



Tarrant County, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

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TARRANT COUNTY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2023



Prepared By

County Auditor's Office

Kimberly M. Buchanan, CPA

County Auditor



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INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT, TARRANT COUNTY, TEXAS



Kimberly M. Buchanan, CPA
Tarrant County Auditor

Linda R. Castillo
First Assistant County Auditor



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Fort Worth, Texas 76196-0103

Phone (817) 884-1205
Fax (817) 884-1104

April 23, 2024

The Honorable Board of District Judges
The Honorable Commissioners Court
Tarrant County, Texas

The annual comprehensive financial report of Tarrant County, Texas (the "County") for the fiscal year ended September 30, 2023 is submitted herewith. This report is submitted in compliance with Section 114.025 of the Texas Local Government Code and has been prepared by the County Auditor's staff.

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, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements (excluding the financial statements of the County's discretely presented component units which were audited by other auditors) have been audited by Deloitte & Touche LLP, independent auditor. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2023 are free of material misstatement. The independent audit involved 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; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Deloitte & Touche LLP was also engaged to perform an audit of the County's federal and state awards that is designed to meet the audit requirements of: Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Texas *Grant Management Standards*. The audit report on federal and state awards is issued separately.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditor.

Profile of the County

Tarrant County is a political subdivision of the State of Texas and was organized in 1849. The County is an urban county located in the north central part of Texas. Fort Worth serves as the county seat to a county population of 2,188,951 citizens. It is one of the fastest growing urban counties in the United States today.

The Commissioners Court is the governing body of the County. The Court is made up of the four County Commissioners, each elected from one of the County's four precincts, and the County Judge who is elected countywide and presides over the full Court. The Commissioners and the County Judge are elected to four-year staggered terms. Despite the name, the Commissioners Court is not a judicial court, but is the governing body of the County. Major duties of the Court is to: 1) Set the tax rate and adopt the County budget; 2) Appoint County officials and hire personnel; 3) Fill elective and appointee vacancies; 4) Establish voting precincts, appoint precinct judges and call County bond elections; 5) Let contracts and authorize payment of all County bills; 6) Build and maintain County roads and bridges; 7) Build, maintain and improve County facilities; 8) Provide for hospitals, public welfare and veterans assistance; and 9) Provide for the technology and archival needs of the County.

The County provides services allowed by the Constitution and Statutes of the State of Texas. Services include, but are not limited to, law enforcement, judicial proceedings, probation monitoring services, juvenile services, recording services related to judicial proceedings, public health and welfare, maintaining road and bridges, principally within the unincorporated areas of the County, and other related governmental functions. The Tarrant County Hospital District, My Health My Resources of Tarrant County, Tarrant County Housing Finance Corporation, Tarrant County Industrial Development Corporation, Tarrant County Cultural Education Facilities Development Corporation, and the Tarrant County Health Facilities Development Corporation are considered component units and reported, as appropriate, within the County's financial statements. Additional information on all these legally separate entities can be found in Note 1.(a) in the notes to the financial statements.

The annual budget serves as the foundation for the County's financial planning and control. Departmental annual budget requests are submitted to the County Budget Officer during the third quarter of the fiscal year for the upcoming fiscal year to begin October 1. The County Auditor prepares an estimate of available resources for the upcoming fiscal year. The County Budget Officer prepares the proposed annual operating budget and presents it to the Commissioners Court for their consideration. Public hearings are held on the proposed budget. The Commissioners Court must adopt an annual operating budget by a majority vote before September 30. The legal level of budgetary control is at ten categorical levels within each department. Commissioners Court may legally amend the budget. Management must seek approval of Commissioners Court to transfer appropriation between categories, even within the same department. Budget-to-actual comparisons are provided in this report for all budgeted governmental funds. The General Fund and the Road and Bridge Fund comparisons at the department level are presented on pages 100-103 as part of the required supplementary information. The other budget comparisons at the department level are presented on pages 121-129 as part of budgetary compliance. A separate budget report detailed at the legal level of control is available upon request.

Local Economy

Historically, the County's economic environment has been characterized by steady, yet modest growth. This has been in part because of the diverse nature of the business sectors making up the local economy, without an overwhelming dominance by any one industry. Although local real estate values previously had steady yet modest increases, there have been significant value increases during the year.

Other segments of the local economy include aircraft, automobile and electronic manufacturing, tourism, entertainment, livestock and agri-business, transportation including major railroad services, and financial services. Because of this diversity, the outlook for stable economic conditions seems favorable.

Major factors of this continued stability include:

AllianceTexas: AllianceTexas is a 27,000-acre master-planned, mixed use community located in north Fort Worth. AllianceTexas offers a variety of commercial real estate options, including new industrial, office, and retail. Anchored by the inland port known as the Alliance Global Logistics Hub, AllianceTexas is home to more than 575 companies, and over 66,000 employees. BNSF Railway, FedEx, UPS Ground Hub, Deloitte, Fidelity Investments, Mercedes-Benz, AT&T, Amentum, Facebook, Amazon, Hillwood Properties, Carolina Beverage, Walmart.com, Callaway Golf Co., TuSimple, and others are located in AllianceTexas.

Linear Labs: Linear Labs, an electric motor manufacturer, is investing \$4 million in facility improvements and \$614 million in research and development work while creating 1,200 new jobs.

Rhino Health Inc.: The only domestic manufacturer of nitrile rubber gloves, will expand operations and open its largest manufacturing facility in Fort Worth. The 400,000 square foot property in Majestic Fort Worth South Business Park will house approximately 10,000 square feet of office space for corporate functions as well as serve as a corporate office location, creating 800 new jobs.

Facebook: Facebook is expanding its data center campus by adding approximately 170,000 square feet. Once completed, the campus will consist of more than 2.5 million square feet with total investment of \$1.5 billion and over 200 jobs.

MP Materials Corp: MP Materials Corp constructed its first rare earth metal, alloy, and magnet manufacturing facility costing \$100 million, including \$60 million in business personal property. The facility will create approximately 150 high skilled manufacturing and engineering jobs and approximately 1,300 indirect jobs.

Charles Schwab: Opening in 2020, the company's 1.1 million square foot campus spreads across 70 acres in Tarrant County. Currently, more than 2,500 employees work on the new campus. Phase two of the campus was completed mid-2021. The campus can accommodate approximately 6,000 employees.

National Medal of Honor Museum: Arlington Texas was selected as the future home of the National Medal of Honor Museum. It is expected to bring 650,000-800,000 annual visitors. The museum is expected to open in 2025.

NGC Renewables: A North American subsidiary of a Chinese wind turbine equipment manufacturer, has constructed a 120,000 square foot manufacturing facility in the Alliance development.

Mercantile Center Business Park: Mercantile is currently home to the Federal Aviation Administration's \$20 million Southwest Regional Headquarters, Dillard's Department Store distribution center, Mid-States Distributing Co., The Buxton Company, Lane Construction Corporation, XPO Logistics Supply Chain, Inc. and CampFire First Texas, U.S.A.'s state-of-the-art Childcare Center and National Training Center for childcare providers.

Meacham International Airport: Meacham Airport features two runways, 88 buildings, 1.55 million square feet of hangar space, three full-service fixed base operators, aircraft maintenance facilities, flight schools and two aviation museums.

GM Arlington: GM recently announced plans to invest an additional \$500 million in its assembly plant for new equipment in the plant's metal stamping, body shop, and general assembly area for its workforce to continue to roll out high-quality vehicles.

Fort Worth Stockyards: This tax increment finance (TIF) district will generate about \$40 million over its 20-year life. An estimated \$385 million in development will occur in the district, including as much as \$185 million from a planned redevelopment. The project is expected to spur another \$200 million in private investment over 20 years.

American Airlines: American Airlines opened the new 1.8 million square-foot headquarters campus in Fort Worth in 2019. A new capital plan of a \$5 million investment to add 24 gates to further the growth of DFW International Airport was established in 2023.

Tarleton State University: Construction began on the second building of the 80-acre campus in the southwest portion of Tarrant County. The \$66 million Interprofessional Education Building is scheduled for move-in during 2024. Once completed, there will be 100,000 square feet of classroom and specialized lab space.

TCU School of Medicine: TCU School of Medicine is building its new campus in the Fort Worth Medical District, expected to open in 2024. Once completed, the campus will consist of 100,000 square feet with approximately 240 students and hundreds of faculty and staff members.

Lockheed Martin: Lockheed designs and produces the F-35 Lightning II. Three variants of this fighter jet will replace legacy fighters for the U.S. Air Force, Navy, Marine Corp, and 11 other countries around the world. Lockheed Martin provides 18,200 jobs for Tarrant County.

Arlington Entertainment District Expansion: A planned \$810 million expansion which will add a best-in-class hotel brand, new convention center, corporate headquarters, mixed-use residential building, small business coworking and incubator space, and more dining, retail and entertainment options for residents and visitors. The expansion is a continuation of the strong public-private partnership between the City of Arlington, the Texas Rangers, Loews Hotels & Co, and the Cordish Companies. Construction is also underway on a new convention center, convention center hotel, parking garage, retail and restaurants, office tower and residential units, with over \$1 billion in new investment planned.

Siemens: Siemens is investing \$143 million in a new electric switch manufacturing facility that will employ 715 people at an average salary of \$70,000.

Probably Monsters: A software company bringing \$2 million in capital expenditure to downtown and 300 jobs at average salary of \$150,000.

Sinclair Digital: Sinclair Digital is expanding into new markets for low-voltage and smart building technologies, and together with GKN Aerospace are projected to invest approximately \$128 million in research and development in Fort Worth over the next ten years.

Techstars Program: The Techstars program is a three-year initiative to support entrepreneurs spearheaded by the University of North Texas Health Science Center (HSC). Ten companies received a combined \$2.4 million in ARPA funding in Year 2 of the program including Brilliantly, ComeBack Mobility, Comma, Hera Fertility, LUBU Technologies, Maya AI, Pulse Charter Connect, Somos, Vessl Prosthetics, and Xplosion Technology.

Other major businesses: Other major businesses recently locating to or expanding in Tarrant County include Ariat International, Oneworld Alliance, and GKN Aerospace, who selected Fort Worth for a new Global Technology Center. Additionally, high-value manufacturing and distribution projects by Beauty Manufacturing Solutions Corp (BMSC), Carhartt, McMaster-Carr, and DrinkPak are bringing in more than \$1.1 billion in combined investment and 2,250 new jobs.

Relevant Financial Policies and Long-Term Planning

The County issues debt to finance acquisition of personal property, capital renovations and improvements to County facilities. The ad valorem tax rate for the fiscal year 2023 totaled \$0.224 with \$0.017127 per \$100 valuation to fund the annual debt service requirements. On May 7, 2006, the Commissioners Court approved a resolution expressing its intent to be fiscally responsible in the issuance of the bonds. The intent is to only issue bonds if the County has the capacity to repay the bonds without a tax increase.

Major Initiatives

On November 2, 2021, the voters of Tarrant County overwhelmingly approved a \$400,000,000 proposition to advance transportation improvements throughout Tarrant County. The bonds will be issued over a period of time to ensure the property tax rate will not increase.

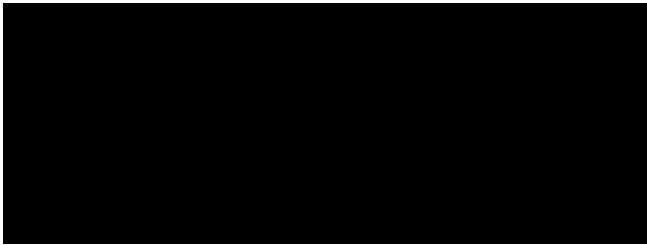
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting for the County’s annual comprehensive financial report for the fiscal year ended September 30, 2022. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it for review to the GFOA.

I wish to express my thanks to the District Judges and the Commissioners Court for their interest and support in planning and conducting the financial affairs of the County in a responsible and professional manner.

The timely completion of this report could not have been achieved without the dedicated efforts of the County Auditor’s staff and the professional services provided by our independent auditor, Deloitte & Touche LLP.





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Tarrant County
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

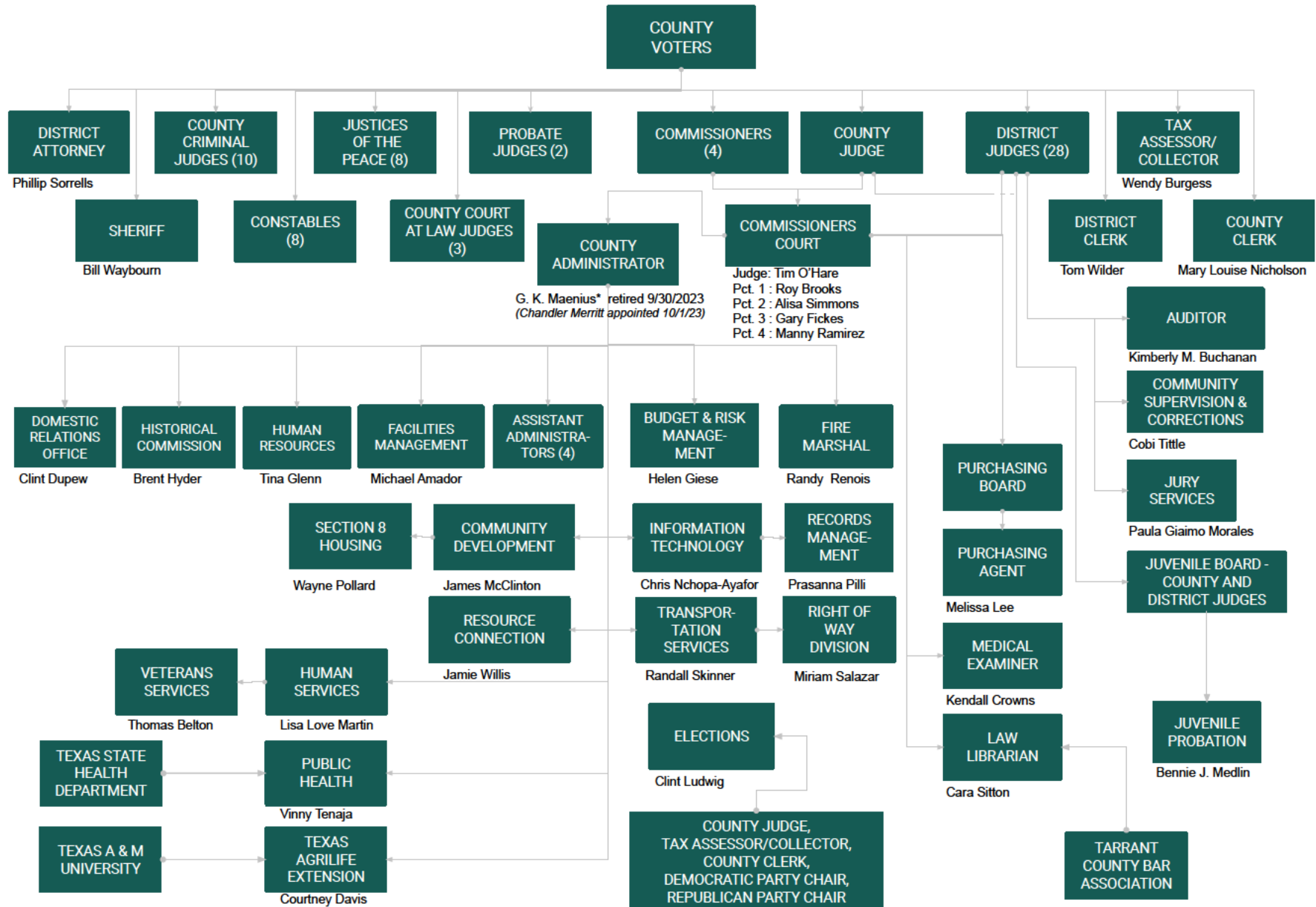
September 30, 2022

Christopher P. Morill

Executive Director/CEO

TARRANT COUNTY ORGANIZATION

(as of 9/30/2023)



PRINCIPAL OFFICIALS

September 30, 2023

Commissioners Court:

Tim O'Hare
Roy Charles Brooks
Alisa Simmons
Gary Fickes
Manny Ramirez

County Judge
Commissioner, Precinct 1
Commissioner, Precinct 2
Commissioner, Precinct 3
Commissioner, Precinct 4

Board of District Judges:

Elizabeth H. Beach
Wayne Salvant
Douglas Allen
Andy Porter
Melody Wilkinson
Chris Taylor
Don Cosby
J. Patrick Gallagher
John P. Chupp
Susan McCoy
Chris Wolfe
Jesus Nevarez, Jr.
Kenneth E. Newell
Tom Lowe
David C. Hagerman
James Munford
Alex Kim
Beth Poulos
Cynthia Terry
Kimberly Fitzpatrick
Megan Fahey
Josh Burgess
Patricia Baca Bennett
Ryan Hill
Julie Lugo
George Gallagher
Ruben Gonzalez
Steven Jumes

Judge, Criminal District Court No. 1
Judge, Criminal District Court No. 2
Judge, Criminal District Court No. 3
Judge, Criminal District Court No. 4
Judge, 17th Judicial District
Judge, 48th Judicial District
Judge, 67th Judicial District
Judge, 96th Judicial District
Judge, 141st Judicial District
Judge, 153rd Judicial District
Judge, 213th Judicial District
Judge, 231st Judicial District
Judge, 233rd Judicial District
Judge, 236th Judicial District
Judge, 297th Judicial District
Judge, 322nd Judicial District
Judge, 323rd Judicial District
Judge, 324th Judicial District
Judge, 325th Judicial District
Judge, 342nd Judicial District
Judge, 348th Judicial District
Judge, 352nd Judicial District
Judge, 360th Judicial District
Judge, 371st Judicial District
Judge, 372nd Judicial District
Judge, 396th Judicial District
Judge, 432nd Judicial District
Judge, 485th Judicial District

County Judges:

David Cook
Carey Walker
Bob McCoy
Deborah Nekhom
Bradley Clark
Randi Hartin
Eric Starnes
Charles Vanover
Brian Bolton
Trent Loftin
Don Pierson
Jennifer Rymell
Mike Hrabal

Judge, County Criminal Court No. 1
Judge, County Criminal Court No. 2
Judge, County Criminal Court No. 3
Judge, County Criminal Court No. 4
Judge, County Criminal Court No. 5
Judge, County Criminal Court No. 6
Judge, County Criminal Court No. 7
Judge, County Criminal Court No. 8
Judge, County Criminal Court No. 9
Judge, County Criminal Court No. 10
Judge, County Court at Law No. 1
Judge, County Court at Law No. 2
Judge, County Court at Law No. 3

PRINCIPAL OFFICIALS**September 30, 2023**

County Judges: (continued)

Chris Ponder
Brooke Allen
Ralph Swearingin, Jr.
Mary Tom Curnutt
Bill Brandt
Christopher Gregory
Sergio L. DeLeon
Jason Charbonnet
Kenneth Sanders
Lisa R. Woodard

Judge, Probate Court No. 1
Judge, Probate Court No. 2
Justice of the Peace, Precinct 1
Justice of the Peace, Precinct 2
Justice of the Peace, Precinct 3
Justice of the Peace, Precinct 4
Justice of the Peace, Precinct 5
Justice of the Peace, Precinct 6
Justice of the Peace, Precinct 7
Justice of the Peace, Precinct 8

Law Enforcement:

Bill Waybourn
Phillip Sorrells
Bennie J. Medlin*
Colbi Tittle
Harry D. Clark, III
Robert J. McGinty
Darrell Huffman
Jason Bedford
Pete Munoz
Jon Siegel
Sandra Lee
Michael R. Campbell
Clint Dupew

Sheriff
Criminal District Attorney
Chief Juvenile Probation Officer
Community Supervision & Corrections Director
Constable, Precinct 1
Constable, Precinct 2
Constable, Precinct 3
Constable, Precinct 4
Constable, Precinct 5
Constable, Precinct 6
Constable, Precinct 7
Constable, Precinct 8
Domestic Relations Director

Administrative Officials:

G.K. Maenius*⁽¹⁾
Kimberly M. Buchanan*
Wendy Burgess
Melissa Lee*
Helen Giese*
Christopher Nchopa-Ayafor*

County Administrator
County Auditor
Tax Assessor-Collector
Purchasing Agent
Budget and Risk Management Director
Chief Information Officer

Recording Officials:

Mary Louise Nicholson
Tom Wilder

County Clerk
District Clerk

*Appointed officials. All others listed are elected officials.

(1) G.K. Maenius retired 9/30/2023. Chandler Merritt appointed as new County Administrator 10/1/2023.



FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT, TARRANT COUNTY, TEXAS



INDEPENDENT AUDITOR'S REPORT

The Honorable County Judge and Commissioners Court
Tarrant County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Tarrant County Hospital District (TCHD) or the My Health My Resources of Tarrant County (MHMRTC), which represent all of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TCHD and MHMRTC, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules—General Fund and Road and Bridge Fund, the Schedule of County Pension Contributions, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Changes in OPEB Liability and Related Ratios, the Schedule of Pension Contributions—TCHD, and the Schedule of Changes in Net Pension Liability and Related Ratios—TCHD be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by

the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial statements and budgetary compliance schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining fund financial statements and budgetary compliance schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Deloitte & Touche LLP

April 23, 2024



Management's Discussion and Analysis

As management of Tarrant County, we offer readers of Tarrant County's financial statements this narrative overview and analysis of the financial activities of Tarrant County for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The assets and deferred outflows of the County exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$517,343,000 (net position). This is an increase of \$149,150,000.
- Total net position of the County is comprised of the following:
 1. Net investment in capital assets of \$438,015,000 includes land, buildings, computer software, infrastructure, right to use lease and subscription assets, construction in progress, and other capital assets, net of accumulated depreciation/amortization, and is reduced by capital-related lease and subscription liabilities, retainage, and outstanding debt net of unspent bond proceeds, related to the purchase or construction of capital assets.
 2. Net position of \$50,203,000 is restricted by constraints imposed from outside the County, such as debt obligations, laws, regulations, contractual or donor imposed constraints.
 3. Unrestricted net position of a positive \$29,125,000.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$781,337,000, an increase of \$77,634,000 in comparison with the prior year. Approximately 14 percent of this total amount, \$106,137,000, is *available for spending* at the County's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$110,210,000, or approximately 20 percent of total general fund expenditures.
- The County's bonded debt decreased by \$28,240,000 (approximately 7 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Tarrant County's basic financial statements. Tarrant County's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other 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 Tarrant County's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of Tarrant County's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Tarrant County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Tarrant County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental

activities of the County include general government, public safety, transportation support, judicial, and community services. The business-type activities of Tarrant County include the Resource Connection.

The government-wide financial statements include not only Tarrant County, but also a legally separate hospital district, mental and behavioral health authority, housing finance, and industrial development corporations. Financial information for Tarrant County Hospital District (TCHD) and My Health My Resources of Tarrant County (MHMR) are reported separately from the financial information presented for the primary government itself. The Housing Finance (TCHFC) and Industrial Development Corporations (TCIDC), although legally separate, function for all practical purposes as a department of the County, and therefore have been blended as an integral part of the primary government.

The government-wide financial statements can be found on pages 14-17 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Tarrant 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. However, unlike the government-wide financial statements, 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 a government's near-term financing requirements.

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

The County maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, debt service, capital projects fund, and grants fund, which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements*.

Tarrant County adopts an annual appropriated budget for all its funds except TCHFC, TCIDC, and grants fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-23 of this report. The combining nonmajor governmental fund financial statements begin on page 117.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its Resource Connection. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. In the basic financial statements, the internal service funds are presented in the aggregate. Individual fund data for the internal service funds is provided in the form of *combining statements*.

The basic proprietary fund financial statements can be found on pages 24-26 of this report. The combining internal service fund financial statements begin on page 131.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

Notes to the 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. The notes to the financial statements can be found on pages 29-99 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes budget to actual schedules for general fund and road and bridge fund. Also included are schedules regarding the funding, contributions and unfunded liabilities of pension and other postemployment benefits (OPEB) to employees. Required supplementary information can be found on pages 100-114 of this report.

Adjustment to beginning net position. Subsequent to the issuance of the financial statements for the fiscal year ended September 30, 2022, the County identified errors related to actuarial calculations used to estimate the Total Other Postemployment Benefits Liability. The beginning net position for fiscal year 2023 has been restated as a result. Management has evaluated these errors and concluded they were not material to prior periods, individually or in the aggregate. Comparative information for fiscal year 2022 in Management's Discussion and Analysis has been updated for this adjustment. Additional information can be found in Note 1.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Tarrant County, assets and deferred outflows exceeded liabilities and deferred inflows by \$517,343,000 at the close of the most recent fiscal year.

A large portion of the County's net position, \$438,015,000, reflects its investment in capital assets, less any related debt used to acquire those assets still outstanding, excluding unspent proceeds. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another balance of net position represents resources that are subject to external restriction on how they may be used. Restricted net position includes \$22,805,000 for records management, \$12,182,000 for contractual or donor imposed restrictions, and \$15,216,000 for legislative purposes. The remaining portion of the net position is unrestricted net position, which is a positive \$29,125,000.

Tarrant County's Net Position

(Amounts in thousands)

	September 30, 2023			September 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 1,194,656	\$ 7,456	\$ 1,202,112	\$ 1,222,322	\$ 5,390	\$ 1,227,712
Capital assets	534,986	3,443	538,429	510,147	3,651	513,798
Total assets	1,729,642	10,899	1,740,541	1,732,469	9,041	1,741,510
Deferred outflows	172,337	372	172,709	154,960	390	155,350
Other liabilities	350,401	389	350,790	460,041	269	460,310
Long-term liabilities	929,642	1,356	930,998	760,618	960	761,578
Total liabilities	1,280,043	1,745	1,281,788	1,220,659	1,229	1,221,888
Deferred inflows	111,117	3,002	114,119	304,711	2,068	306,779
Net position:						
Net investment in capital assets	434,572	3,443	438,015	400,372	3,651	404,023
Restricted	50,203	-	50,203	54,084	-	54,084
Unrestricted	26,044	3,081	29,125	(92,397)	2,483	(89,914)
Total net position (deficit)	\$ 510,819	\$ 6,524	\$ 517,343	\$ 362,059	\$ 6,134	\$ 368,193

At the end of the current fiscal year, the County is able to report positive balances in all of the categories of net position, both for the government as a whole, as well as for its governmental activities.

The County's net position increased by \$149,150,000, during the current fiscal year. This increase represents the degree to which ongoing revenues have surpassed ongoing expenses. Revenues increased \$157,638,000, approximately 18 percent, and expenses increased 140,990,000, approximately 18 percent. These increases in revenue and expenses are primarily due to the utilization of federal awards received for the public health emergency (COVID-19). Revenue also increased due to increases in property tax revenue resulting from increased property values, and increased investment income due to an increase in interest rates.

Governmental activities. Governmental activities increased the County's net position by \$148,760,000, thereby accounting for the increase in the net position of the County. Revenue increased by \$157,323,000, or by approximately 18%, and expenses increased by \$140,739,000, or by approximately 19 percent from the prior year. These changes were primarily the result of the use of COVID-19 funds, and increases in property taxes and investment income.

Business-type activities. Business-type activities net position increased \$390,000. Expenses increased \$251,000 or approximately 8 percent from the prior year and current year revenues increased \$315,000 or approximately 9 percent.

Tarrant County's Changes in Net Position

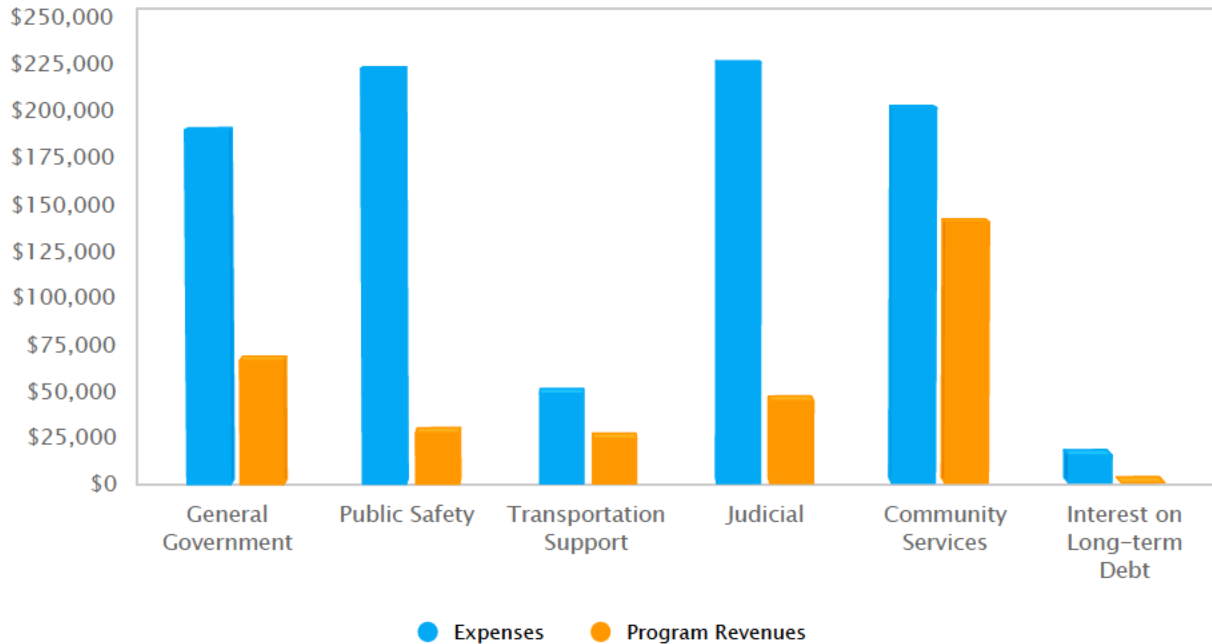
(Amounts in thousands)

	For the year ended September 30, 2023			For the year ended September 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities ⁽¹⁾	Business-type Activities	Total
Revenues:						
Program revenues:						
Fees, fines and charges for for services	\$ 163,303	\$ 3,399	\$ 166,702	\$ 163,643	\$ 3,311	\$ 166,954
Operating grants and contributions	133,858	-	133,858	140,520	-	140,520
Capital grants and contributions	4,201	-	4,201	5,105	-	5,105
General revenues:						
Property taxes	547,071	-	547,071	501,129	-	501,129
Alcohol, bingo, and other taxes	16,647	-	16,647	15,062	-	15,062
Grants and contributions not restricted to specific programs	126,207	-	126,207	55,252	-	55,252
Investment earnings	54,912	299	55,211	8,574	49	8,623
Other general revenue	3,573	172	3,745	3,164	195	3,359
Total revenues	1,049,772	3,870	1,053,642	892,449	3,555	896,004
Expenses:						
General government	189,986	-	189,986	168,685	-	168,685
Public safety	222,224	-	222,224	182,510	-	182,510
Transportation	48,010	-	48,010	36,009	-	36,009
Judicial	225,502	-	225,502	190,166	-	190,166
Community services	201,028	-	201,028	175,549	-	175,549
Interest and fiscal charges	14,262	-	14,262	7,354	-	7,354
Resource Connection	-	3,480	3,480	-	3,229	3,229
Total expenses	901,012	3,480	904,492	760,273	3,229	763,502
Increase in net position	148,760	390	149,150	132,176	326	132,502
Net position-beginning	362,059	6,134	368,193	229,883	5,808	235,691
Net position-ending	\$ 510,819	\$ 6,524	\$ 517,343	\$ 362,059	\$ 6,134	\$ 368,193

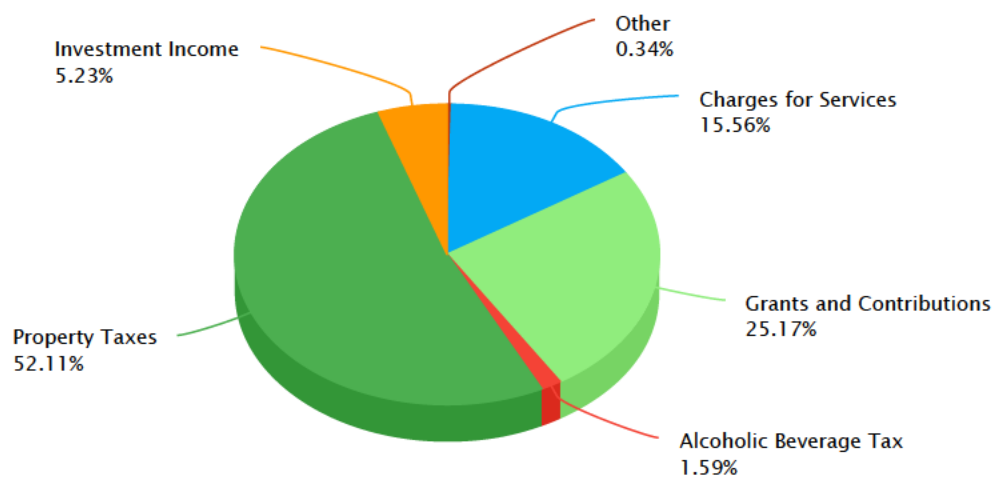
(1) Certain revenues were reclassified to align with current year presentation

Expenses and Program Revenues – Governmental Activities

(Amounts in thousands)



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental 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 financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$781,337,000, an increase of \$77,634,000. Approximately 14 percent of this total amount, \$106,137,000, constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is not available for new spending because 1) \$8,516,000 is not in spendable form, 2) \$286,207,000 is restricted for a specific purpose externally imposed by bond covenants, grantors and contributors, or by enabling legislation, 3) \$294,248,000 has been committed by a formal action of the Commissioners Court for a specific purpose, and 4) \$86,229,000 has been assigned for a specific purpose, generally used to liquidate outstanding purchase orders, to fund next year's budget, and economic development.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$110,210,000, and the total fund balance was \$201,177,000. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 20 percent of total general fund expenditures, while total fund balance represents approximately 37 percent of that same amount.

The fund balance of the County's general fund decreased by \$14,324,000 during the current fiscal year, primarily due to an increase in transfers out of the general fund by \$57,689,000. Additional information on transfers can be found in Note 10. Revenues increased about 11 percent from prior year predominantly due to increased tax revenue from increased property values as well as increased investment income due to an increase in interest rates. Expenditures in the general fund increased by about 9 percent due to increases in counsel fees, economic development, public safety costs, and transportation support for costs previously budgeted in the road and bridge fund. Although there is no net impact to fund balance, increased expenditures are also due to increases in capital outlay resulting from the implementation of GASB 96, requiring an entry to capital outlay and an offsetting entry to other financing sources for subscription-based IT arrangements.

The road and bridge fund accounts for monies designated for the acquisition, construction and maintenance of county roads and bridges. The fund has a total fund balance of \$19,397,000 of which \$825,000 is in nonspendable form, the remainder is committed by the Commissioners Court. The fund balance increased \$3,473,000 due to an increase in operating subsidy from the general fund.

The debt service fund has a total fund balance of \$2,044,000, all of which is committed for the payment of debt service. The net increase in fund balance during the current year was \$242,000 due to property tax collections and investment income exceeding budgeted amounts. The County maintained a budgeted reserve of \$1,500,000 in this fund throughout the fiscal year.

The capital projects fund has a total fund balance of \$435,363,000, all of which is either restricted or committed for the payment of capital projects. The net increase in fund balance during the current year was \$75,401,000. The fund balance increased due to an increase in the operating subsidy from the general fund, and increased investment income as a result of increased interest rates. Details of the bond projects are further described in the long-term debt section beginning on page 47.

The grants fund has no fund balance as all expenditures should be reimbursed by state and federal funds. Any excess revenue received is deferred until earned.

Other governmental funds are for specific purposes. In total, revenues exceed expenditures resulting in an increase of the fund balance by \$5,548,000, despite a decrease for the records preservation and automation fund. The records preservation and automation fund decreased by \$1,432,000 due to a transfer of \$515,000 to the capital projects fund for a software-related records management project, and increased expenditures for a records preservation project for probate case files. Other governmental funds with increases in fund balance include the public health fund, which increased \$1,154,000 due to revenues exceeding expenditures related to Medicaid 1115 waiver, and the miscellaneous contracts fund, which increased \$3,067,000 due to increased revenue from opioid settlement funds.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide business type activities financial statements, but in more detail.

Total net position of the Resource Connection fund at the end of the year amounted to \$6,524,000. The total increase in net position for the fund was \$390,000. Current year revenues increased \$315,000 or approximately 9 percent due to increases in investment income and rental income. Expenses increased \$251,000 or approximately 8 percent from prior year due to employee salaries and fringe benefits as well as increased water and electricity costs due to the pool operating the entirety of current year compared to closure for part of the prior year.

General Fund Budgetary Highlights

There are no differences between the original budget and the final amended budget in total, however, transfers were made within and between departments. Many of the transfers include transfers to sheriff confinement due to an increase in jail population, transfer of budgeted counsel fees amongst numerous courts, and a \$7,229,000 transfer to the grants fund for COVID-19 expenditures for which the County did not receive a grant award.

Actual revenues were more than budgetary estimates and expenditures were less than budgeted. These differences are highlighted as follows:

- General government expenditures were less than budgeted because the budget includes a budgeted reserve of \$79,991,000 and an undesignated balance of \$8,407,840.
- Departmental expenses were less than budgeted for various departments including elections administration, information technology, juvenile services, and courts/judiciary.
- Total revenues exceeded budgeted amounts. Revenues from liquor by the drink, intergovernmental revenue and investment income received were greater than budgeted.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2023 amounted to \$538,429,000 net of accumulated depreciation. This investment in capital assets includes land, buildings, right to use lease and subscription assets, equipment, computer software, infrastructure and construction in progress. The total increase in the County's net investment in capital assets for the current fiscal year was \$33,992,000.

Major capital asset events during the current fiscal year included the following:

- Completed development of criminal justice software
- Completed development of Juvenile Justice Complex
- Purchase of two buildings for Public Health

Additional information on the County's capital assets can be found in Note 5 on pages 45-46 of this report.

Tarrant County's Capital Assets(Net of depreciation)
(Amounts in thousands)

	September 30, 2023			September 30, 2022 ⁽¹⁾		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 72,514	\$ 2,071	\$ 74,585	\$ 67,142	\$ 2,071	\$ 69,213
Buildings and improvements	318,171	555	318,726	267,584	646	268,230
Right to use building	2,925	-	2,925	5,207	-	5,207
Furnishings and equipment	28,416	54	28,470	27,995	88	28,083
Software	36,312	-	36,312	12,987	-	12,987
Right to use subscription	7,566	-	7,566	480	-	480
Infrastructure	58,073	763	58,836	53,220	846	54,066
Construction in progress	6,672	-	6,672	46,805	-	46,805
Software in development	4,337	-	4,337	29,207	-	29,207
Total	<u>\$ 534,986</u>	<u>\$ 3,443</u>	<u>\$ 538,429</u>	<u>\$ 510,627</u>	<u>\$ 3,651</u>	<u>\$ 514,278</u>

(1) Fiscal year 2022 balances amended from prior year in accordance with GASB 96.

Long-term debt.

At the end of the current fiscal year, the County had total bonded debt outstanding of \$376,120,000. All of this debt represents bonds payable solely on future ad valorem tax revenue.

Tarrant County's Outstanding Debt

(Amounts in thousands)

	Governmental Activities September 30	
	2023	2022
Bonds	<u>\$ 376,120</u>	<u>\$ 404,360</u>

The County's bonded debt decreased by \$28,240,000 or approximately 7 percent during the current fiscal year due to scheduled payments.

The County maintains an "AAA" rating from Standard and Poor's and an Aaa rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total assessed valuation. The current debt limitation for the County is \$12,844,054,000, which is in excess of the County's outstanding obligation debt.

Additional information on the County's long-term debt can be found in Note 8 on pages 47-50 of this report.

Economic Factors and Next Year's Budgets and Rates

Tarrant County's economic condition remains positive.

- The unemployment rate for Tarrant County increased from 3.5 percent to 3.8 percent. The state's average unemployment rate decreased to 3.6 percent compared to the prior year of 3.8 percent. The national unemployment rate increased from 3.5 percent to 3.9 percent.
- Continued increase in tax rolls in Tarrant County, due to both new construction and increase in property values.
- Inflationary trends in the region were slightly higher than national indices.

All of these factors were considered in preparing the County's budget for the 2024 fiscal year.

At September 30, 2023, the unassigned fund balance in the general fund was \$110,210,000. Total assigned fund balance, \$81,703,000, includes \$76,113,000 assigned for the purpose of spending in the 2024 fiscal year budget. This available fund balance enabled the County's tax rate to decrease to \$0.1945 for the 2024 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Tarrant County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided should be addressed to the Tarrant County Auditor, 100 E. Weatherford, Fort Worth, TX 76196.

