control environment and ensure that policies and procedures are formally documented, these policies and procedures are made available to personnel throughout the County, and continuously monitor the operational effectiveness of these policies and procedures.

**Views of Responsible Officials**

Dallas County recognized the deficiencies previously reported and has worked to remediate all. Some were completely remediated as soon as identified; others require process changes from other departments and/or changes in technology. With limited resources and competing priorities, Dallas County is committed and will continue working on resolving all identified deficiencies.

**DALLAS COUNTY, TEXAS**

Schedule of Findings and Questioned Costs

September 30, 2010

**Section III-Federal Award Findings and Questioned Costs**

**CFDA Title:** Community Development Block Grant

**CFDA Number:** 14.218

**Federal Award Number & Expenditures:** B-XX-UC-48-0003 & \$2,030,239

**Federal Award Year:** 2010

**Federal Agency:** U.S. Department of Housing & Urban Development

**Pass-through Entity:** N/A

**Finding 2010-03:** Employee Certifications

**Type of Finding:** Material Weakness & Noncompliance

**Criteria or Specific Requirement**

OMB Circular A-87, Attachment B, 8.h.(3):

Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

**Condition**

We noted that there were seven employees who charged 100% of their salaries and related benefits to the Community Development Block Grant (CDBG) grant. None of these individuals completed certifications of effort during the current fiscal year.

**Questioned Costs**

None.

**Cause**

Management failed to implement adequate controls to ensure that certifications were completed by and received at least semiannually from all employees who solely worked on the CDBG grant.

**Effect**

The lack of adequate control processes and procedures increases the risk that the County will not be in compliance with grant requirements.

**DALLAS COUNTY, TEXAS**

Schedule of Findings and Questioned Costs

September 30, 2010

**Recommendation**

Management should implement adequate control processes and procedures to ensure that all employees that work solely on a single federal award complete written certifications of effort at least semiannually. Additionally, these certifications should be maintained to support the operation of the control processes and procedures.

**Views of Responsible Officials**

Certified timesheets had been maintained in the Planning and Development department for all employees who worked on Community Development Block Grant projects.

**Planned Corrective Actions**

To ensure compliance with OMB Circular A-87, Attachment B, 8.h.(3), all employees whose time is spent working solely on CDBG work will, on a semiannual basis, complete a written certification form. The employee will sign the form and the Director of Planning & Development will approve the form and the form will be maintained in the Planning & Development department. A copy of the completed form will be sent to the Auditor's Office on a semiannual basis.

**Contact Person and Position**

Rick Loessberg, Director of Planning & Development

**Expected Completion Date**

Ongoing. Certifications will be completed semiannually.

**DALLAS COUNTY, TEXAS**

Schedule of Findings and Questioned Costs

September 30, 2010

**CFDA Title:** Community Development Block Grant

**CFDA Number:** 14.218

**Federal Award Number and Expenditures:** SU-09-A10-22189-01 & \$3,307,213

**Federal Award Year:** 2009

**Federal Agency:** U.S. Department of Housing & Urban Development

**Pass-through Entity:** N/A

**Finding 2010-04:** Completeness of Rehab Projects – Special Test

**Type of Finding:** Significant Deficiency & Noncompliance

**Criteria or Specific Requirement**

When funds are used for rehabilitation, the grantee must ensure that the work is properly completed (24 CFR Section 570.506)

Any NSP-assisted rehabilitation of a foreclosed-upon home or residential property shall be completed to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, or habitability, in order to sell, rent or redevelop such homes and properties. To comply with this provision, a grantee must describe or reference in its NSP action plan amendment what rehabilitation standards it will apply for NSP-assisted rehabilitation (Section 2301 (d)(2) of HERA; Section II.I. of NSP Notice, 73 FR 58338).

**Condition**

We noted that the County does not currently have procedures in place to ensure rehabilitation projects are properly completed in accordance with the prescribed standards. The County did identify in the NSP action plan that it intends to use the City of Dallas Minimum Housing Standards for NSP-assisted rehabilitation. However, there was no evidence that controls were in place to ensure all rehabilitation was completed and up to those standards.

**Questioned Costs**

None.

**Cause**

Management failed to implement adequate control processes and procedures to ensure that all rehabilitation projects are properly completed in accordance with the respective work orders and specifications and adequate documentation was maintained to support this process.

**Effect**

The lack of adequate internal controls increases the risk of noncompliance associated with the grant requirements to ensure that all rehabilitation projects are properly completed in accordance with the respective work orders and specifications.

**DALLAS COUNTY, TEXAS**

Schedule of Findings and Questioned Costs

September 30, 2010

**Recommendation**

Management should implement control processes and procedures to ensure all rehabilitation projects using NSP Funds are properly completed in accordance with the respective work orders and specifications and adequate documentation is maintained to support this process.

**Views of Responsible Officials**

As required under the Agreement with the contractor/developer, a rehabilitation/repair cost estimate (line-item work order) was submitted to the County prior to the purchase of any of the 40 homes that were purchased under the County's NSP1 program. Each rehab/repair line item was deemed necessary to ensure compliance with County rehabilitation standards. Twelve of the purchased homes (30%) were reviewed for compliance after the completion of the rehabilitations.

**Planned Corrective Actions**

To increase internal controls for rehabilitation of selected structures, contractor/developer will continue to provide to the County, prior to any work being performed, a proposed list of repairs (work write-up) necessary for rehabilitation compliance. County will review the list and determine/approve what work is needed. After the contractor/developer has completed the necessary repairs/rehabilitation, County will inspect each site and provide a final completion report to be submitted by the contractor/developer with each reimbursement request for repairs. Copies of all repair work (i.e., work write-ups and final inspection reports) will be maintained in the Planning & Development Department.