BASIC FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)





STATEMENT OF NET POSITION

September 30, 2023 (Amounts in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	\$ 1,130,609	\$ 4,720	\$ 1,135,329
Taxes receivable, net of allowance for uncollectibles	5,836	-	5,836
Other receivables, net of allowance for uncollectibles	49,466	2,727	52,193
Prepaid expenses and inventory	8,745	9	8,754
Capital assets, net:			
Not subject to depreciation/amortization	83,523	2,071	85,594
Subject to depreciation/amortization	451,463	1,372	452,835
Total assets	1,729,642	10,899	1,740,541
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	141,995	287	142,282
Deferred OPEB outflows	29,544	85	29,629
Deferred charge on refunding	798	-	798
Total deferred outflows of resources	172,337	372	172,709
LIABILITIES			
Accounts payable	47,700	295	47,995
Accrued interest payable	3,623	-	3,623
Other liabilities	42,806	54	42,860
Unearned revenue	256,272	40	256,312
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences payable	38,243	106	38,349
Leases and subscriptions	4,265	-	4,265
Bonds & notes payable	30,990	-	30,990
Other postemployment benefit liability	8,800	24	8,824
Other noncurrent liabilities	3,985	-	3,985
Portion due or payable after one year:			
Compensated absences payable	12,586	13	12,599
Leases and subscriptions	4,340	-	4,340
Bonds and notes payable	356,777	-	356,777
Net pension liability	275,530	613	276,143
Other postemployment benefit liability	179,910	600	180,510
Other noncurrent liabilities	14,216	-	14,216
Total liabilities	1,280,043	1,745	1,281,788
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	4,546	10	4,556
Deferred OPEB inflows	102,726	296	103,022
Deferred lease inflows	2,168	2,696	4,864
Deferred charge on refunding	1,677	-	1,677
Total deferred inflows of resources	111,117	3,002	114,119
NET POSITION			
Net investment in capital assets	434,572	3,443	438,015
Restricted:			
Records management	22,805	-	22,805
Contractual or donor imposed	12,182	-	12,182
Legislative	15,216	-	15,216
Unrestricted	26,044	3,081	29,125
Total net position (deficit)	\$ 510,819	\$ 6,524	\$ 517,343

See accompanying notes to the financial statements

Component Units	
Tarrant County Hospital District	MHMR of Tarrant County
\$ 1,995,593	\$ 18,931
3,454	-
195,186	32,449
46,362	4,461
100,983	5,246
190,398	25,735
<u>2,531,976</u>	<u>86,822</u>
78,406	-
-	-
-	-
<u>78,406</u>	<u>-</u>
73,711	7,614
-	-
204,285	9,314
-	1,910
-	213
11,595	3,824
10,400	-
-	-
7,585	-
-	4,596
21,317	4,984
461,774	-
60,337	-
-	-
7,386	-
<u>858,390</u>	<u>32,455</u>
5,054	-
-	-
737	-
-	-
<u>5,791</u>	<u>-</u>
211,057	22,172
-	-
6,009	2,944
-	-
1,529,135	29,251
<u>\$ 1,746,201</u>	<u>\$ 54,367</u>

STATEMENT OF ACTIVITIES

For the year ended September 30, 2023 (Amounts in thousands)

Activities:	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental:				
General government	\$ 189,986	\$ 65,531	\$ 710	\$ -
Public safety	222,224	20,686	6,403	42
Transportation support	48,010	19,262	372	4,159
Judicial	225,502	30,496	13,358	-
Community services	201,028	27,328	113,015	-
Interest and fiscal charges	14,262	-	-	-
Total governmental activities	901,012	163,303	133,858	4,201
Business-type:				
Resource Connection	3,480	3,399	-	-
Total primary government	<u>\$ 904,492</u>	<u>\$ 166,702</u>	<u>\$ 133,858</u>	<u>\$ 4,201</u>
Component units				
Tarrant County Hospital District	\$ 1,508,032	\$ 743,278	\$ 253,899	\$ 357
MHMR of Tarrant County	216,297	31,604	131,462	-
	<u>\$ 1,724,329</u>	<u>\$ 774,882</u>	<u>\$ 385,361</u>	<u>\$ 357</u>

General revenues and transfers

General revenues:

Property taxes

Alcoholic beverage, bingo, and other taxes

Grants and contributions not restricted to
specific programs

Unrestricted investment earnings

Other general revenue

Total general revenues and transfers

Change in net position

Net position-beginning

Net position-ending

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Tarrant County Hospital District	MHMR of Tarrant County
\$ (123,745)	\$ -	\$ (123,745)	\$ -	\$ -
(195,093)	-	(195,093)	-	-
(24,217)	-	(24,217)	-	-
(181,648)	-	(181,648)	-	-
(60,685)	-	(60,685)	-	-
(14,262)	-	(14,262)	-	-
(599,650)	-	(599,650)	-	-
-	(81)	(81)	-	-
<u>\$ (599,650)</u>	<u>\$ (81)</u>	<u>\$ (599,731)</u>	<u>\$ -</u>	<u>\$ -</u>
			\$ (510,498)	\$ -
			-	(53,231)
			<u>\$ (510,498)</u>	<u>\$ (53,231)</u>
547,071	-	547,071	574,072	-
16,647	-	16,647	-	-
126,207	-	126,207	-	-
54,912	299	55,211	70,606	693
3,573	172	3,745	118,059	33,151
<u>748,410</u>	<u>471</u>	<u>748,881</u>	<u>762,737</u>	<u>33,844</u>
148,760	390	149,150	252,239	(19,387)
362,059	6,134	368,193	1,493,962	73,754
<u>\$ 510,819</u>	<u>\$ 6,524</u>	<u>\$ 517,343</u>	<u>\$ 1,746,201</u>	<u>\$ 54,367</u>

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2023 (Amounts in thousands)

	General	Road and Bridge	Debt Service	Capital Projects
ASSETS				
Cash, cash equivalents, and investments	\$ 210,347	\$ 20,309	\$ 2,082	\$ 447,196
Receivables				
Taxes, net of allowance for uncollectibles	5,322	-	514	-
Other receivables, net of allowance for uncollectibles	9,025	218	-	1
Due from other funds	26,484	-	-	-
Advance to proprietary fund	-	-	-	-
Supplies and prepaid items	2,891	825	-	-
TOTAL ASSETS	\$ 254,069	\$ 21,352	\$ 2,596	\$ 447,197
LIABILITIES				
Accounts payable	\$ 11,479	\$ 1,030	\$ -	\$ 11,834
Other liabilities	32,316	925	120	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	43,795	1,955	120	11,834
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	4,325	-	432	-
Unavailable revenue-other receivables	4,010	-	-	-
Deferred lease inflows	762	-	-	-
Total deferred inflows of resources	9,097	-	432	-
FUND BALANCES				
Nonspendable	2,891	825	-	-
Restricted	-	-	-	234,362
Committed	6,373	18,572	2,044	201,001
Assigned	81,703	-	-	-
Unassigned	110,210	-	-	-
Total fund balances	201,177	19,397	2,044	435,363
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 254,069	\$ 21,352	\$ 2,596	\$ 447,197

See accompanying notes to the financial statements

<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 269,207	\$ 124,940	\$ 1,074,081
-	-	5,836
31,689	2,750	43,683
-	-	26,484
-	-	-
4,073	727	8,516
<u>\$ 304,969</u>	<u>\$ 128,417</u>	<u>\$ 1,158,600</u>
\$ 19,236	\$ 1,733	\$ 45,312
3,754	1,269	38,384
26,190	294	26,484
255,789	359	256,148
<u>304,969</u>	<u>3,655</u>	<u>366,328</u>
-	-	4,757
-	-	4,010
-	1,406	2,168
<u>-</u>	<u>1,406</u>	<u>10,935</u>
4,073	727	8,516
-	51,845	286,207
-	66,258	294,248
-	4,526	86,229
(4,073)	-	106,137
<u>-</u>	<u>123,356</u>	<u>781,337</u>
<u>\$ 304,969</u>	<u>\$ 128,417</u>	<u>\$ 1,158,600</u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION****September 30, 2023 (Amounts in thousands)**

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

Total fund balance - total governmental funds	\$ 781,337
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	534,986
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	8,767
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	37,515
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds. (Note 2)	172,337
Deferred inflows of resources are not an available resource and, therefore, are not reported in the funds. (Note 2)	(108,949)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (Note 2)	<u>(915,174)</u>
Net position - governmental activities	<u>\$ 510,819</u>

See accompanying notes to the financial statements



STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

	General	Road and Bridge	Debt Service	Capital Projects
REVENUES:				
Taxes	\$ 504,566	\$ -	\$ 42,528	\$ -
Licenses and permits	1,467	-	-	-
Fees of office	73,715	19,212	-	827
Intergovernmental	35,388	81	-	-
Investment income	28,614	774	899	18,745
Other revenues	10,184	1,488	26	1,138
Total revenues	653,934	21,555	43,453	20,710
EXPENDITURES:				
Current:				
General government	134,570	4,635	-	-
Public safety	179,988	-	-	-
Transportation support	1,822	28,095	-	-
Judicial	204,687	-	-	-
Community services	11,184	-	-	-
Capital outlay	7,711	-	-	43,630
Debt service:				
Principal payments	3,303	-	28,240	372
Interest and fiscal charges	107	-	14,971	-
Total expenditures	543,372	32,730	43,211	44,002
Excess (deficiency) of revenues over (under) expenditures	110,562	(11,175)	242	(23,292)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,641	15,060	-	98,321
Transfers out	(134,200)	(412)	-	-
Leases (as lessee)	-	-	-	-
Software subscriptions	7,673	-	-	372
Total other financing sources (uses)	(124,886)	14,648	-	98,693
Change in fund balance	(14,324)	3,473	242	75,401
FUND BALANCES, beginning of year	215,501	15,924	1,802	359,962
FUND BALANCES, end of year	\$ 201,177	\$ 19,397	\$ 2,044	\$ 435,363

See accompanying notes to the financial statements

Grants	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 214	\$ 547,308
-	7	1,474
1,258	22,431	117,443
249,440	28,790	313,699
580	5,300	54,912
243	7,052	20,131
251,521	63,794	1,054,967
14,197	8,754	162,156
32,840	9,545	222,373
841	-	30,758
19,714	3,228	227,629
148,037	37,096	196,317
35,358	2,652	89,351
1,272	235	33,422
31	5	15,114
252,290	61,515	977,120
(769)	2,279	77,847
7,433	5,136	127,591
-	(1,948)	(136,560)
219	81	300
411	-	8,456
8,063	3,269	(213)
7,294	5,548	77,634
(7,294)	117,808	703,703
\$ -	\$ 123,356	\$ 781,337

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended September 30, 2023 (Amounts in thousands)

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

Net change in fund balances-total governmental funds	\$ 77,634
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2)	23,293
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (Note 2)	3,008
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in these revenues for the year.	(6,152)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums 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. (Note 2)	24,666
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. (Note 2)	19,769
The change in net position of certain activities of internal service funds is reported with governmental activities.	<u>6,542</u>
Change in net position - governmental activities	<u>\$ 148,760</u>

See accompanying notes to the financial statements

STATEMENT OF NET POSITION PROPRIETARY FUNDS

September 30, 2023 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,720	\$ 56,528
Other receivables, net of allowance for uncollectibles	2,727	5,783
Prepaid expenses and inventory	9	339
Total current assets	7,456	62,650
Noncurrent assets:		
Capital assets		
Land	2,071	-
Building and improvements, net	555	-
Equipment, net	54	-
Infrastructure, net	763	-
Total noncurrent assets	3,443	-
Total assets	10,899	62,650
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	287	-
Deferred OPEB outflows	85	-
Total deferred outflows of resources	372	-
LIABILITIES		
Current liabilities:		
Accounts payable	295	2,388
Other liabilities	54	4,422
Advance from capital projects fund	-	-
Unearned revenue	40	124
Compensated absences payable	106	-
Other postemployment benefit liability	24	-
Other long term liabilities-current portion	-	3,985
Total current liabilities	519	10,919
Noncurrent liabilities:		
Other noncurrent liabilities	-	14,216
Net pension liability	613	-
Compensated absences payable	13	-
Other postemployment benefit liability	600	-
Total noncurrent liabilities	1,226	14,216
Total liabilities	1,745	25,135
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	10	-
Deferred OPEB inflows	296	-
Deferred lease inflows	2,696	-
Total deferred inflows of resources	3,002	-
NET POSITION		
Investment in capital assets	3,443	-
Unrestricted	3,081	37,515
Total net position	\$ 6,524	\$ 37,515

See accompanying notes to the financial statements

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
OPERATING REVENUES		
Building rental	\$ 3,399	\$ -
Charges for services - external	-	19,627
Charges for services - internal	-	50,559
Oil and gas royalties	148	-
Other revenues	24	9,735
Total operating revenues	3,571	79,921
OPERATING EXPENSES		
Personnel	1,169	-
Building and equipment	1,814	49
Depreciation and amortization	208	-
Self insurance claims	-	73,950
Insurance premiums	50	2,964
Other expenses	239	8,003
Total operating expenses	3,480	84,966
Operating income	91	(5,045)
NONOPERATING REVENUES		
Investment income	299	2,618
Total nonoperating revenues	299	2,618
Income before contributions and transfers	390	(2,427)
Transfers in	-	10,000
Transfers out	-	(1,031)
Change in net position	390	6,542
Net position - beginning of year	6,134	30,973
Net position - ending	\$ 6,524	\$ 37,515

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from customers and employees	\$ 2,292	\$ 27,220
Receipts from interfund charges	886	50,559
Payments to suppliers	(2,001)	-
Payments for claims and judgments	-	(81,204)
Payments to employees	(1,219)	-
Net cash provided by (used in) operating activities	(42)	(3,425)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment income	299	2,618
Net cash provided by investing activities	299	2,618
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Transfers in	-	10,000
Transfers out	-	(1,031)
Net cash provided by noncapital financing activities	-	8,969
NET INCREASE IN CASH AND CASH EQUIVALENTS	257	8,162
CASH AND CASH EQUIVALENTS, beginning of year	4,463	48,366
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,720</u>	<u>\$ 56,528</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Income (loss) from operations	\$ 91	\$ (5,045)
Net cash provided by operating activities:		
Depreciation & amortization	208	-
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Other receivables	(1,425)	(2,150)
Prepaid expenses and inventory	(2)	47
Pension related deferred outflows	4	-
OPEB related deferred outflows	14	-
Accounts payable	104	1,705
Other liabilities	4	2,010
Advance from capital projects fund	(382)	-
Unearned revenue	12	8
Pension liability	544	-
Pension related deferred inflows	(601)	-
OPEB liability	(150)	-
OPEB related deferred inflows	133	-
Deferred lease inflows	1,402	-
Compensated absences	2	-
Net cash provided by (used in) operating activities	<u>\$ (42)</u>	<u>\$ (3,425)</u>

See accompanying notes to the financial statements

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

September 30, 2023 (Amounts in thousands)

	Custodial Funds
ASSETS	
Cash, cash equivalents, and investments	\$ 133,238
Other receivables	3
Total assets	133,241
LIABILITIES	
Accounts payable	678
Held for others	12,673
Due to other government agencies	57,819
Total liabilities	71,170
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	62,071
Total net position	\$ 62,071

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

	Custodial Funds
ADDITIONS	
Property tax collections for other governments	\$ 5,069,175
Vehicle registration fees collected for state	751,348
Judicial/statutory ordered collections due to others	48,576
Collateral/escrow deposits from bondsmen	744
Inmate commissary deposits	10,915
Seizures by law enforcement agencies	2,938
State grant/program revenue	21,611
Interest earnings	1,696
Total additions	<u>5,907,003</u>
DEDUCTIONS	
Property taxes due to other governments	5,069,175
Vehicle registration due to state	751,348
Payments due under judicial order/statute	48,708
Release of collateral/escrow held for bondsmen	797
Inmate commissary funds	10,915
State grant/program revenue	<u>22,120</u>
Total deductions	<u>5,903,063</u>
Net increase in fiduciary net position	3,940
Net position-beginning	<u>58,131</u>
Net position - ending	<u><u>\$ 62,071</u></u>

See accompanying notes to the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tarrant County, Texas (the "County") is a political subdivision of the State of Texas and was organized in 1849. The County provides those services allowed by state statutes. These services include, but are not limited to, law enforcement, judicial proceedings, probation monitoring services, juvenile services, recording services related to judicial proceedings, public health and welfare, maintaining roads and bridges (principally within the unincorporated areas of the County) and other related governmental functions.

The accounting policies of the County conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to governments. The Governmental Accounting Standards Board ("GASB") is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. GASB periodically updates its codification of the existing standards. In fiscal year 2023, the County implemented requirements of **GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***, improves financial reporting by addressing issues related to public-private and public-public arrangements and **GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. **GASB Statement No. 99, *Omnibus 2022***, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The County adopted the sections of GASB 99 that were effective immediately and the requirements related to leases in fiscal year 2022 and adopted the remaining sections in fiscal year 2023.

(a) Reporting Entity

The accompanying financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in separate columns in the government-wide financial statements (see note below for description) to emphasize they are legally separate from the County.

BLENDED COMPONENT UNITS

The Tarrant County Housing Finance Corporation ("TCHFC") provides financing for purchase of single family home mortgages and multifamily projects, both relating to low and moderate income residents. The County Commissioners Court created the TCHFC, but it is not a political subdivision of the County under state law. The criteria used to include the TCHFC as a blended component unit of the County include: the County is able to impose its will, as the TCHFC's board of directors and the Commissioners Court are the same and County staff maintain the books and records of the corporation. The TCHFC is reported in the other governmental column in the fund financial statements. All debt issued through TCHFC was conduit debt (see Note 8).

The Tarrant County Industrial Development Corporation ("TCIDC") provides financing through the issuance of industrial and manufacturing bonds, which promotes and encourages employment and the public welfare in the County. The criteria used to include the TCIDC as a blended component unit of the County include: the County is able to impose its will, as the TCIDC's board of directors and the Commissioners Court are the same and County staff maintain the books and records of the corporation. TCIDC is reported in the other governmental column in the fund financial statements. All debt issued through TCIDC was conduit debt (see Note 8).

DISCRETELY PRESENTED COMPONENT UNITS

The Tarrant County Hospital District ("TCHD") d/b/a JPS Health Network serves the citizens of the County by providing medical, dental and hospital care for the indigent and needy. The criteria used to determine inclusion as a discretely presented component unit are: TCHD is governed by a board of directors, which the County Commissioners Court appoints and removes at will, the County Commissioners Court approves the TCHD tax rate and annual budget, but does not provide any funding or hold title to any of the TCHD's assets, and TCHD cannot issue bonded debt without County Commissioners Court approval. Services provided by TCHD are to the citizenry and not to the County. TCHD's financial statements include the JPS Physicians Group and JPS Foundation as component units within the reporting entity. TCHD is reported in the government-wide financial statements.

My Health My Resources of Tarrant County ("MHMRTC") serves the citizens of the County by providing services to people with mental illness, substance abuse disorders, and intellectual or developmental disabilities. The criteria used to determine inclusion as a discretely presented component unit are: MHMRTC is governed by a board of directors which the County Commissioners Court may appoint and remove at will, the County Commissioners Court approves the MHMRTC budget, but does not hold title to any of its assets, and MHMRTC can issue bonded debt without the approval of the County Commissioners Court. The fiscal year end of MHMRTC is August 31 and the financial statements presented herein are as of August 31, 2023. MHMRTC has two component units, MHMR Visions which is included in their financial statements and Trinity Behavior Rehabilitation Corporation, which has had no financial activity and therefore is not included. MHMRTC is reported in the government-wide financial statements.

The Tarrant County Health Facilities Development Corporation ("TCHFDC") was created to provide, expand, and improve health facilities to improve the adequacy, cost and accessibility of health care, research, and education. TCHFDC is governed by a board of directors, which the County Commissioners Court may appoint and remove at will. TCHFDC had no significant balance sheet or results of operations as of and for the year ended September 30, 2023 and therefore are not included in the County's financial statements. All debt issued through TCHFDC was conduit debt (see Note 8). TCHFDC had no other operations.

The Tarrant County Cultural Education Facilities Finance Corporation ("TCCEFFC") was created to promote the health, education, and general welfare of citizens by providing financing for cultural, health and educational facilities. TCCEFFC is governed by a board of directors, which the County Commissioners Court may appoint and remove at will. TCCEFFC had no significant balance sheet or results of operations as of and for the year ended September 30, 2023, and therefore are not included in the County's financial statements. All debt issued through TCCEFFC was conduit debt (see Note 8). TCCEFFC had no other operations.

Complete financial statements for each of the following individual component units may be obtained at the units' administrative offices:

TCHD
1500 S. Main
Fort Worth, Texas 76104

MHMRTC
3840 Hulen Street
Fort Worth, Texas 76107

Separate financial statements of TCHFC, TCIDC, TCHFDC and TCCEFFC are not prepared.

(b) Basis of Presentation

GOVERNMENT-WIDE STATEMENTS

The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements, except for the rental charges from the Resource Connection. The elimination of these charges would distort the direct costs reported for the various functions concerned. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between expenses and program revenues for each function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that specifically associate with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary* and *fiduciary* – are presented in the combining financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds, internal service funds and fiduciary funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include cost of services, administrative expenses and depreciation on capital assets. Any expenses not meeting this definition are reported as nonoperating expenses.

The County reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the County. It is used to account for all financial resources of the general government, except for those required to be accounted for in another fund.

Road and Bridge Fund – The Road and Bridge Fund is a special revenue fund which accounts for the collection and expenditure of those monies designated to be spent for acquisition, construction, and maintenance of county roads and bridges. This constitutional fund is primarily financed with fees associated with vehicle registration.

Debt Service Fund – The Debt Service Fund accounts for the property tax revenues restricted for payment of principal and interest on long-term debt associated with the acquisition and/or construction of facilities, equipment, and infrastructure for the County.

Capital Projects Fund – The Capital Projects Fund accounts for bond proceeds and other committed resources to be used for the acquisition and/or construction of facilities, equipment, software, and infrastructure for the County.