**Contact Person and Position**

Rick Loessberg, Director of Planning & Development

**Expected Completion Date**

Completed.

## DALLAS COUNTY, TEXAS

### Schedule of Findings and Questioned Costs

September 30, 2010

**Program Name:** Automobile Theft Prevention

**Expenditures:** \$1,114,170.

**State Award Number:** SA-T01-10047-10

**State Award Year:** 2009/2010

**State Agency:** Texas Automobile Burglary and Theft Prevention Authority (ABTPA)

**Pass-through Entity:** N/A

**Finding 2010-05:** Procurement, Suspension, & Debarment

**Type of Finding:** Significant Deficiency

#### Criteria or Specific Requirement

Nonfederal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)*, collecting a certification from the entity, or adding a clause or a condition to the covered transaction with that entity.

#### Condition

There were three vendors that met the definition of a covered transaction related to this program during the current fiscal year. All of the vendors were selected for test work and we noted that there was not adequate documentation to support that management verified that one of the three vendors was not suspended or debarred prior to executing a contract with the vendor.

#### Questioned Costs

None. No amounts of questioned costs are reported based on our review of the EPLS Web site in which the subject vendor was not suspended or debarred.

#### Cause

Management failed to have adequate control processes and procedures to ensure that one of the three acceptable ways to satisfy the suspension and debarment requirements (i.e., search EPLS Web site, statement, or clause included in contract or obtaining separate certification.) occurred for each covered transaction during the current fiscal year.

## DALLAS COUNTY, TEXAS

### Schedule of Findings and Questioned Costs

September 30, 2010

#### **Effect**

The failure to implement adequate control processes and procedures increases the risk of noncompliance.

#### **Recommendation**

Management should implement adequate control processes and procedures to ensure that one of the three methods of complying with the suspension and debarment requirements occurs for each covered transaction related to this program. Additionally, management should ensure that adequate documentation is maintained to evidence the performance of the processes and procedures.

#### **Views of Responsible Officials**

The "Schedule of Findings and Questioned Costs" states three procurements were audited for compliance with Federal OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension. Two of the three transactions were found being procured utilizing a state contract that contained the language as required under this section. The third was procured through other sources but the buyer checked the Excluded Parties List System (EPLS) prior to purchase order issuance.

#### **Planned Corrective Actions**

In addition, all formal solicitations (one time, annual and/or evaluative) currently contain the following language:

**FEDERAL DEBARRED VENDORS** - No products and/or services utilizing federal funds may be procured from vendors that are listed on the Federal Excluded Parties List. Government requirements for nonprocurement suspension and debarment are contained in the OBM guidance 2 CFR part 180 that implements Executive Orders 12549 and 12689 Debarment and Suspension. Dallas County reserves the right to reject from award consideration and/or debarred as outlined herein.

Also, the Grants section of the County Auditor's office is reviewing and printing the information from the Federal Excluded Parties List Web site each time it approves a purchase requisition.

#### **Contact Person and Position**

Linda S. Boles, Purchasing Agent

#### **Expected Completion Date**

Procedure in effect.

**DALLAS COUNTY, TEXAS**

Schedule of Findings and Questioned Costs

September 30, 2010

**CFDA Title:** TB Prevention Control

**State Award Number and Expenditures:** 2010-032848-001 and \$983,015

**State Award Year:** 2009/2010

**State Agency:** Department of State Health Services

**Pass-through Entity:** N/A

**Finding 2010-06:** Cash Management

**Type of Finding:** Significant Deficiency

**Criteria or Specific Requirement**

When entities are funded on a reimbursement basis, program cost must be paid for by entity funds before reimbursement is requested.

Additionally, in accordance with Uniform Grant Management Standards (UGMS), an awardee shall maintain internal control over state programs that provides reasonable assurance that the awardee is managing state awards in compliance with laws, regulations, and the provisions of contracts or grant agreements.

**Condition**

We noted that three of the twelve Requests for Reimbursement for this program did not have evidence that they were reviewed and approved by management prior to submission to the state for reimbursement.

**Questioned Costs**

None.

**Cause**

Management has designed and implemented controls over the cash management compliance requirement; however, they did not operate effectively during the current fiscal year.

**Effect**

The failure of the control to operate effectively increases the risk of noncompliance with cash management requirement.

**Recommendation**

Management should ensure that the management review control operates as designed and all reviews of the reimbursement requests are supported by adequate documentation evidencing that the review occurred.

**DALLAS COUNTY, TEXAS**

Schedule of Findings and Questioned Costs

September 30, 2010

**Views of Responsible Officials**

Requests for Reimbursements (ROR) in question were prepared by Dallas County Health and Human Services (DCHHS) and forwarded for review to the Auditors' Office prior to being submitted to the state for reimbursement. The procedure ensures that there is verification of the request by an independent office prior to the ROR submission to the State. DCHHS believes that the controls were sufficient to ensure correctness of RORs in question prior to their submission.

**Planned Corrective Actions**

As recommended, DCHHS management will ensure review of all RORs prior to its submission and will maintain adequate documentation evidencing such review.

**Contact Person and Position**

Zachary Thompson, Director

Denise Cherry, Program Monitor

**Expected Completion Date**

Procedure is in effect currently.