Grants Fund – The Grants Fund, a special revenue fund, accounts for the activities conducted under the many grant agreements between the County and various state and federal organizations.

The County reports the following proprietary funds:

Resource Connection – The Resource Connection fund accounts for the activities of the Resource Connection, a campus of 16 buildings, which is a one-stop center providing employment, education, health and human services programs to clients through state and local governmental agencies and non-profit organizations. The County is the owner/landowner of the property and leases space to the various entities. The Resource Connection has a permanent gas pipeline easement and oil and gas lease agreement. The royalties from the oil and gas leases are used to finance capital improvements and capital purchases for the Resource Connection.

Internal Service Funds – These funds account for the County's self-insurance programs – employee benefits, general liability, and workers' compensation.

Additionally, the County reports the following fiduciary funds:

Custodial Funds – These funds account for assets held by the County in a fiduciary capacity and therefore cannot be used to support the County's own programs. They include the State Comptroller fund for fees collected due to the state, Community Supervision and Corrections fund for activities of a state agency with funds in the County depository and Other Custodial fund for funds collected and held for others.

(c) Basis of Accounting

GOVERNMENT-WIDE, PROPRIETARY, AND FIDUCIARY FUND FINANCIAL STATEMENTS

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus*. The government-wide, proprietary and fiduciary fund financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred regardless of when the related cash flow takes place. Non-exchange transactions, in which the County receives (or gives) value without directly giving (or receiving) equal value in exchange, include: property taxes, alcoholic beverage taxes, bingo taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. The County generally considers revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. The primary revenue sources susceptible to accrual are property taxes, which is recorded as unavailable revenue if not collected within sixty days. Fees of office

revenue is recorded as unavailable revenue until cash is received. Grant and certain contract revenue is recognized when the legal and contractual requirements of the individual programs are met. Expenditures are recorded when incurred. However, expenditures for principal and interest on general long-term debt, leases and subscriptions, compensated absences, and claims and judgments are recorded when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under leases are reported as other financing sources.

The proprietary funds and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

(d) Cash and Cash Equivalents and Investments

Cash and cash equivalents of the County are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments in governmental pools are recorded at amortized cost or net asset value to approximate fair value, which is designed to approximate the share value. All other investments of the County are recorded at fair value within the fair value hierarchy established by generally accepted accounting principles and made pursuant to the Texas Public Funds Investments Act and investment policy established and approved by the Commissioners Court. Authorized investments include the following:

- a. Obligations of the United States or its agencies and instrumentalities;
- b. Direct obligations of the State of Texas;
- c. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States;
- d. Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; certificates of deposit issued by state and national banks that has its main office or a branch office in Texas that are:
 - (1) Guaranteed or insured by the FDIC, or its successor; or
 - (2) Secured by obligation described by Items a-d above and that have a market value of not less than the principal amount of the certificate;
- e. Fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by item a. above, pledged with a third party selected or approved by the County, and placed through a primary government securities dealer or a financial institution doing business in the State of Texas;
- f. Commercial paper with a stated maturity of 365 days or less from the date of issuance that either:
 - (1) is rated not less than A-1, P-1 or the equivalent by at least two nationally recognized credit rating agencies; or
 - (2) is rated at least A-1, P-1 or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.
- g. Mutual funds and money market mutual funds:
 - (1) No-load money market mutual funds are authorized if registered with and regulated by the SEC; provide the investing entity with a prospectus and other information required by the Securities and Exchange Act of 1934 or the Investment Company Act of 1940; and comply with Federal Securities and Exchange Commission Rule 2a-7
 - (2) No-load mutual funds are authorized if registered by the SEC; have an average weighted maturity of less than two years; and either: (A) have a duration of one year or more and are invested exclusively in obligations approved by Chapter 2256.014 of the Government Code; or (B) have a

duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities and invested exclusively in obligations approved by this policy and rated no less than AAA or its equivalent; and invest dollar-for-dollar all County funds without sales commissions or loads

- h. Investment pool as defined in Section 2256.016 of the Texas Government Code and rated no lower than AAA or its equivalent.

(e) Prepaid Items and Inventory

Inventory is valued at cost using the average cost method. The cost of such inventory is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

(f) Capital Assets

Capital assets, which include land, software in development, construction in progress, building and improvements, right to use buildings, furnishings and equipment, subscription-based information technology arrangements, software, and infrastructure assets (e.g., roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements at cost. The County defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life greater than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs are charged to operations when incurred. Betterments and improvements that add to the value of the asset, change capacity, or materially extend assets lives are capitalized. There is no salvage value for infrastructure since these assets will not be sold, although some benefit may still be provided by fully depreciated roads and bridges.

Land, software in development and construction in progress are not depreciated. Right to use buildings and right to use subscriptions are amortized over the shorter of the lease/subscription term or the life of the underlying asset, unless there is a purchase option that is reasonably certain of being exercised, which would result in the lease/subscription asset being amortized over the useful life of the underlying asset. Buildings and improvements, furnishings and equipment, software and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	7 - 75 years
Buildings and improvements	20 - 40 years
Furnishings and equipment	5 - 8 years
Software	5 - 8 years

(g) Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and

discounts are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(h) Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, County specific information about its fiduciary net position in Texas County and District Retirement System (TCDRS) and additions to/deductions from the County's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value to measure the net pension liability. Pensions are liquidated from the following funds: General, Road and Bridge, Grants, Resource Connection and Other Governmental funds.

(i) Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of accumulated earned but unpaid vacation and sick pay benefits and related fringe benefits associated with the payment of the compensated absences. Vacation pay is accrued, to a maximum amount of twice the employee's current accrual rate, and the vested portion of the sick leave is accrued for the employees eligible to receive payment upon termination, in accordance with County policy. Compensated absences are generally liquidated from the following funds: General, Road and Bridge, Grants, Resource Connection and Other Governmental funds.

(j) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category.

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes of actuarial assumptions used to determine pension and OPEB liability – This difference is deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans.
- Difference in expected and actual pension experience – This difference is deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan.
- Net difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

- Deferred loss on refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt, using the straight line method, which approximates the effective interest method.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in this category.

- Unavailable revenue - The Governmental Fund Balance Sheet reports unavailable revenues from two sources: property taxes and other revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension and OPEB experience – This difference is deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans.
- Changes of actuarial assumptions used to determine pension and OPEB liability – This difference is deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans.
- Deferred gain on refunding – A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt, using the straight line method, which approximates the effective interest method.
- Deferred inflows from leases - When the County is a lessor, the lease receivable is recorded at commencement and offset by a deferred inflow of resources. The deferred inflow of resources is measured at the value of the lease receivable, adjusted for lease payments received at or before the lease commencement date, and is amortized to revenues over the lease term using a straight line method.

(k) Property Taxes

Property subject to taxation is real property and certain personal property situated in the County. Certain properties of religious, educational and charitable organizations are exempt from taxation. In addition, other special exemptions are allowed by the Commissioners Court of the County.

The County's ad valorem taxes are levied and become a legal enforceable claim, on October 1 on 100% of assessed valuation at a rate of \$0.224 (\$0.206873 for the maintenance and operations and \$0.017127 for interest and sinking fund) per \$100 valuation as of the preceding January 1. These taxes are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty. Taxes paid after January 31 of each year are subject to interest and penalty charges.

Collections of the current year's levy are reported as current collections if received within 60 days after year end.

The County's taxes on real property are a lien (as of the date of levy) against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. Delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the property title.

Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes became delinquent. Unlike real property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

(l) Leases

The County, as a lessee, recognizes a lease liability and an intangible right to use lease asset (lease asset) at the commencement of a lease. The lease liability is initially measured at the present value of payments expected to be made during the lease term, less any lease incentives. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is measured at the amount of the initial measurement of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

The County, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of a lease. The lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the value of the lease receivable, adjusted for lease payments received at or before the lease commencement date that relate to future periods. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The County uses the interest rate stated in the lease, or if no interest rate is stated, the interest rate implicit in the lease. If an implicit rate cannot be derived, the County uses its incremental borrowing rate estimated on an annual basis. The lease term includes the noncancelable period of the lease, extensions the County is reasonably certain to exercise and periods beyond a termination option if the County is reasonably certain not to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset, lease receivable, lease liability or lease deferred inflow of resources if changes occur that significantly affect the amount of the lease liability or receivable.

(m) Subscription Based Information Technology Arrangements

The County recognizes a subscription liability and an intangible right to use subscription asset (subscription asset) at the commencement of a subscription based information technology arrangement (SBITA). The subscription liability is initially measured at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the amount of the initial measurement of the subscription liability, adjusted for subscription payments made at or before the SBITA commencement date, plus certain initial direct costs.

The County uses the interest rate stated in the subscription contract, or if no interest rate is stated, the interest rate implicit in the contract. If an implicit rate cannot be derived, the County uses its incremental borrowing rate estimated on an annual basis. The subscription term includes the noncancelable period of the subscription, extensions the County is reasonably certain to exercise and periods beyond a termination option if the County is reasonably certain not to exercise.

The County monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and subscription liability if changes occur that significantly affect the amount of the subscription liability.

(n) Fund Balance Classifications

In the fund financial statements, fund balances are classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

Nonspendable Fund Balance

This classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance

This classification includes amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants) grantor and contributors, or laws or regulations of other governments, or through constitutional provisions, or by enabling legislation.

Committed Fund Balance

This classification includes amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government's highest level of decision making authority. In the case of the County, a Commissioners Court order is the highest level of action.

Assigned Fund Balance

This classification includes amounts that are constrained by the County's intent to be used for specific purposes, but neither restricted nor committed. The Commissioners Court has not delegated this responsibility to anyone. Assigned fund balance consists of open purchase orders at year end.

Unassigned Fund Balance

This classification includes amounts that are available for any purpose. The County's general fund is the only fund that can report a positive unassigned fund balance amount. Governmental funds other than the general fund may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

The County typically uses restricted fund balance first, followed by committed resources, and then assigned resources before unassigned resources.

(o) Net Position**Net position: Net Investment in Capital Assets**

This component of net position is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt and related accounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvements of these capital assets.

Net position: Restricted

This component of net position is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between assets and liabilities that are restricted for specific use by legal or external restrictions. The County has four categories of restrictions:

records management, which is restricted by state statute, contractual or donor imposed restrictions, legislative, and other restrictions imposed by state statute for a variety of purposes.

Net position: Unrestricted

This component of net position is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not reported in the other categories of net position; net investment in capital assets or restricted.

(p) Immaterial Correction of Prior Year Financial Statements (in thousands):

Subsequent to the issuance of the financial statements for September 30, 2022, the County identified errors in the actuarial calculations performed to estimate the Total OPEB Liability. Specifically, the errors, which began in fiscal year 2019, were incorrect post-65 per capita claims costs and retiree premiums used in the calculations, misapplication of a plan election assumption for pre-65 retirees, errors in modeling cumulative salary scale, and an error in calculating the average expected remaining service lives of plan participants. This resulted in a net understatement of \$21,032, and \$2,620 in the Total OPEB Liability and deferred OPEB inflows of resources, respectively, and a net overstatement of \$4,377 in deferred OPEB outflows of resources, as of September 30, 2022. The County has restated beginning net position and related notes for the year ended September 30, 2023, to correct these errors.

The overall decrease to the change in net position on the Government-Wide Statement of Activities for Governmental Activities for the year ended September 30, 2022 was \$2,493. The overall decrease to the change in net position for Business-Type Activities and the Enterprise Fund for the year ended September 30, 2022 was \$9.

The following table shows the effect of the correction to beginning net position (in thousands):

	Governmental Activities	Business-Type Activities	Enterprise Fund
Net position - beginning of year	\$389,998	\$6,224	\$6,224
Adjustment	(27,939)	(90)	(90)
Net position - beginning of year, as corrected	<u>362,059</u>	<u>6,134</u>	<u>6,134</u>

The following table represents the impacts of the error to the opening balances as presented within notes 12 and 8 (in thousands):

Total OPEB liability as of September 30, 2022	\$222,716
Adjustment	<u>21,032</u>
Total OPEB liability as of September 30, 2022, as corrected	<u>243,748</u>

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$915,174 difference are as follows (in thousands):

Bonds payable	\$ 376,120
Plus: Premium on issuance (to be amortized as interest expense)	11,647
Accrued interest payable	3,623
Lease liability	2,888
Lease prepayment already recognized at the fund level	110
Subscription liability	5,717
Compensated absences	50,829
Pension liability	275,530
Other postemployment benefits liability	188,710
	<u>915,174</u>
Net adjustment to fund balance	<u>\$ 915,174</u>

Another element of that reconciliation explains that “Deferred outflows of resources are not reported in the funds.” The details of this \$172,337 difference are as follows (in thousands):

Deferred loss on debt refunding	\$ 798
Pension contributions after the measurement date	50,874
Difference in projected and actual pension earnings	39,275
Changes in pension assumptions	46,053
Difference in pension experience	5,793
OPEB contributions after the measurement date	8,800
Difference in OPEB assumptions	20,197
Difference in OPEB experience	547
	<u>172,337</u>
Net adjustment to fund balance	<u>\$ 172,337</u>

Another element of that reconciliation explains that Deferred inflows of resources are not reported in the funds. The details of this \$108,949 difference are as follows (in thousands):

Deferred gain on debt refunding	\$ 1,677
Changes in pension assumptions	2,826
Difference in pension experience	1,720
Changes in OPEB assumptions	60,821
Difference in OPEB experience	41,905
	<u>108,949</u>
Net adjustment to fund balance	<u>\$ 108,949</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 position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$23,293 difference are as follows (in thousands):

Capital outlay	\$ 56,761
Depreciation/amortization expense	<u>(33,468)</u>
Net adjustment to fund balance	<u>\$ 23,293</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position.” The details of this \$3,008 difference are as follows (in thousands):

In the statement of activities, only the gain/loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

\$ (1,058)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

4,066

Net adjustment to fund balance \$ 3,008

Another element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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 \$24,666 difference are as follows (in thousands):

Debt issued or incurred:	
Leases (as lessee)	\$ (300)
Software subscription	<u>(8,456)</u>
Principal repayments:	
Limited tax refunding and general obligation debt	28,240
Reduction of lease liability	1,963
Reduction of subscription liability	<u>3,219</u>
Net adjustment to fund balance	<u>\$ 24,666</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$19,769 difference are as follows (in thousands):

Changes in:	
Compensated absences	\$ (794)
Other postemployment benefits	54,264
Net pension liability	(247,010)
Deferred pension outflows	22,473
Deferred pension inflows	243,746
Deferred OPEB outflows	(4,615)
Deferred OPEB inflows	(49,147)
Accrued interest payable	(401)
Amortization of deferred outflow on refunding	(481)
Amortization of deferred inflow on refunding	190
Amortization of bond premiums	1,544
Net adjustment to fund balance	<u>\$ 19,769</u>

3. CASH AND INVESTMENTS

Cash

At year-end, the County's carrying amount of cash including cash in the fiduciary funds was \$579,992,000 and the bank balance was \$607,198,000, all of which was covered by Federal Depository Insurance Corporation or by collateral held by the County's agent in the County's name.

Investments

As of September 30, 2023 the County had the following investments and maturities (in thousands):

Investment Type	Carrying Amount	Maturity in Years		% of total Portfolio
		less than 1	1 - 5	
Governmental funds:				
Certificates of deposit	\$ 2,300	\$ 2,300	\$ -	0.4%
Investment pools:				
TexPool	223,526	223,526	-	30.8%
Lone Star	217,909	217,909	-	35.9%
TexStar	181,172	181,172	-	24.6%
Texas CLASS	14,100	14,100	-	1.9%
Fiduciary funds:				
Certificates of deposit	49,568	23,132	26,436	6.4%
Total Investments	<u>\$ 688,575</u>	<u>\$ 662,139</u>	<u>\$ 26,436</u>	<u>100%</u>

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2023, certificates of deposit and investment pools are not classified in the fair value hierarchy. Certificates of deposit are recorded using a cost-based measure. The recorded position of the pools

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TARRANT COUNTY, TEXAS

for TexPool and Lone Star are measured at amortized cost as these pools meet the requirements of GASB Statement No. 79. The recorded position of the pool for TexStar and Texas CLASS are measured at net asset value to approximate fair value, which is designed to approximate the share value; however, the net asset value is not guaranteed or insured. All pools offer same day access to investments. The County has no unfunded commitments to these pools and may redeem investments at any time.

Regulatory oversight for the operations of these investment pools is found in the Public Funds Investment Act of the State of Texas. Required oversight for pools includes compliance with investment guidelines, annual independent audits and the establishment of oversight boards.

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits the County's investment holdings to maturities of less than 60 months. All investments will be in high quality securities with no perceived default risk.

Credit risk: In accordance with the County's investment policy, the primary objective of all investment activity is the preservation of capital and the safety of principal in the overall portfolio. Each investment transaction shall seek to ensure first that capital losses are avoided, whether they are from security defaults or erosion of market value. All external investment pools in which the County participates have a credit quality rating of "AAA" by Standard and Poor's. The debt securities of the U.S. Government sponsored entities, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association, are rated "AA+" by Standard and Poor's rating agency.

Custodial credit risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy requires all investments to be acquired on a delivery vs. payment basis at the custodial agent from brokers independent of the custodial agent. As of September 30, 2023, all of the County's investments are held in the County's name.

Concentration of credit risk: The County will diversify its investments by institution. With the exception of US Treasury securities, no more than 50% of the County's total investment portfolio will be invested with a single financial institution. The County has more than 5% of its investments in several pools, the amount, type of investment, and percentage in the portfolio is listed in the table above.

The following is a reconciliation of cash and investments to the statement of net position (in thousands):

Cash	\$ 579,992
Investments	<u>688,575</u>
Total	<u>\$ 1,268,567</u>
Cash and investments per Statement of Net Position	\$ 1,135,329
Cash and investments per Statement of Fiduciary Net Position	<u>133,238</u>
Total	<u>\$ 1,268,567</u>

4. RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The following is a summary of property taxes receivable and allowance for uncollectible accounts (in thousands):

	General	Debt Service	Total
Property taxes receivable	\$ 23,375	\$ 2,705	\$ 26,080
Allowance for uncollectibles	(18,053)	(2,191)	(20,244)
Net taxes receivable	<u>\$ 5,322</u>	<u>\$ 514</u>	<u>\$ 5,836</u>

The following is a summary of other accounts receivable for the County's individual major funds, nonmajor funds, internal service funds, and component units, including the allowance for uncollectible accounts (in thousands):

Governmental Funds

	General	Road and Bridge	Capital Projects	Grants	Other Governmental Funds	Total
Accounts receivable	\$ 1,759	\$ -	\$ 1	\$ 1,731	\$ 704	\$ 4,195
Fee office receivable	98,359	-	-	-	-	98,359
Intergovernmental receivable	2,678	218	-	30,407	2,119	35,422
Lease receivable	769	-	-	-	-	769
Allowance for uncollectible	(94,540)	-	-	(449)	(73)	(95,062)
Net accounts receivable	<u>\$ 9,025</u>	<u>\$ 218</u>	<u>\$ 1</u>	<u>\$ 31,689</u>	<u>\$ 2,750</u>	<u>\$ 43,683</u>

Proprietary Funds

	Enterprise	Internal Service	Total
Accounts receivable	\$ 52	\$ 5,798	\$ 5,850
Lease receivable	2,675	-	2,675
Allowance for uncollectible	-	(15)	(15)
Net accounts receivable	<u>\$ 2,727</u>	<u>\$ 5,783</u>	<u>\$ 8,510</u>

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TARRANT COUNTY, TEXAS

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows (in thousands):

	Balance October 1, 2022 ⁽¹⁾	Additions	Disposals	Transfers	Balance September 30, 2023
Governmental activities:					
Capital assets; not depreciated:					
Land	\$ 67,142	\$ 5,377	\$ (5)	\$ -	\$ 72,514
Software in development	29,207	2,054	-	(26,924)	4,337
Construction in progress	46,805	5,741	-	(45,874)	6,672
Total capital assets not depreciated	143,154	13,172	(5)	(72,798)	83,523
Capital assets; being depreciated:					
Buildings and improvements	513,393	17,414	-	45,874	576,681
Right to use building	7,179	300	(1,750)	-	5,729
Furnishings and equipment	106,175	9,196	(9,003)	-	106,368
Software	62,668	1,608	(2,115)	26,924	89,085
Right to use subscription	480	8,457	-	-	8,937
Infrastructure	136,902	10,675	(1,303)	-	146,274
Total capital assets; being depreciated	826,797	47,650	(14,171)	72,798	933,074
Less accumulated depreciation/ amortization for:					
Buildings and improvements	(245,809)	(12,701)	-	-	(258,510)
Right to use building	(1,972)	(1,981)	1,149	-	(2,804)
Furnishings and equipment	(78,180)	(7,464)	7,692	-	(77,952)
Software	(49,681)	(4,369)	1,277	-	(52,773)
Right to use subscription	-	(1,371)	-	-	(1,371)
Infrastructure	(83,682)	(5,582)	1,063	-	(88,201)
Total accumulated depreciation	(459,324)	(33,468)	11,181	-	(481,611)
Total capital assets; being depreciated, net	367,473	14,182	(2,990)	72,798	451,463
Governmental activities capital assets, net	\$ 510,627	\$ 27,354	\$ (2,995)	\$ -	\$ 534,986

(1) Opening balances amended from prior year in accordance with GASB 96.

Depreciation/amortization expense was charged to functions as follows (in thousands):

Governmental activities:	
General government	\$ 16,333
Public safety	4,859
Transportation	9,802
Judicial	285
Community services	2,189
Total governmental activities depreciation expense	\$ 33,468

	Balance October 1, 2022	Additions	Disposal	Transfers	Balance September 30, 2023
Business-type activities:					
Capital assets; not depreciated:					
Land	\$ 2,071	\$ -	\$ -	\$ -	\$ 2,071
Total capital assets not depreciated	<u>2,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,071</u>
Capital assets; being depreciated:					
Buildings and improvements	6,807	-	-	-	6,807
Furnishings and equipment	629	-	-	-	629
Infrastructure	1,759	-	-	-	1,759
Total capital assets; being depreciated	<u>9,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,195</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,161)	(91)	-	-	(6,252)
Furnishings and equipment	(541)	(34)	-	-	(575)
Infrastructure	(913)	(83)	-	-	(996)
Total accumulated depreciation	<u>(7,615)</u>	<u>(208)</u>	<u>-</u>	<u>-</u>	<u>(7,823)</u>
Total capital assets; being depreciated, net	1,580	(208)	-	-	1,372
Business-type activities capital assets, net	<u>\$ 3,651</u>	<u>\$ (208)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,443</u>

6. LEASES

Lease Receivable

Tarrant County is a lessor for noncancelable leases of building rental space. The County recognized \$535,821 in lease revenue and \$7,603 in lease interest revenue during the current fiscal year for governmental activities and \$1,285,760 in lease revenue and \$81,279 in lease interest for business-type activities (Resource Connection). In addition, governmental funds received \$37,891 for the increase in rent based on the Consumer Price Index in accordance with the lease agreement. As of September 30, 2023, the County's deferred inflow of resources from these leases is \$2,168,512 for governmental and \$2,696,169 for business-type activities.

Lease Liability

Tarrant County is a lessee for noncancelable leases of building rental space. At September 30, 2023, the remaining lease liability was \$2,887,928.

As of September 30, 2023, the lease liability principal and interest requirements to maturity are as follows (in thousands):

Fiscal Year(s)	Principal	Interest	Total Principal & Interest
2024	\$ 1,123	\$ 26	\$ 1,149
2025	691	17	708
2026	549	9	558
2027	288	4	292
2028	198	2	200
2029	39	-	39
Total	<u>\$ 2,888</u>	<u>\$ 58</u>	<u>\$ 2,946</u>

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Subscription Liability

Tarrant County is an end-user for noncancelable subscription-based information technology arrangements (SBITAs). The October 1, 2022 subscription liability was \$480,269 with a remaining balance of \$5,716,822 at September 30, 2023. In addition, governmental funds spent \$28,397 in variable subscription payments based on data usage.

As of September 30, 2023, the subscription liability principal and interest requirements to maturity are as follows (in thousands):

Fiscal Year(s)	Principal	Interest	Total Principal & Interest
2024	\$ 2,978	\$ 163	\$ 3,141
2025	2,739	68	2,807
Total	<u>\$ 5,717</u>	<u>\$ 231</u>	<u>\$ 5,948</u>

8. LONG-TERM DEBT AND LIABILITIES

General obligation debt, limited tax bonds, and limited tax refunding bonds are generally payable from property tax revenues. All the long-term debt was issued to provide funds for the acquisition of land, buildings, materials and supplies, equipment, machinery and motor vehicles and for improvements, renovations, repairs and construction of County buildings, and for purchasing, constructing, reconstructing, renovating, rehabilitating, improving and maintaining streets, roads, highways and bridges within the County, including city, county and state roads, highways and bridges.

On November 2, 2021, the voters of Tarrant County approved a bond proposition for a total of \$400,000,000 to fund reconstructing, renovating, rehabilitating, and improving and maintaining streets, roads, highways and bridges within Tarrant County. The County has issued \$214,905,000 in Limited Tax Bonds with proceeds of \$225,000,000 deposited into the project fund for this purpose.

At fiscal year-end, \$298,834,657 of debt related proceeds have not been used in the calculation of net investment in capital assets. This amount includes proceeds that are not related to County capital projects, as these expenditures are related to interlocal agreements with municipalities for road and bridge improvements, not future assets owned by the County and other unspent bond proceeds.

Long-term debt of the County consisted of the following at September 30, 2023 (in thousands):

Limited Tax Refunding and General Obligation - Series 2015

Original amount of \$67,075 dated August 1, 2015, with interest rates from 2.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2025.

This issuance included the refunding of \$32,455 of the 2007 Limited Tax Bonds; \$43,465 of Series 2015 was refunded with the 2022B issuance.

\$ 6,755

Limited Tax Refunding and General Obligation - Series 2015A

Original amount of \$82,980 dated August 1, 2015, with interest rate of 1.97%, payable in annual installments in varying amounts plus interest through 2026.

The issuance included the refunding of \$5,465 of the 2005 Limited Tax Refunding Bonds and the \$49,890 of the 2006 Limited Tax Bonds.

22,710

Limited Tax Refunding - Series 2016

Original amount of \$70,905 dated August 1, 2016, with interest rate of 1.48%, payable in annual installments in varying amounts plus interest through 2028.

The issuance included the refunding of \$65,150 of the 2008 Limited Tax Bonds.

33,655

Limited Tax Refunding - Series 2017

Original amount of \$36,860 dated August 14, 2017, with interest rate of 2.13%, payable in annual installments in varying amounts plus interest through 2030.

The issuance included the refunding of \$33,310 of the 2010 Limited Tax Refunding and Improvement Bonds.

25,405

Limited Tax Refunding - Series 2022A

Original amount of \$29,220 dated May 17, 2022, with interest rates from 2.45% to 3.1%, payable in annual installments in varying amounts plus interest through 2033.

The issuance included the refunding of \$27,650 of the 2013 Limited Tax Refunding and Improvement Bonds. On April 17, 2023, these bonds converted to tax-exempt status.

28,420

FINANCIAL SECTION

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TARRANT COUNTY, TEXAS

Limited Tax Refunding - Series 2022B

Original amount of \$46,490 dated May 17, 2022, with interest rate of 3.13%, payable in annual installments in varying amounts plus interest through 2035.

The issuance included the refunding of \$43,465 of the 2015 Limited Tax Refunding and Improvement Bonds.

45,640

Limited Tax Bonds - Series 2022

Original amount of \$214,905 dated June 28, 2022, with interest rates from 4.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2047.

213,535

376,120

Less - current maturities

30,990

Long-term debt, net of current maturities

345,130

Plus premiums

11,647

Long-term debt, net of current maturities, and premium

\$ 356,777

The premium is amortized over the life of the debt using the straight line method, which approximates the effective interest method.

The annual debt service payments to maturity for the County's bonds are as follows (in thousands):

Fiscal Year(s)	Bonds		Direct Placements		Total Principal & Interest
	Principal	Interest	Principal	Interest	
2024	\$ 6,495	\$ 9,928	\$ 24,495	\$ 3,611	\$ 44,529
2025	8,645	9,603	22,435	3,052	43,735
2026	5,445	9,171	25,090	2,392	42,098
2027	5,720	8,898	19,940	1,880	36,438
2028	6,005	8,612	16,475	1,467	32,559
2029-2033	34,840	38,247	39,085	3,631	115,803
2034-2038	44,460	28,622	8,310	309	81,701
2039-2043	55,620	17,461	-	-	73,081
2044-2047	53,060	5,410	-	-	58,470
Total	<u>\$ 220,290</u>	<u>\$ 135,952</u>	<u>\$ 155,830</u>	<u>\$ 16,342</u>	<u>\$ 528,414</u>

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2023 (in thousands):

	Balance October 1, 2022 ⁽¹⁾	Additions	Retirements	Balance September 30, 2023	Amounts Due within One year
Governmental activities:					
Bonds payable	\$ 404,360	\$ -	\$ (28,240)	\$ 376,120	\$ 30,990
Deferred amounts:					
Premium	13,191	-	(1,544)	11,647	-
Total bonds payable	417,551	-	(29,784)	387,767	30,990
Lease liability	5,107	299	(2,518)	2,888	1,123
Subscription liability	480	8,084	(2,847)	5,717	3,142
Compensated absences	50,035	43,046	(42,252)	50,829	38,243
Self-insurance liability	16,431	7,799	(6,029)	18,201	3,985
Other postemployment benefit liability	242,974	-	(54,264)	188,710	8,800
Net pension liability	28,520	247,010	-	275,530	-
Total governmental activities	\$ 761,098	\$ 306,238	\$ (137,694)	\$ 929,642	\$ 86,283
Business-type activities:					
Compensated absences	117	123	(121)	119	106
Other postemployment benefit liability	774	-	(150)	624	24
Net pension liability	69	544	-	613	-
Total business-type activities	\$ 960	\$ 667	\$ (271)	\$ 1,356	\$ 130

(1) Opening balances amended from prior year in accordance with GASB 96.

Conduit Debt

Occasionally the Corporations established by Tarrant County issue conduit debt in the name of the Corporations to provide financial assistance to private sector entities for various purposes of public interest. The obligation for repayment of the debt rests with the private party benefiting from the proceeds of such debt. Neither the County nor the Corporations are obligated in any manner for repayment of the debt. Accordingly, the borrowings are not reported as liabilities in the accompanying financial statements.

The estimated amount of conduit debt outstanding at September 30, 2023 is as follows (in thousands):

Tarrant County Housing Finance Corporation	\$ 199,221
Tarrant County Health Facilities Development Corporation	36,800
Tarrant County Cultural Education Facilities Finance Corporation	6,246,031
Total Conduit Debt	<u>\$ 6,482,052</u>

9. DEFICIT FUND BALANCE / NET POSITION

The following County funds had a deficit fund balance/net position as of September 30, 2023 (in thousands):

Worker's Compensation \$ 8,985

The deficit net position in the Workers Compensation Fund is due to a small number of high-severity claims related to COVID-19, partially offset by a decrease in estimated ultimate limited losses and the accrual of future year liabilities of \$14,019,600. This liability is based on an actuarial study. The County plans to continue to fund the current year workers compensation claims and maintain a \$3,000,000 reserve for any unforeseen expenditures.

10. INTERFUND BALANCES AND ACTIVITY

The following is a summary of County interfund transfers, receivable and payables at September 30, 2023 and for the year then ended (in thousands):

Transfer From	Amount	Transfer To	Explanation
General Fund	\$ 97,806	Capital Projects Fund	Supplement capital funds
General Fund	15,060	Road and Bridge	Supplement transportation services
General Fund	400	Other Governmental Funds	Supplement law enforcement task force
General Fund	3,703	Other Governmental Funds	Supplement bond supervision unit
General Fund	2	Other Governmental Funds	Supplement fund sources
General Fund	7,229	Grants Fund	Supplement fund sources
General Fund	10,000	Self Insurance Fund	Supplement self insurance
Road and Bridge	204	Grants Fund	Supplement fund sources
Road and Bridge	208	General Fund	Transfer inventory to general fund
Other Governmental Funds	515	Capital Projects Fund	Supplement capital funds
Other Governmental Funds	1,199	General Fund	Supplement courthouse security activity
Other Governmental Funds	234	General Fund	Supplement court language access
Employee Benefits Fund	1,031	Other Governmental Funds	Supplement fund sources
	<u>\$ 137,591</u>		
Funds Due From	Amount	Funds Due To	Explanation
Grants Fund	\$ 26,190	General Fund	Short-term loan
Other Governmental Funds	294	General Fund	Short-term loan
	<u>\$ 26,484</u>		

11. DEFERRED COMPENSATION PLANS

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Various investment companies administer the plan. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County has established a trust arrangement with the investment companies, which administer the plan, and the County is not a trustee. Under these trust arrangements, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the employees.

In accordance with GASB Statement No. 84, *Fiduciary Activities*, the deferred compensation plans are not considered part of the County's financial reporting entity.

12. PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS

PENSION PLAN

(a) General Information about the Pension Plan

Plan Description

The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is an agent multiple-employer defined benefit pension plan. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system. TCDRS, in the aggregate, issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at Barton Oaks Plaza IV, Ste. 500, 901 S. MoPac Expy, Austin, Texas 78746 or can be viewed at www.tcdrs.org.

Benefits Provided

Plan provisions are adopted by the Commissioners Court, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 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 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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 Commissioners Court within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Annually, the County reviews the plan to determine benefit and contribution levels. In August 2022, the County approved a 1% cost-of-living adjustment benefit increase effective January 1, 2023.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3,067
Inactive employees entitled but not yet receiving benefits	2,607
Active employees	<u>4,389</u>
Total	<u>10,063</u>

Contributions

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County contributed 19.5% for the calendar year 2022, which was 5.37% greater than the actuarially required contribution rate of 14.13% and contributed 19.5% for the calendar year 2023, which was 6.58% greater than the actuarially required contribution rate of 12.92%. The contribution rate payable by the employee members for calendar years 2022 and 2023 is 7% as adopted by the governing body of the County.

(b) Net Pension Liability

The County's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %	
Payroll growth	3.00 %	
Investment rate of return	7.60 %	(Includes 0.1 % to be gross of administrative expenses)

The County has a history of granting cost-of-living adjustments, therefore cost-of-living adjustments are considered to be substantively automatic under GASB 68. An annual 1% cost-of-living adjustment is included in the calculations.

The actuarial assumptions used in the December 31, 2022 actuarial valuation were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.70% per year for a career employee.

Mortality rates for depositing members were based on 135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Service retirees, beneficiaries and non-depositing members were based on 135% of the Pub-2010 General Retirees

Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. Disabled retirees were based on 160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The numbers shown on the following table are based on January 2023 information for a 10 year time horizon and are re-assessed in detail at a minimum every four years, and is set based on a long-term time horizon; the most recent analysis was performed in 2021 and is reviewed annually for continued compliance with the relevant actuarial standards of practice.

The following target asset allocation was adopted by the TCDRS Board in March 2023. The geometric real rate of return is net of inflation, assumed at 2.3%.

Asset Class	Target Allocation	Geometric Real Rate of Return
US equities	11.5%	4.95%
Global equities	2.5%	4.95%
International equities - developed	5.0%	4.95%
International equities - emerging	6.0%	4.95%
Investment-grade bonds	3.0%	2.40%
Strategic credit	9.0%	3.39%
Direct lending	16.0%	6.95%
Distressed debt	4.0%	7.60%
REIT equities	2.0%	4.15%
Master limited partnerships	2.0%	5.30%
Private real estate partnerships	6.0%	5.70%
Private equity	25.0%	7.95%
Hedge funds	6.0%	2.90%
Cash equivalents	2.0%	0.20%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.6%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the County's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the unfunded actuarial accrued liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the County is legally required to make the contribution specified in the funding policy.
3. The County's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the County is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years.

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Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and the net pension liability of the County is equal to the long-term assumed rate of return on investments.

(c) Changes in Net Pension Liability (in thousands):

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2021	\$ 2,131,806	\$ 2,103,217	\$ 28,589
Changes for the year:			
Service cost	48,963	-	48,963
Interest on total pension liability ¹	162,126	-	162,126
Difference between expected and actual activity	5,566	-	5,566
Effect of assumption changes or inputs	-	-	-
Refunds of contributions	(3,776)	(3,776)	-
Benefit payments	(102,282)	(102,282)	-
Employer contributions	-	68,277	(68,277)
Member contributions	-	24,566	(24,566)
Net investment income	-	(122,428)	122,428
Administrative expenses	-	(1,155)	1,155
Other ²	4,521	4,362	159
Net changes	115,118	(132,436)	247,554
Balances as of December 31, 2022	<u>\$ 2,246,924</u>	<u>\$ 1,970,781</u>	<u>\$ 276,143</u>

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

² Relates to allocation of TCDRS System-wide items.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6%) or 1-percentage-point higher (8.6%) than the current rate (in thousands):

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 2,540,099	\$ 2,246,924	\$ 2,000,542
Fiduciary net position	<u>1,970,781</u>	<u>1,970,781</u>	<u>1,970,781</u>
Net pension liability	<u>\$ 569,318</u>	<u>\$ 276,143</u>	<u>\$ 29,761</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

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

For the year ended September 30, 2023, the County recognized pension expense of \$52,183,831. As of September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (amounts in thousands):

	Governmental Activities	Business- type Activities	Total
Deferred Outflows of Resources			
Changes of assumptions	\$ 46,053	\$ 117	\$ 46,170
Differences between expected and actual experience	5,793	13	5,806
Net difference between projected and actual earnings	39,275	41	39,316
Contributions subsequent to the measurement date	50,874	116	50,990
Total deferred outflows of resources	<u>\$ 141,995</u>	<u>\$ 287</u>	<u>\$ 142,282</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 1,720	\$ 4	\$ 1,724
Changes of assumptions	2,826	6	2,832
Total deferred inflows of resources	<u>\$ 4,546</u>	<u>\$ 10</u>	<u>\$ 4,556</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension, other than contributions subsequent to the measurement date, will be recognized in pension expense as follows (in thousands):

Year ended September 30:	Amount
2024	\$ (19)
2025	22,877
2026	6,350
2027	57,528

(e) Payable to the Pension Plan

At September 30, 2023, the County reported a payable of \$7,255,524 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2023.

OTHER POSTEMPLOYMENT BENEFIT PLAN

(a) General Information about the Other Postemployment Benefit Plan

Plan Description

The County’s group medical plans (“Plan”) are administered through the Public Employee Benefits Cooperative. The Plan is a single employer defined benefit healthcare plan funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. OPEB includes health insurance and Medicare supplements.

Benefits Provided

Tarrant County provides medical, dental, and vision insurance benefits to its retired employees and their dependents. An employee must be eligible for retirement and currently enrolled in the Plan to be eligible for retiree insurance. The County’s subsidy towards retiree insurance varies by retirement date and years of service at retirement. A separate audited report is not available.

Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners Court. The County is under no legal obligation to pay these premiums, and the decision to provide these benefits is made by the Commissioners Court on a year-to-year basis.

The rates are set annually by the Commissioners Court based on the combination of premiums and prior year costs of the self-funded portion of the Plan. The Plan is funded on a pay-as-you-go basis.

Employees Covered by Benefit Terms

At September 30, 2022, the measurement date, the following participants were covered by the Plan:

Retired participants and surviving spouses	1,048
Active participating employees	<u>4,265</u>
Total	<u><u>5,313</u></u>

(b) Total OPEB Liability

The County’s total OPEB liability of \$189,334,000 was measured as of September 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability at September 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	3.00%
Discount rate	4.02%, based on the Bond Buyer 20-Bond GO Index
Actuarial cost method	Entry age normal based on level percentage of projected salary
Plan participation percentage	57% of all employees and their dependants who are eligible
Pre 65 Medical and Rx cost rate	6.75% for 2022, grading 0.25% each year until reaching the ultimate trend rate of 4.00%
Post 65 County Subsidy rate	3.00% for all years
Salary increases	Varies by entry age and years of service between .40% and 5.25%, in addition to wage inflation of 3.00%
Mortality table	PUB 2010, projected forward using SOA scale MP-2021

Retirees share of benefit-related costs**Pre-65 Retirees:**

Participants who retired prior to October 1, 2005, and their covered spouses are assumed to pay contributions equal to 17% of gross pre-65 costs. For all future retirees and all current retirees who retired on or after October 1, 2005, pre-65 retiree contributions are based on years of service at retirement, according to the chart below. These contribution percentages are applied against pre-65 premium rates, which are based on pre-65 retirees only.

Years of service at retirement	Retiree contribution percentage
0-9	100%
10-14	75%
15-19	55%
20-24	40%
25+	20%

Post-65 Retirees:

There is no County subsidy for participants with less than 10 years of service at retirement. For participants with 10+ years of service, the County provides a subsidy that varies between the Medicare Advantage plans. Additionally, beginning with plan year 2014, the County adopted a 3% soft cap for its post-65 retirees. The County will have increases of no more than 3% year-over-year from 2014 forward, with the remainder of any annual increase passed on to the retirees.

Termination for active employees or rate of withdrawal is based on Texas County & District Retirement System (TCDRS) Actuarial Valuation as of December 31, 2022. The rate of withdrawal for reasons other than death and retirement is dependent on an employee's age and years of service. The tables were adjusted for "Extra Low" termination group.

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, *except where required to be different by GASB 68, Accounting and Financial Reporting for Pensions.*

(c) Changes in Total OPEB Liability (in thousands):

	<u>Total OPEB Liability</u>
Balances as of September 30, 2021	\$ 243,748
Changes for the year:	
Service cost	15,543
Interest	5,755
Difference between expected and actual experience	(19,712)
Changes in assumptions or other inputs	(46,686)
Benefit payments	<u>(9,314)</u>
Net changes	<u>(54,414)</u>
Balances as of September 30, 2022	<u>\$ 189,334</u>

Changes of assumptions since the prior valuation:

The discount rate increased from 2.26% to 4.02%

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, calculated using the discount rate of 4.02%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.02%) or 1-percentage-point higher (5.02%) than the current rate (amounts in thousands):

	<u>1% Decrease 3.02%</u>	<u>Current Discount Rate 4.02%</u>	<u>1% Increase 5.02%</u>
Total OPEB liability	\$ 212,733	\$ 189,334	\$ 169,819

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, calculated using the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced by .25% each year until reaching the ultimate trend rate of 4.00%. Pre 65 Medical and Rx Benefits were calculated using a 6.75% trend and reduced by .25% each year until reaching the ultimate trend rate of 4.00%. Post 65 County subsidies were calculated using a 3.00% trend each year (amounts in thousands):

	Pre 65 Medical & Rx 6.75% Post 65 Subsidy 3%		
	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 164,946	\$ 189,334	\$ 219,719

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

For the year ended September 30, 2023, the County recognized OPEB expense of \$8,320,000. As of September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Governmental Activities	Business- type Activities	Total
Deferred Outflows of Resources:			
Contributions subsequent to the measurement date	\$ 8,800	\$ 24	\$ 8,824
Differences between expected and actual experience	547	2	\$ 549
Changes in assumptions	20,197	59	20,256
Total deferred outflows of resources	<u>\$ 29,544</u>	<u>\$ 85</u>	<u>\$ 29,629</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 41,905	\$ 119	\$ 42,024
Changes in assumptions	60,821	177	60,998
Total deferred inflows of resources	<u>\$ 102,726</u>	<u>\$ 296</u>	<u>\$ 103,022</u>

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

<u>Year ended September 30:</u>	<u>Amount</u>
2024	\$ (12,979)
2025	(12,979)
2026	(12,979)
2027	(11,908)
2028	(9,968)
after 2028	(21,404)

(e) Additional Disclosures

Texas Local Government Code, Chapter 175 requires counties to make available continued health benefits coverage under certain circumstances to retirees and their dependents beyond the end of an individual's employment with the County by permitting covered employees to purchase continued health benefits coverage in retirement. Texas Law does not require counties to fund all or any portion of such coverage.

Because the County is given the authority to pay OPEB for its retired employees, it may incur a debt obligation to pay for OPEB so long as the county follows the constitutional requirement that it have sufficient taxing authority available at the time such debt is incurred to provide for the payment of the debt and has in fact levied a tax for such purpose concurrently with the incurrence of the debt. Any debt incurred in contravention of this constitutional requirement is considered void and payment will not be due. Tarrant County has not incurred a legal debt obligation for OPEB and has not levied a tax for the same. The County funds the costs associated with OPEB on a current "pay as you go" basis for a single fiscal year through an annual appropriation authorized by Commissioners Court during the County's annual budget adoption process.

GAAP requires governmental organizations to recognize a net OPEB liability measured by an actuary, even though it may not have a legally enforceable obligation to pay OPEB benefits.

The County implemented GASB 75 during fiscal year 2018. Accordingly, information and amounts presented in the County's Annual Comprehensive Financial Report relative to OPEB expenses/expenditures, related deferred outflows, deferred inflows, liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles and does not constitute or imply that the County has made a commitment or is legally obligated to provide OPEB benefits.

13. COMMITMENTS**Encumbrances**

Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). At year end, the County's governmental funds had the following outstanding encumbrances (amounts in thousands):

General	\$ 11,962
Road and Bridge	3,992
Capital Projects	61,460
Grants	155,867
Other Governmental Funds	<u>3,863</u>
Total	<u>\$ 237,144</u>

Construction and other significant commitments

The County has several active construction and software development projects as of September 30, 2023. The County has also entered into agreements with cities and the Texas Department of Transportation to assist with the funding of transportation projects to mitigate congestion and improve air quality within Tarrant County.

At fiscal year end the County's commitments with contractors and municipalities are as follows (in thousands):

Project:	Spent to date	Remaining Commitment
Medical Examiner CMS System	\$ 3,284	\$ 103
350 Belknap Renovation	724	342
Mental Health Jail Diversion	622	853
Mercantile Lease Warehouse	2,954	138
Transportation Projects	<u>18,525</u>	<u>40,219</u>
Total	<u>\$ 26,109</u>	<u>\$ 41,655</u>

14. CONTINGENCIES

The County participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Such compliance audits of these programs for the periods ended September 30, 2023 have not yet been completed. Accordingly, the County's compliance with applicable grant or contract requirements will be established at some future date. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, and, accordingly, no accrual has been made for them, as management believes these to be immaterial.

The County is party to lawsuits and claims in the ordinary course of operations. Some areas such as law enforcement and the judicial process generate increased opportunities for claims and suits. County management believes the outcome of these legal matters would not have a material adverse effect on the County's financial position.

The County is self-insured for workers' compensation, automobile bodily injury and property damage, comprehensive general liability and all self-insured retentions for existing policies. It is the opinion of County management that the amounts accrued at September 30, 2023 are adequate to provide for potential losses resulting from pending or threatened litigation, asserted claims and claims incurred but not reported.

15. SELF-INSURANCE PROGRAMS

The County is exposed to various risks of loss in its normal daily operations. These risks include tort claims, theft/damage of County assets, errors and omissions, injury to employees and natural disasters. Additionally, the County self-insures a portion of the employee group health care plans.

The County has established three separate self-insurance funds (Internal Service) to account for these operations. The three funds are:

Employee Benefits Fund – accounts for County employee benefits.

Self-Insurance Fund – accounts for general liability, law enforcement, public officials' errors and omissions, medical malpractice and automobile physical damage.

Workers Compensation Fund – accounts for workers compensation claims.

Commercial insurance has been obtained for most instances of physical property damage. Coverage and deductible amounts are as follows:

	Coverage	Deductible
Buildings	\$1,126,419,840	\$500,000
Boilers and machinery	100,000,000	25,000
Scheduled heavy equipment	26,465,600	15,000
Scheduled equipment	24,964,707	2,500

The County purchases full coverage insurance on vehicles that operate under certain grants. The County also purchases several crime policies to cover exposure to employee dishonesty in different departments. These carry a coverage amount of \$2,000 to \$2,000,000 with a deductible of \$500 to \$20,000.

The District Clerk Errors and Omissions Fund and the County Clerk Errors and Omissions Fund were established pursuant to state law and provide for the collection of a fee for certain cases filed with the respective clerks.

Beginning in fiscal year 1994, the County elected to self-insure a portion of the employee/retiree group health care program. Specifically, employees and retirees are offered options for group health coverage, some of which provide an insured coverage based on fixed premiums while others are self-insured programs. The self-insured health options and prescription costs are re-insured to prevent extraordinary or catastrophic losses. Dental coverage is offered with one option being a self-insured indemnity plan, and all other options being fixed premium Dental Maintenance Organization plans. At September 30, 2023, 3,863 and 3,636 employees participate in health care coverage and dental coverage, respectively.

Change in the accrued liability in the Employee Benefits Fund for the last two years is as follows (in thousands):

	<u>2022</u>	<u>2023</u>
Beginning liability	\$ 5,252	\$ 4,166
New claims/adjustments	67,052	73,291
Claims paid/adjustments	<u>(68,138)</u>	<u>(73,050)</u>
Ending liability	<u>\$ 4,166</u>	<u>\$ 4,407</u>

For the year ended September 30, 2023, an actuarial study was obtained for the Workers' Compensation Fund and the Self-Insurance Fund. This study was used as a basis for determining the liability at September 30, 2023.

Change in the accrued liability in the Workers' Compensation Fund and Self-insurance Fund for the last two years is as follows (in thousands):

	<u>2022</u>	<u>2023</u>
Beginning liability	\$ 13,052	\$ 16,431
New claims/adjustments	5,366	6,029
Claims paid/adjustments	(5,366)	(6,029)
Other - change in estimate	<u>3,379</u>	<u>1,770</u>
Ending liability	<u>\$ 16,431</u>	<u>\$ 18,201</u>
Amount due within 1 year	\$ 3,756	\$ 3,985

There were no significant reductions in insurance coverage from the prior year, nor did any settlement exceed coverage for the past three years.

16. ECONOMIC DEVELOPMENT AGREEMENTS

Tax Incremental Financing Agreements

The County participates in several Tax Increment Financing ("TIF") Districts with other governmental entities through Interlocal Agreements. TIF is an economic development tool used by local governments to finance public improvements within a defined geographic area. For the year a TIF District is created, the assessed taxable value of real property located in the District is generally frozen for the duration of the agreement. The subsequent development and redevelopment of properties within the District increases taxable appraised values. The incremental taxes collected are returned to the entity that initially financed the improvements, e.g., city contributions, city bond fund or developer advances. The Texas Property Tax Code, Chapter 311 represents legislation governing Tax Increment Financing. The TIF contribution is recorded as a reduction of tax revenue.

On October 11, 2022, the County approved Amendment No. 2 to the City of Fort Worth Tax Increment Financing Zone #9/9A, which extended the term of the zone to expire on December 31, 2054.

On November 22, 2022, the County approved participation in the City of Arlington Tax Increment Financing Zone #7, beginning with tax year 2022, at a participation rate of 70% of the maintenance and operation portion of the ad valorem tax rate of its collected incremental tax revenue up to a maximum cumulative contribution of \$21,747,847.

On November 22, 2022 the County approved Amendment No. 1 to the City of Bedford Tax Increment Financing Zone #1, which expanded the boundaries of the zone, defined the base year for the expanded area as January 1, 2022, and amended the project and financing plan.

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

On December 13, 2022, the County approved participation in the City of Mansfield Tax Increment Financing Reinvestment Zone #3, beginning with tax year 2022, at a participation rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$5,247,157.

On February 28, 2023, the County approved Amendment No. 1 to the City of Mansfield Tax Increment Financing Reinvestment Zone #3, which corrects the year in which tax increment deposits begin from 2022 to 2023.

The following table illustrates the County's participation (in thousands):

Name	Participation Rate	Taxes Forgone During 2023
City of Arlington #1 (maintenance and operation rate only)	70%	\$ 439
City of Arlington #5	70%	772
City of Arlington #6	75%	2,184
City of Arlington #7 (maintenance and operation rate only)	70%	265
City of Azle #1	50%	89
City of Bedford #1	50%	13
City of Benbrook #1	100%	533
City of Crowley #1	75%	99
City of Euless #3	75%	493
City of Euless #4	75%	218
City of Everman #1	50%	13
City of Fort Worth #3	40%	706
City of Fort Worth #8	40%	301
City of Fort Worth #9	80%	1,437
City of Fort Worth #10	50%	158
City of Fort Worth #12	100%	277
City of Fort Worth #13	80%	639
City of Fort Worth #14	50%	310
City of Fort Worth #15	50%	267
City of Grand Prairie #1	50%	<1
City of Haltom City #1	75%	137
City of Haltom City #2	50%	33
City of Haslet #1	50%	154
City of Keller #2	50%	17
City of Kennedale #1	75%	35
City of Mansfield #1	30%	317
City of Mansfield #2	75%	196
City of North Richland Hills #3	25%	7
City of Richland Hills #1	75%	44
City of River Oaks #1	75%	25
City of Saginaw #1	50%	3
City of Sansom Park #1	80%	89
Town of Trophy Club #1	60%	20
City of White Settlement #1	50%	45
		<u>\$ 10,335</u>

The following TIF's had no increase to the taxable appraised value, therefore, no taxes were forgone:

Name	Participation Rate
City of Fort Worth #6	100%

Tax Abatements

Chapter 312 of the Texas Property Tax Code, Property Redevelopment and Tax Abatement Act, grants the Commissioners Court the authority to execute tax abatement agreements for the County and on behalf of the Tarrant County Hospital District (TCHD). The County enters into economic development agreements with businesses that locate or expand within the County with the expectation of stimulating the economy and tax base.

County policy grants tax abatements on ad valorem real and personal property that is expected to produce a minimum added assessed value of 1) \$5,000,000 for new business, with creation of 25 jobs, 2) \$3,000,000 for expansion or modernization of existing business, sustaining existing employment levels, or 3) agreed upon additional evaluation criteria. The agreements provide for a reduction of incremental assessed value over a period not to exceed ten years. Some agreements provide for repayment of forgone taxes if the business fails to meet certain criteria.

No commitments have been made as part of the agreements other than to reduce incremental assessed values. The County is not subject to tax abatement agreements entered into by other governmental entities.

For the fiscal year ended September 30, 2023, the County's and TCHD's abated property taxes were (in thousands):

Tax Abatement	# of Entities	Assessed Value Abated	Total Amount of Taxes Forgone	
			County	TCHD
Multi-Family Residential Development	1	70%	\$ 214	\$ 153
Mixed Use Development	1	50%	28	28
Corporate Offices/Data Center	2	40 - 70%	3,463	2,526
Manufacturing Facility	3	30 - 70%	1,321	1,316
Total Abated Taxes			\$ 5,026	\$ 4,023

The County has entered into tax abatement agreements which begin in future years for the following:

Tax Abatement	# of Entities	Participation %
Multi-Family Residential Development	1	50 - 70%
Corporate Offices/Data Center	1	75%
Office/Warehouse Facility	1	40 - 50%
Manufacturing Facility	2	40 - 50%

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

17. FUND BALANCES

The following is the detail of the County's fund balances at September 30, 2023 (in thousands):

	General	Road and Bridge	Debt Service	Capital Projects	Grants	Other Governmental Funds	Total
Nonspendable:							
Supplies/prepaid items	\$ 2,891	\$ 825	\$ -	\$ -	\$ 4,073	\$ 727	\$ 8,516
	<u>2,891</u>	<u>825</u>	<u>-</u>	<u>-</u>	<u>4,073</u>	<u>727</u>	<u>8,516</u>
Restricted:							
Law library	-	-	-	-	-	1,456	1,456
Records management	-	-	-	-	-	23,052	23,052
Education	-	-	-	-	-	162	162
Public health	-	-	-	-	-	7,206	7,206
Law enforcement and prosecution	-	-	-	-	-	7,383	7,383
Contractual agreement	-	-	-	-	-	5,341	5,341
Court designated	-	-	-	-	-	4,009	4,009
VIT administration	-	-	-	-	-	3,236	3,236
Construction and equipment	-	-	-	1,417	-	-	1,417
Transportation project	-	-	-	232,945	-	-	232,945
	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,362</u>	<u>-</u>	<u>51,845</u>	<u>286,207</u>
Committed:							
Law library	-	-	-	-	-	247	247
Records management	-	-	-	-	-	1,862	1,862
Public health	-	-	-	-	-	56,874	56,874
Law enforcement and prosecution	597	-	-	-	-	1,026	1,623
Contractual agreement	5,766	-	-	-	-	5,672	11,438
Court designated	-	-	-	-	-	577	577
Construction and equipment	10	-	-	187,465	-	-	187,475
Transportation project	-	18,572	-	13,536	-	-	32,108
Debt service	-	-	2,044	-	-	-	2,044
	<u>6,373</u>	<u>18,572</u>	<u>2,044</u>	<u>201,001</u>	<u>-</u>	<u>66,258</u>	<u>294,248</u>
Assigned:							
Economic development	-	-	-	-	-	4,526	4,526
County operations	5,590	-	-	-	-	-	5,590
Subsequent year's budget: appropriation of fund balance	76,113	-	-	-	-	-	76,113
	<u>81,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,526</u>	<u>86,229</u>
Unassigned	110,210	-	-	-	(4,073)	-	106,137
Total Fund Balance	<u>\$ 201,177</u>	<u>\$ 19,397</u>	<u>\$ 2,044</u>	<u>\$ 435,363</u>	<u>\$ -</u>	<u>\$ 123,356</u>	<u>\$ 781,337</u>

18. JOINT VENTURE

The County has formed a Local Government Corporation, along with certain other government organizations, to coordinate the joint development of court software, known as Techshare. The arrangement is organized as a hybrid of a joint venture and joint operations. To date all investment into Techshare has been made as undivided interests in separately-owned assets and is accounted for as such.

19. RECENT ACCOUNTING PRONOUNCEMENTS

The County is currently reviewing the following GASB statements and has not determined the impact these statements will have on its financial statements:

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, is effective for the County beginning fiscal year 2024. This Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, is effective for the County beginning fiscal year 2025. This Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*, is effective for the County beginning fiscal year 2025. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints.

20. TARRANT COUNTY HOSPITAL DISTRICT NOTES

(a) Nature of Operations and Summary of Significant Accounting Policies

Cash and Cash Equivalents and Investments

TCHD considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2023, cash equivalents consisted primarily of money market accounts with brokers and state investment pools.

Investments and Investment Income

Investments in U.S. Treasury, agency and instrumentality obligations with a remaining maturity of one-year or less at time of acquisition and in non-negotiable certificates of deposit are carried at amortized cost. Investments in external investment pools qualify for amortized cost under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, are carried at amortized cost per share. All other investments are carried at fair value.

Investment income includes dividend and interest income, realized gains and losses on investments carried at other than fair value and the net change for the year in the fair value of investments carried at fair value.

Patient Accounts Receivable

TCHD reports patient account receivable for services rendered at net realizable amounts from third-party payers, patients and others. TCHD provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions.

Supplies

Supply inventories are stated at the lower of cost or market, determined using the average costing method.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation and amortization is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by TCHD:

Land improvements	10 - 20 years
Buildings and improvements	10 - 40 years
Equipment	3 - 20 years
Computer software	3 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital and Lease Asset Impairment

TCHD evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, lease, or subscription asset has occurred. No asset impairment was recognized during the year ended September 30, 2023.

Compensated Absences

TCHD policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date, plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Defined Benefit Pension Plan

TCHD sponsors an agent defined benefit pension plan (Plan) as more fully described in Note (I). For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to and deductions from the Plan's fiduciary net position have been determined on the same

basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

TCHD reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources, and the consumption of net position that is applicable to a future reporting period as deferred outflows of resources.

Net Patient Service Revenue

TCHD has agreements with third-party payers that provide for payments to TCHD at amounts different from its established charges. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments, and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

Tobacco Settlement Revenue

Tobacco settlement revenue is the result of a settlement between various counties and hospital districts in Texas and the tobacco industry for tobacco-related health care costs. During the year ended September 30, 2023 the TCHD received approximately \$10,638,000 related to the settlement. This revenue is recognized as other revenue.

Charity Care

TCHD provides care without payment or at amounts less than its established charges to patients who meet certain criteria under its charity care policy. Because TCHD does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue.

Income Taxes

As an essential government function of the County, TCHD is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code (IRC) and a similar provision of state law.

Risk Management

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

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

(b) Net Patient Service Revenue

TCHD has agreements with third-party payers that provide for payments to TCHD at amounts different from its established charges. These payment arrangements include:

Medicare – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain inpatient nonacute services and defined medical education costs are paid on a cost- reimbursement methodology. TCHD is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by TCHD and audits thereof by the Medicare administrative contractor. TCHD's Medicare cost reports have been audited through September 30, 2019.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospective payment system. Inpatient reimbursement is inclusive of an add-on for trauma care that is based on the Medicaid Standards Dollar Amount. Outpatient and physician services are reimbursed under a mixture of fee schedules and cost reimbursement. TCHD is reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by TCHD and audits thereof by the Medicaid administrative contractor.

Approximately 66 percent of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended September 30, 2023. Settlements under reimbursement agreements with Medicare and Medicaid programs are estimated and recorded in the period the related services are rendered and are adjusted in future periods as adjustments become known or as the service years are no longer subject to audit, review or investigation. Annual cost reports required under the Medicare and Medicaid programs are subject to routine audits, which may result in adjustments to the amounts ultimately determined to be due under the reimbursement programs. These audits often require several years to reach their financial determination of amounts earned under the programs. As a result, it is reasonably possible that the recorded estimates will change materially in the near term.

TCHD has also entered into payment agreements with certain commercial insurance carriers, HMOs and preferred provider organizations. The basis for payment to TCHD under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

(c) Supplemental Medicaid Funding Revenue

In response to the growing number of uninsured patients and the rising cost of health care, the Texas Legislature established a Texas Medicaid Disproportionate Share Program (DSH Program) that was designated to assist those facilities serving the majority of the indigent patients by providing funds supporting increased access to health care within the community. This program allows the Texas Department of Human Services to levy assessments from certain hospitals, use the assessed funds to obtain federal matching funds, and then redistribute the total funds to those facilities serving a disproportionate share of indigent patients in the state of Texas.

On December 12, 2011, the United States Department of Health & Human Services (HHSC) approved a new Medicaid section 1115(a) demonstration entitled "Texas Health Transformation and Quality Improvement Program"(Waiver). The Waiver expanded existing Medicaid managed care programs and established two funding pools that assist providers with uncompensated care costs (UC Pool) and promote health system transformation (DSRIP Pool).

The Waiver was originally effective from December 12, 2011 to September 30, 2016 and extended through December 2017 as HHSC and the Centers for Medicare and Medicaid Services (CMS) negotiated a longer-term extension. On December 21, 2017, HHSC received an approved extension from CMS for the period of January 1, 2018 through September 30, 2022. Among other changes, the approved plan required

a change in the methodology used to allocate UC funds and a phase out of the DSRIP program over the five-year period.

On April 22, 2022, CMS approved an extension of the Waiver through September 30, 2030. The extension provides for the continuation of the UC Pool and an expansion of directed payment programs, which transitions participating hospitals away from the DSRIP program which ended on September 30, 2021. One of the new directed payment programs is the Comprehensive Hospital Increased Reimbursement Program (CHIRP), which replaces the existing Uniform Hospital Rate Increase Program (UHRIP), which TCHD has participated since 2017. Under UHRIP, HHSC directed managed care organizations in a service delivery area to provide a uniform percentage rate increase to all hospitals within a particular class of hospitals. CHIRP also provides for rate increases similar to UHRIP but also provides for a rate enhancement above the UHRIP rate, based upon a percentage of estimated average commercial reimbursement. Participating hospitals may opt into this second component. The UHRIP program ended on August 31, 2021 and the CHIRP program began on September 1, 2021. CHIRP will require annual approval by CMS and has been approved through August 31, 2024. Revenue from CHIRP is recognized as a component of fines, fees and charges for services.

TCHD also receives supplemental payments through the Medicaid Graduate Medical Education (GME) program. The GME program provides reimbursement to support teaching hospitals that operate approved medical residency training programs in recognition of the higher costs incurred by teaching hospitals.

In 2022, TCHD began participating in the Hospital Augmented Reimbursement Program (HARP). HARP is a statewide supplemental program that provides Medicaid payments to hospitals for inpatient and outpatient services that serve Texas Medicaid fee-for-service patients. The program serves as a financial transition for providers historically participating in the DSRIP program and provides additional funding to hospitals to assist in offsetting the cost hospitals incur while providing Medicaid services.

TCHD received Supplemental Medicaid funding revenue in following amounts from the following programs, for the year ended September 30, 2023 (in thousands):

DSH Program	\$ 61,927
UC Pool	138,552
GME Program	6,693
HARP Program	<u>44,825</u>
	<u>\$ 251,997</u>

The programs described above are subject to review and scrutiny by both the Texas Legislature and CMS, and the programs could be modified or terminated based upon new legislation or regulation in future periods.

During 2017, TCHD began administration of a Local Provider Participation Fund (LPPF) in Tarrant County. TCHD acts as the administrator of the LPPF by assessment and collection of mandatory payments from hospitals in Tarrant County.

These payments are to be used to fund intergovernmental transfers representing the state's share of supplemental Medicaid funding programs. As TCHD acts as a conduit for these funds, the receipts and intergovernmental transfers are not recognized as revenue and expense in the statements of revenues, expenses and changes in net position. At September 30, 2023, TCHD held \$102,489,000 in LPPF assessments that will be transferred in 2024. The liability is reflected in the accompanying statement of net position as a component of other liabilities.

(d) Property Tax Revenue

TCHD received approximately 34 percent of its support from property taxes. Property taxes are levied on October 1, based on assessed property values on the preceding January 1. To secure payment, an enforceable lien attaches to the property on January 1, when the value is assessed. Property taxes become due and payable when levied on October 1. This is the date on which an enforceable legal claim arises and TCHD records a receivable for the property tax assessment, less an allowance for uncollectible taxes. Property taxes are considered delinquent after January 31 of the following year. TCHD recorded an allowance for uncollectible property taxes of approximately \$9,989,000 at September 30, 2023.

TCHD's property tax rate was \$0.223654 and \$.000775 per \$100 valuation for the maintenance and operation fund and interest and sinking fund, respectively. Property tax revenue was \$574,072,000.

(e) Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. TCHD's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposit with federal depository insurance or other qualified investments. At September 30, 2023, TCHD's deposits were either insured or collateralized in accordance with state law.

At September 30, 2023, a blended component unit of TCHD's cash accounts exceeded federally insured limits by \$1,902,000.

Investments

TCHD may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities.

At September 30, 2023, TCHD's investment balances were as follows (in thousands):

Investment Type	Fair Value	Maturity in Years	
		less than 1	1-5
Investment pools	\$ 183,538	\$ 183,538	\$ -
U.S. Treasury obligations	316,159	242,020	74,139
U.S. agency obligations	1,107,738	680,624	427,114
Money market mutual funds	105,343	105,343	-
Commercial paper	146,207	146,207	-
Mutual funds	4,768	4,768	-
Total Investments	<u>\$ 1,863,753</u>	<u>\$ 1,362,500</u>	<u>\$ 501,253</u>

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, TCHD investment policy requires that total investments have a weighted average maturity of five years or less. TCHD's investments in U.S. Treasury and agency obligations include fixed rate notes and bonds with a weighted average maturity of three years. The longer the maturity of a fixed rate obligation, the greater

the impact a change in interest rates will have on its fair value. As interest rates increase, the fair value of the obligations decrease. Likewise, when interest rates decrease, the fair value of the obligations increase. The money market mutual funds and mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. TCHD's policy is to limit its investments to U.S. Treasury and agency obligations or otherwise follow the restriction of the Texas Public Funds Investment Act. TCHD's investments in U.S. Treasury obligations carry the explicit guarantee of the U.S. government. The debt securities of the U.S. agencies are rated Aaa by Moody's rating agency.

TCHD also invests in TexPool and TexStar, state investment pools (Pools), which are considered investments for financial reporting. The Texas State Comptroller of Public Accounts oversees TexPool. Federated Investors provides asset management and participant services for TexPool's operations under a contract with the Comptroller. TexStar is a local government investment pool offering professionally managed portfolios to government entities in the state of Texas. The governing board of directors selects co-administrators for TexStar that provide fund management. TCHD has an undivided beneficial interest in the pool of assets held by the Pools. Investments must be in compliance with the Texas Public Funds Investment Act and include obligations of the United States or its agencies, direct obligation of the state of Texas or its agencies, certificates of deposit and repurchase agreements. The fair value of the position in these pools is the same as the value of the shares in each pool.

The Pools, as well as the money market mutual funds invested in by TCHD, are rated as AAAM by Standard & Poor's. TCHD's investments in commercial paper was rated Aa3 by Moody's rating agency.

TCHD also invests in certificates of deposit, which are classified as deposits for financial reporting purposes. These certificates of deposit are fully collateralized by the various financial institutions.

Custodial credit risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, TCHD would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of TCHD's investments are held in safekeeping or trust accounts.

Concentration of credit risk: TCHD places no limit on the amount that may be invested in any one issuer as long as the restrictions of the Texas Public Funds Investment Act are followed. However, the investment policy states that preservation and safety of principal is the foremost objective of the investment program, and TCHD diversifies its investment portfolio in terms of investment instruments, maturity scheduling and issuers to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, maturity or issuer.

The following table reflects TCHD's investments in single issuers that represent more than five percent of total investments:

Federal Home Bank	36.80%
U.S. Treasury	15.80%
Federal Farm Credit Bank	10.60%
Federal Home Loan Mortgage Corporation	9.00%

Investment Income

Investment income for the fiscal year ended September 30, 2023, consisted of interest and dividend income of \$65,711,000 and a net increase in fair value of investments of \$4,665,000 for a total of \$70,376,000.

(f) Patient Accounts Receivable

TCHD grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at September 30, 2023, consisted of (in thousands):

Medicare	\$	33,748
Medicaid		26,982
Other third-party payers		46,969
Patients		<u>67,816</u>
		175,515
Less allowance for uncollectible accounts		<u>(87,928)</u>
Total	\$	<u>87,587</u>

(g) Capital, Lease, and Subscription Assets

A summary of TCHD capital assets at year-end is as follows (in thousands):

	Balance October 1, 2022	Additions	Disposals	Transfers	Balance September 30, 2023
Land and improvements	\$ 67,689	\$ 4,050	\$ (11,472)	\$ 3,199	\$ 63,466
Buildings and improvements	277,197	502	(12,709)	4,187	269,177
Equipment	503,434	23,065	(14,727)	1,909	513,681
Construction in progress	<u>8,487</u>	<u>39,300</u>	<u>-</u>	<u>(10,270)</u>	<u>37,517</u>
	856,807	66,917	(38,908)	(975)	883,841
Less accumulated depreciation	<u>(623,654)</u>	<u>(33,313)</u>	<u>28,134</u>	<u>-</u>	<u>(628,833)</u>
Capital assets, net	<u>\$ 233,153</u>	<u>\$ 33,604</u>	<u>\$ (10,774)</u>	<u>\$ (975)</u>	<u>\$ 255,008</u>

As of September 30, 2023 TCHD has \$121,215,000 of outstanding construction commitments.

A summary of TCHD lease assets at year-end is as follows (in thousands):

	Balance October 1, 2022	Additions	Disposals	Transfers	Balance September 30, 2023
Buildings	\$ 17,248	\$ 6,624	\$ (2,269)	\$ -	\$ 21,603
Equipment	<u>613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>613</u>
	17,861	6,624	(2,269)	-	22,216
Less accumulated amortization	<u>(7,082)</u>	<u>(3,679)</u>	<u>2,269</u>	<u>-</u>	<u>(8,492)</u>
Lease assets, net	<u>\$ 10,779</u>	<u>\$ 2,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,724</u>

A summary of TCHD subscription assets at year-end is as follows (in thousands):

	Balance October 1, 2022	Additions	Disposals	Transfers	Balance September 30, 2023
Subscription IT asset	\$ 18,745	\$ 20,541	\$ (3,826)	\$ -	\$ 35,460
Less accumulated amortization	(6,941)	(9,696)	3,826	-	(12,811)
Subscription assets, net	<u>\$ 11,804</u>	<u>\$ 10,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,649</u>

(h) Self-Insurance Programs

Medical Malpractice and General Liability Risks

TCHD is self-insured for medical malpractice and general liability claims. TCHD's maximum liability for professional and general liability claims as a governmental unit under the Tort Claims Act is generally \$100,000 per individual and \$300,000 per occurrence. Losses from asserted and unasserted claims identified in TCHD's incident reporting system are accrued based on estimates that incorporate TCHD's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. It is reasonably possible that TCHD's estimate of losses will change by a material amount in the near term.

Activity in the TCHD's accrued medical malpractice claims liability for the last two years is as follows (in thousands):

	2022	2023
Balance, beginning of year	\$ 502	\$ 724
Current year claims incurred and changes in estimates for claims incurred in prior years	144	408
Claims and expenses paid	<u>78</u>	<u>(398)</u>
Balance, end of year	<u>\$ 724</u>	<u>\$ 734</u>

Employee Health Claims

Substantially all of TCHD's employees and their dependents are eligible to participate in the TCHD's employee health insurance plan. Commercial stop-loss insurance coverage is purchased for claims in excess of \$500,000. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the TCHD's estimate will change by a material amount in the near term.

Activity in the TCHD's accrued employee health claims liability for the last two years is as follows (in thousands):

	<u>2022</u>	<u>2023</u>
Balance, beginning of year	\$ 5,250	\$ 5,250
Current year claims incurred and changes in estimates for claims incurred in prior years	59,401	68,713
Claims and expenses paid	<u>(59,401)</u>	<u>(67,550)</u>
Balance, end of year	<u>\$ 5,250</u>	<u>\$ 6,413</u>

Worker's Compensation Claims

The TCHD is self-insured for workers' compensation claims. A provision is accrued for self-insured workers compensation claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the TCHD's estimate will change by a material amount in the near term.

Activity in the TCHD's accrued workers' compensation claims liability for the last two years is as follows (in thousands):

	<u>2022</u>	<u>2023</u>
Balance, beginning of year	\$ 3,115	\$ 2,584
Current year claims incurred and changes in estimates for claims incurred in prior years	1,574	1,591
Claims and expenses paid	<u>(2,105)</u>	<u>(1,677)</u>
Balance, end of year	<u>\$ 2,584</u>	<u>\$ 2,498</u>

(i) Long-Term Debt

Long-term debt of TCHD consisted of the following at September 30, 2023 (in thousands):

General Obligation Refunding Bonds - Series 2016:

Original amount of \$22,415 dated January 1, 2016, which bears interest at a rate of 2.24%, payable annually with installments ranging from \$1,750 to \$1,955 through 2029. The bonds are secured by property tax revenue. The proceeds from the bonds were used to advance refund the Series 2006 bonds.

\$ 11,115

Revenue Bonds - Senior Lien Revenue Refunding Bonds, Series 2012:

Original amount of \$25,890 dated September 1, 2012, which bear interest at rates ranging from 3.0% to 5.0%, payable annually with installments ranging from \$2,010 to \$2,205 through 2027. The bonds are secured by revenues of TCHD, excluding property tax revenue. All of the bonds still outstanding may be redeemed at TCHD's option on or after August 15, 2023, at par value plus accrued interest. The proceeds from the bonds were used to advance refund the Series 2002 bonds.

8,425

Limited Tax Bonds, Series 2023:

Original amount of \$437,295 dated February 28, 2023, which bear interest at rates ranging from 4.0% to 5.25%, payable annually with installments ranging from \$6,640 to \$26,240 through 2053. The bonds are secured by property tax revenue. All of the bonds still outstanding may be redeemed at TCHD's option on or after August 15, 2032. The bonds were issued for the purpose of acquiring, constructing, improving, equipping or enlarging facilities of TCHD, including a new medical home, a new medical office building, a new parking garage, a new central utility plant, a new behavioral health emergency center, and expansion of the existing pavilion building.

	437,295
	456,835
Less - current maturities	(10,400)
Long-term debt, net of current maturities	446,435
Plus bond premium	15,339
Long-term debt, net of current maturities and discount	<u>\$ 461,774</u>

TCHD's debt service payments to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total Principal & Interest
2024	10,400	21,229	31,629
2025	10,840	20,797	31,637
2026	11,285	20,346	31,631
2027	11,765	19,872	31,637
2028	9,990	19,373	29,363
2029-2033	48,790	90,088	138,878
2034-2038	60,070	76,827	136,897
2039-2043	76,985	59,912	136,897
2044-2048	96,075	40,828	136,903
2049-2053	120,635	16,271	136,906
Total	<u>\$ 456,835</u>	<u>\$ 385,543</u>	<u>\$ 842,378</u>

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The following is a summary of the changes in long-term debt for TCHD for the year ended September 30, 2023 (in thousands):

Beginning liability	\$ 24,837
Additions	437,295
Retirements	<u>(5,297)</u>
Ending liability	<u>\$ 456,835</u>
Amount due within one year	\$ 10,400

(j) Lease Liabilities

TCHD leases medical office, warehouse and office space and certain equipment, the terms of which expire in various years through 2030. During the year, TCHD recognized approximately \$3,639,000 of rental expense for variable payments, short-term and cancelable leases that are not included in the measurement of the lease liability.

The following is a summary of the changes in lease liability transactions for TCHD for the year ended September 30, 2023 (in thousands):

Beginning liability	\$ 11,060
Additions	6,669
Retirements	<u>(3,308)</u>
Ending liability	<u>\$ 14,421</u>
Amount due within one year	\$ 3,238

TCHD's lease liability payments to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total Principal & Interest
2024	\$ 3,238	\$ 409	\$ 3,647
2025	2,470	329	2,799
2026	2,493	250	2,743
2027	2,417	170	2,587
2028	2,119	94	2,213
2029-2031	<u>1,684</u>	<u>56</u>	<u>1,740</u>
Total	<u>\$ 14,421</u>	<u>\$ 1,308</u>	<u>\$ 15,729</u>

(k) Subscription Liabilities

TCHD has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2030. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance. TCHD did not recognize any subscription expense for variable payments not previously included in the measurement of the subscription liability during the year ended September 30, 2023.

The following is a summary of the changes in subscription liability transactions for TCHD for the year ended September 30, 2023 (in thousands):

Beginning liability	\$	8,544
Additions		18,524
Retirements		<u>(8,577)</u>
Ending liability	\$	<u>18,491</u>
Amount due within one year	\$	8,357

TCHD's subscription liability payments to maturity are as follows (in thousands):

Fiscal Year	Principal	Interest	Total Principal & Interest
2024	\$ 8,357	\$ 459	\$ 8,816
2025	6,920	189	7,109
2026	1,224	70	1,294
2027	665	45	710
2028	509	27	536
2029-2030	<u>816</u>	<u>7</u>	<u>823</u>
Total	<u>\$ 18,491</u>	<u>\$ 797</u>	<u>\$ 19,288</u>

(l) Uncompensated Care

In support of its mission, TCHD voluntarily provides free care to patients who lack financial resources and are deemed to be medically indigent. The cost of charity care provided under the charity care policy was \$380,740,000. The increase in charity care costs is attributable to higher charity care charges as well as a higher cost to charge ratio due to increased expenses during the year ended September 30, 2023. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross charity care charges.

(m) Retirement Plans

Plan Description

TCHD sponsors an agent multiple-employer defined benefit pension plan for eligible employees within a multi-employer retirement program sponsored for member hospitals by the Texas Hospital Association Retirement Plan (THARP). THARP is the plan administrator of the pension plan. The Plan's assets are invested as a portion of the THARP's master pension trust fund. The Plan provides retirement, death, and disability benefits. Amendments to the Plan are made only with the authority of TCHD's Board of Managers. The Plan does not issue a stand-alone financial report. However, an annual actuarial valuation report is available from TCHD or THARP. The report may be obtained by writing THARP at 1108 Lavaca, Suite 700, Austin, Texas 78701.

Benefits Provided

The Plan provides retirement, disability, and death benefits. Retirement benefits for eligible employees are calculated as 1.4% of the employee's final five-year average compensation plus 0.7% of the employee's final five-year average compensation, if any, that exceeds \$75,000, with the sum multiplied times the employee's years of service.

Participants with five years of participation service are eligible to retire at age 65. Senior executives have a different formula and a cap on considered years of service. Participants may retire at any age after 55 if they have 10 years of vesting service. Unreduced Early Retirement is available at age 62 if they have 10 years of vesting service. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately with an actuarial reduction. Death benefits are determined in the same manner as retirement benefits but are payable immediately with an actuarial reduction. An employee who leaves the employer's service may withdraw his or her contributions, plus any accumulated interest.

Effective October 1, 2006, participation in the pension plan became mandatory for full-time employees completing one-year of service on or after October 1, 2006. An amendment effective October 1, 2011, made plan participation voluntary for employees hired after that date. An amendment effective October 1, 2020, excluded employees hired after that date from plan participation.

The employees covered by the Plan at October 1, 2022 (measurement date), are:

Inactive employees or beneficiaries currently receiving benefits	575
Inactive employees entitled to but not yet receiving benefits	1,878
Active employees	<u>3,431</u>
Total	<u><u>5,884</u></u>

Contributions

The TCHD Board has the sole authority to establish and amend the contribution requirements of the active employees. TCHD's contributions are based on an actuarially determined rate recommended by an independent actuary. The actuarial determined rate is the established amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. TCHD is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For TCHD's fiscal year ended September 30, 2023, the average active employee contribution rate was 2.0% of annual pay, and TCHD's contribution rate was 6.25% of annual payroll.

TCHD's contribution is set to be 6.25% of participate payroll effective October 1, 2022, and will remain at that level as long as the amount thus determined is sufficient to pay the Employer Normal Cost and amortize the Unfunded Actuarial Liability (Net Pension Liability (Asset)) over a period of not more than 25 years. TCHD's contributions were 6.25% of estimated participant compensation for the plan year ending September 30, 2022. The average active employee contribution rate was 2.0% of annual pay for the plan year ending September 30, 2022. The costs of administering the plan are paid by the plan and are considered in the determination of the employer contribution rate.

Net Pension Liability (Asset)

TCHD's net pension liability (asset) was measured as of October 1, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

The total pension liability in the October 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	5.62%, average, including inflation
Ad hoc cost of living	Not included
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Society of Actuaries Pri-2012 Mortality Table, projected from the 2012 base year with Projection Scale MP-2021.

The actuarial assumptions used in the October 1, 2022, valuation were based on the results of an actuarial experience study for the period 2016-2021 for retirement rates, 2013-2022 for earnings progression, 2017-2022 for withdrawal rates, and 2018-2022 for form of payment.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.50%). In addition, the final 6.75% assumption reflected a reduction of 0.61% for adverse deviation and 0.20% for investment expenses.

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The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	60.0%	6.1%
International equity	15.0%	6.0%
Fixed income	24.0%	2.0%
Cash	1.0%	0.5%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.75% at October 1, 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the total pension liability, Plan fiduciary net position and the net pension liability (asset) (in thousands):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances as of September 30, 2022	\$ 405,504	\$ 431,770	\$ (26,266)
Changes for the year:			
Service cost	13,198	-	13,198
Interest on total pension liability	27,646	-	27,646
Difference between expected and actual experience	5,556	-	5,556
Contributions - employee	-	5,573	(5,573)
Contributions - employer	-	20,425	(20,425)
Net investment loss	-	(70,626)	70,626
Benefit payments, including refunds of employee contributions	(16,510)	(16,510)	-
Administrative expenses	(1,003)	(1,003)	-
Assumption changes	(4,425)	-	(4,425)
Net changes	<u>24,462</u>	<u>(62,141)</u>	<u>86,603</u>
Balances as of September 30, 2023	<u>\$ 429,966</u>	<u>\$ 369,629</u>	<u>\$ 60,337</u>

The net pension liability (asset) of TCHD has been calculated using a discount rate of 6.75% at October 1, 2022. The following presents the net pension liability (asset) using a discount rate 1% higher and 1% lower than the current rate (in thousands).

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability (asset)	\$ 118,093	\$ 60,337	\$ 13,037

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

For the year ended September 30, 2023, TCHD recognized pension expense of \$21,071,000. At September 30, 2023, TCHD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,805	\$ -
Employer contributions subsequent to the measurement date	18,861	-
Changes of assumptions	3,984	4,974
Net difference between projected and actual earnings on plan investments	46,740	-
Total	<u>\$ 78,390</u>	<u>\$ 4,974</u>

At September 30, 2023, TCHD reported \$18,861,000 as deferred outflows of resources related to pensions resulting from TCHD's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability at September 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2023, related to pensions will be recognized in pension expense as follows (in thousands):

Year Ended September 30:	Amount
2024	\$ 14,151
2025	11,553
2026	8,849
2027	<u>20,002</u>
Total	<u>\$ 54,555</u>

Pension Plan Fiduciary Net Position

As of October 1, 2022, the Plan's fiduciary net position was comprised of the following (in thousands):

Cash and cash equivalents	\$ 26,298
Investments, at fair value	
Mutual funds	337,298
Common/collective trust funds	211,273
103-12 investment fund	42,995
Total investments at fair value	591,566
Total plan fiduciary net position	\$ 617,864

TCHD's interest in the Plan net position as of the measurement date of October 1, 2022 was \$369,629,000.

Investment policy: Investment policy decisions are established and maintained by the Trustees of the THARP for Member Hospitals. The Trustees have several asset mix alternatives from which participating employers may choose in order to control risk. The Trustees employ and select investment managers with the advice of investment counsel which is completely independent of the investment managers.

The primary goal of a pension fund is to help pay the cost of the pension plan while providing adequate security to meet the benefits promised under the Plan. As a consequence, two important dimensions of a pension plan's investment program are expected return and expected risk.

The Plan's trustees diversify Plan investments among asset classes, recognizing that there is a relationship between the level of risk assumed in an investment program and the level of return that should be expected. Appropriate diversification better enables the trust to balance risk and return. The asset mix selected by TCHD is set forth below:

Asset Class/Style	Target Asset Mix
Large Cap U.S. equities	45%
Small Cap U.S. equities	15%
International equities	15%
Total equities	75%
Intermediate fixed income	24%
Cash	1%
Total Fixed Income	25%

The Trustees maintain a portfolio structure that may combine several active and passive management in order to balance the objectives of enhanced return and cost control.

Passive equity and fixed income portfolios invest in a substantially similar manner as that of the underlying benchmark.

Active equity managers have the following requirements:

- The equity portion of the portfolio should not be less than 90 percent of the portfolio, measured at market value.
- Equity holdings in any one economic sector should not exceed the greater of 30 percent of the portfolio or 10 percentage points above the sector weight in benchmark.
- Equity holdings in any single company (including common stock and convertible securities) should not exceed 10 percent of the portfolio.

Active Fixed Income managers have the following requirements:

- The primary investments should be government, corporate and mortgage securities.
- Holdings in obligations of any single entity (with the exception of the U.S. government and/or its agencies) should not exceed 5 percent of the portfolio.

The common collective trust fund investment objective is to approximate as closely as practicable, before expenses, to the performance of the S&P 500 Index over the long term.

The 103-12 investment fund objective is to approximate as closely as practicable to the performance of the MSCI EAFE Index.

Investment Rate of Return: The annual money-weighted rate of return on pension plan investments, net of expenses, which expresses net investment performance adjusted for changing amounts actually invested each month was (16.6)% for the 12 months ended October 1, 2022.

Credit Risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Plan's policy to limit its holdings in obligations of any single entity, excluding U.S. government and its agencies, to 5% of the portfolio.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the Plan's investments are held in trust accounts.

Concentration of Credit Risk: It is the Plan's policy to limit equity holdings in any one economic sector to the greater of 30% of the portfolio or 10% above the sector weight in the benchmark and limit equity holdings in any single company to 10% of the portfolio. Additionally, the Plan's policy limits holdings in fixed income obligations of any single entity, excluding U.S. government and its agencies, to 5% of the portfolio.

The following reflects the Plan's investments in single issuers that represent more than 5% of total investment:

State Street S&P 500 Index NL Fund	34.2%
Vanguard Small Cap Index	14.1%
PIMCO Total Return	12.6%
State Street Aggregate Bond Index NL Fund	12.3%
State Street Russell 1000 Index SL Fund	7.9%
Dodge & Cox International Stock	7.2%
Morgan Stanley International Equity Trust	7.0%

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

Following is a description of the valuation methodologies and inputs used for pension plan assets measured at fair value on a recurring basis, as well as the general classification of pension plan assets pursuant to the valuation hierarchy. The fair value of the pension plan assets at October 1, 2022 were as follows (in thousands):

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level	Carrying Amount			
Mutual funds	\$ 337,298	\$ 337,298	\$ -	\$ -
Total investments by fair value level	337,298	337,298	-	-
Investments measured at the net asset value (NAV) (A)				
Common/collective trust fund	211,273			
103-12 investment fund	42,995			
Total investments measured at the NAV	254,268			
Total investments at fair value	\$ 591,566			

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts disclosed for total plan investments at fair value.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Plan did not hold any Level 2 or 3 securities at October 1, 2022. The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) are presented as above. There were no unfunded commitments or redemption restrictions for these funds.

Other Benefit Plans

TCHD has an IRC Section 401(a) plan that includes an employer match calculated as 50% of an employee's contribution to the IRC Section 403(b) plan discussed below, up to 4% of pay. The contributions for the employer match on the plan were approximately \$11,080,000 for the fiscal year ended September 30, 2023.

In addition, TCHD offers its employees a tax deferred annuity plan created in accordance with IRC Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. All amounts of compensation deferred under the plan and income attributable to those amounts are solely the property of the employee. Thus, the plan amounts are not reported in the financial statements.

Also, TCHD offers its employees a tax deferred annuity plan created in accordance with IRC Section 403(b). The plan, available to all employees, permits them to defer a portion of their salary until future years. All amounts of compensation deferred under the plan and income attributable to those amounts are solely the

property of the employee. Thus, the plan amounts are not reported in the financial statements. Employee contributions were \$24,733,000 for the fiscal year ended September 30, 2023.

TCHD has a Governmental Excess Benefit Arrangement Plan for executives approved by the Board of Managers. This plan is to provide participants in the defined benefit plan that portion of a participant's benefits that would otherwise be payable under the terms of the defined benefit plan, except for the limitations on benefits imposed by Section 415(b) of the IRC. Contributions to this plan are included in cash, cash equivalents and investments and the plan liability is recorded in other noncurrent liabilities in the statement of net position. As of September 30, 2023, \$2,854,000 in contributions are included in cash, cash equivalents and investments and approximately \$4,553,000 was due under this plan. As of September 30, 2023, deferred inflows and outflows associated with this plan were \$16,000 and \$80,000, respectively. Approximately \$72,000 of benefit expense was recognized in fiscal year 2023.

(n) Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2023 (in thousands):

	Carrying Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. agency obligations	\$ 1,107,738	\$ 272,463	\$ 835,275	\$ -
U.S. Treasury obligations	316,159	316,159	-	-
Commercial paper	146,207	-	146,207	-
Money market mutual funds	105,343	105,343	-	-
Mutual funds	4,768	4,768	-	-
Total investments by fair value level	1,680,215	\$ 698,733	\$ 981,482	\$ -
Investment pool carried at amortized cost	183,538			
Total Investments	\$ 1,863,753			

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. TCHD held no Level 3 investments as of September 30, 2023.

21. MY HEALTH MY RESOURCES OF TARRANT COUNTY NOTES

(a) Summary of Significant Accounting Policies

Cash and Cash Equivalents

MHMRTC's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments, when applicable, are stated at fair value within the fair value hierarchy established by generally accepted accounting principles.

Patient Receivables

Patient receivables are uncollateralized noninterest bearing patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or,

if unspecified, are applied to the earliest unpaid claim. Accounts receivable from patients and insurance companies for services rendered are recorded at the amount actually collected within 90 days of year end.

Grants Receivable

Grant receivables represent contractual exchange transactions that are recognized as revenue as the services are performed or nonexchange operational grants. Management has not recorded an allowance on grants receivable as amounts are expected to be fully collected within the year.

Revenue

Net Patient and Client Service Revenue

MHMRTC has agreements with third-party payors that provide for payments to the MHMRTC at contractually agreed upon rates. Net patient and client service revenue is reported at the estimated net realizable amounts from patients, clients, and third-party payors, and others for services rendered. MHMRTC also entered into payment agreements with Medicare, certain commercial insurance carriers (managed care organizations) and other organizations. The basis for payment under these agreements is mostly based on fee for service arrangements.

For uninsured patients, MHMRTC recognizes revenue on the basis of its standard rates for services provided, adjusted for the minimum monthly fee provisions as mandated by the state of Texas. Revenue from Medicaid Waiver programs (such as 1115, Home Community Services, Texas Home Living, YES) are recognized when services are rendered. These programs are billed based on state negotiated rates. Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Grants

MHMRTC receives grants from private organizations and state and federal agencies. Revenues from grants are recognized when all eligibility requirements, including time requirements, are met.

Other Revenues

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Intergovernmental Transfer (IGT)

MHMRTC has enrolled in the Directed Payment Program (DPP) for Behavioral Health Services and, as of August 31, 2023, has sent HHSC intergovernmental transfer (IGT) in order to leverage federal funding. As DPP payments are received, the applicable amount of IGT offsets the IGT deposit. As of August 31, 2023, the outstanding prepaid IGT balance is \$3,137,730.

Prepaid Expenses

Certain payments to vendors reflect costs that benefit future reporting periods and are reported as prepaid expenses. Prepaid items are reported using the consumption method.

Capital Assets

Capital assets include property, plant and equipment. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are reported at acquisition

value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Building and improvements	10-40 years
Furniture and equipment	3-10 years
Vehicles	5 years

Right to use leased assets are recognized at the lease commencement date and represent MHMRTC's right to use an underlying asset for the lease term. MHMRTC recognized right to use assets with total rent payments exceeding \$25,000. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 6 years.

Compensated Absences

Full-time employees earn paid time off (PTO) for each pay period of work performed. Accrual of PTO hours is based on the number of years the individual is employed by MHMRTC. Employees may carryover PTO from year to year in graduated amounts ranging from 204 hours for employees with two years of service to 372 hours for employees with 15 years of service.

After two years of employment, vested PTO is paid upon termination of employment as follows: employees with two to five years of employment receive 50% of their PTO balance up to a maximum of 126 hours; employees with greater than five to ten years of employment receive 75% of their PTO balance up to maximum of 234 hours; employees with greater than ten to fifteen years of employment receive 85% of their PTO balance up to a maximum of 291 hours; employees with more than fifteen years of employment receive 100% of their PTO balance up to a maximum of 372 hours.

Certain employees hired prior to September 12, 2003 participate in an Extended Leave Bank (ELB). While these employees do not accrue any additional ELB hours, ELB hours accrued prior to September 12, 2003 may be used for personal illness, illness of a family member or health related appointments. ELB hours that are not used may be carried forward to subsequent years until fully utilized. ELB hours are not paid upon termination of employment. The General Fund has been used in prior years to liquidate the liability for compensated absences.

Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities. Lease liabilities represent MHMRTC's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by MHMRTC.

Source of Funds

Some funds from federal and other state sources represent fee for service reimbursements, as well as project grants. The funds that are specifically for individual patient service reimbursements are reported as local funds under patient fees or insurance reimbursements identified by source.

Risk Management

MHMRTC is exposed to various risks of loss related to general liability; tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; doctor's malpractice; cyber liability, and natural disasters. During fiscal year 2023, MHMRTC purchased commercial insurance to insure against these losses. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage in any of the past three fiscal years.

Implementation of GASB Statement No. 96

As of September 1, 2022, MHMRTC adopted GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset (an intangible asset) and a corresponding liability. The standard requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard, the Center recognized right of use subscription assets and subscription liabilities of \$3,244,201 as of September 1, 2022. As a result of these adjustments, there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes d, f, and g.

(b) Deposits and Investments**Cash and Time Deposits**

MHMRTC's policy requires deposits to be fully secured by collateral valued at market or par, whichever is lower, less the amount of federal deposit insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health. Collateral agreements must be approved prior to the deposit of funds. The Board of Trustees approves authorized depository institutions based on the recommendations of MHMRTC management.

At August 31, 2023, all of MHMRTC's deposits were covered by federal deposit insurance or by a collateral pledge agreement except for MHMR Visions which was undercollateralized by \$21,227.

Investments

The Public Funds Investment Act provides the primary legal basis for the investment of public funds. Following those parameters, MHMRTC's investment policy authorizes investments in obligations of the United States government, its agencies and instrumentalities, (but excluding mortgage backed securities); obligations of the State of Texas or its agencies or instrumentalities; other obligations which are unconditionally guaranteed or insured by, the State of Texas or the United States or their respective agencies and instrumentalities; obligations of agencies, counties, cities and other political subdivisions of the State of Texas having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; certificates of deposit, and other forms of deposit, issued by an institution with a main office or branch office in Texas that are fully insured or collateralized; fully collateralized repurchase agreements; AAA rated SEC registered government money market mutual funds, and constant dollar local government investment pools. During the year ended August 31, 2023, MHMRTC did not own any types of securities other than those permitted by statute.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, MHMRTC's investing activities are managed under the custody of the Chief Financial Officer. Investing is performed in accordance with investment policies adopted by the Board of Trustees complying with state statutes. MHMRTC policy emphasizes high quality investments and safety of principal with no perceived default risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. MHMRTC's investment policy requires short-term liquidity to absorb variable cash flow requirements. At least 10% of the total portfolio must be maintained in cash equivalent investments, or investments that mature within 30 days. The weighted average maturity for the portfolio will be less than 180 days and the maximum allowable maturity is limited to two years, except as specifically authorized by the Board. During the year ended August 31, 2023, MHMRTC did not own investments other than those permitted by policy.

Investments, when applicable, are stated at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. A summary of year-end investments follows (in thousands):

Investment Type	Fair Value	Percentage of Total	Credit Rating	Maturity	Fair Value Hierarchy
Annuity contracts	9,137,137	100.00 %	AA3	< 90 days	Level 1
Total	<u>\$ 9,137,137</u>	<u>100.0 %</u>			

(c) Receivables From Other Governments

Receivables from other governments are for reimbursement of expenditures and fees for service provided under various programs and grants. All amounts are expected to be collected within the next year. At year-end, MHMRTC had \$25,880,485 of receivables from other governments.

(d) Capital Assets

A summary of changes in capital asset balances for the fiscal year ended August 31, 2023, is as follows (in thousands):

	Balance September 1, 2022	Additions	Disposals	Prior Period Adjustment	Balance August 31, 2023
Nondepreciable assets					
Land	\$ 3,854	\$ 144	\$ -	\$ (121)	\$ 3,877
Land-restricted	989	-	-	-	989
Construction in progress	915	86	(889)	28	140
Subscription IT asset	-	240	-	-	240
Total nondepreciable assets	5,758	470	(889)	(93)	5,246
Depreciable assets					
Buildings and improvements	24,718	3,664	(374)	(231)	27,777
Buildings and improvements- restricted	3,617	-	-	-	3,617
Furniture and equipment	18,679	114	(4,258)	(52)	14,483
Vehicles	2,885	695	(223)	-	3,357
Total depreciable assets	49,899	4,473	(4,855)	(283)	49,234
Less accumulated depreciation					
Buildings and improvements	(14,089)	(1,028)	300	-	(14,817)
Buildings and improvements- restricted	(2,092)	(76)	-	-	(2,168)
Furniture and equipment	(15,355)	(2,057)	4,256	740	(12,416)
Vehicles	(2,262)	(190)	200	-	(2,252)
Total accumulated depreciation	(33,798)	(3,351)	4,756	740	(31,653)
Right of use leased assets					
Land	92	-	-	-	92
Buildings	4,095	3,717	(207)	-	7,605
Equipment	2,868	729	-	-	3,597
Total right of use leased assets	7,055	4,446	(207)	-	11,294
Less accumulated amortization					
Land	(15)	(15)	-	-	(30)
Buildings	(1,570)	(1,549)	207	-	(2,912)
Equipment	(319)	(1,080)	-	-	(1,399)
Total accumulated amortization	(1,904)	(2,644)	207	-	(4,341)
Right of use subscription IT assets					
Equipment	3,244	-	-	-	3,244
Total right of use subscription IT assets	3,244	-	-	-	3,244
Less accumulated amortization					
Equipment	-	(2,043)	-	-	(2,043)
Total accumulated amortization	-	(2,043)	-	-	(2,043)
Total capital assets, net	\$ 30,254	\$ 1,351	\$ (988)	\$ 364	\$ 30,981

Total depreciation and amortization expense is \$8,037,375.

(e) Unearned Revenue

Unearned revenue represents grants and contracts for certain programs to be earned in the future. Certain grant and contract revenue is recognized when expended. Grant and contract revenue received prior to expenditure is recorded as unearned revenue in the statement of net position and revenue is recorded at the time the revenue is considered earned. Total unearned revenue at year-end is \$1,909,852.

(f) Leases and Subscription-Based Information Technology Arrangements (SBITAs)

MHMRTC entered into various lease agreements as lessee for the use of land, buildings and equipment. As of August 31, 2023, the value of the lease liability was \$7,381,017. MHMRTC is required to make monthly principal and interest payments through lease termination which ranges from December 2023 to June 2028. The lease liability was valued using a discount rate ranging from 4.75% to 10.00% as determined by management based on MHMRTC's incremental borrowing rate. The total amount of right to use leased assets, and the related accumulated amortization on right to use leased assets was \$11,294,157 and \$4,341,545, respectively.

MHMRTC entered into two technology based subscription contracts that qualify as SBITAs under GASB 96. As of August 31, 2023, the value of the SBITA liability was \$1,427,405. The subscription period for both SBITAs expires in fiscal year 2024. The lease liability was valued using a discount rate of 7% as determined by management based on MHMRTC's incremental borrowing rate. Additionally, MHMRTC has made payments towards a future SBITA that anticipated implementation date is 2nd quarter FY 2024. The total amount of subscription IT assets, and the related accumulated amortization on right to use subscription IT assets was \$3,244,201 and \$2,042,441, respectively. There was also \$240,000 in work in progress at August 31, 2023.

(g) Long-Term Liabilities

The following is a summary of the changes in long-term obligations for MHMRTC for the fiscal year ended August 31, 2023 (in thousands):

	Balance September 1, 2022	Additions	Retirements	Balance August 31, 2023	Due Within One Year
Lease liability	\$ 5,518	\$ 4,446	\$ (2,583)	\$ 7,381	\$ 2,397
Subscription IT liability	3,244	-	(1,817)	1,427	1,427
Compensated absences	4,156	9,311	(8,658)	4,809	213
Total	\$ 12,918	\$ 13,757	\$ (13,058)	\$ 13,617	\$ 4,037

Remaining principle and interest payments on leases are as follows (in thousands):

Years ending August 31,	Lease Liability		Subscription IT Liability	
	Principal	Interest	Principal	Interest
2024	\$ 2,397	\$ 350	\$ 1,427	\$ 23
2025	2,260	197	-	-
2026	1,224	121	-	-
2027	1,237	51	-	-
2028	263	3	-	-
	<u>\$ 7,381</u>	<u>\$ 722</u>	<u>\$ 1,427</u>	<u>\$ 23</u>

(h) Pension Plan

MHMRTC administers two defined contributions plans: the first plan is closed and has one fully vested participant; the second plan is an active money purchase pension plan as defined under code section 401(a) of the Internal Revenue Service. The active defined contribution plan is identified as the Tarrant County MHMR Money Purchase Plan. Participation in the open plan is available to full-time employees who have completed one year of service. Employees contribute 5% of their compensation and the Center contributes 8% of employee compensation on behalf of participating employees. The plan is administered by Voya Financial. Participants begin to vest in the employer's contribution at the completion of one year of service with 100% vesting occurring after five years (20% graded vesting per year).

During the fiscal year, \$19,648 of employee forfeitures were used to reduce employer contributions. The amount remaining in the forfeiture account as of the close of the fiscal year was \$1,600. At year end, the amount due to the plan was \$320,556.

Contributions to the defined contribution retirement plan for the year were as follows (in thousands):

Plan	Employee	Employer	Total
Closed	\$ 1	\$ 1	\$ 2
Active	3,021	4,834	7,856
Total	<u>\$ 3,022</u>	<u>\$ 4,835</u>	<u>\$ 7,857</u>

(i) Deferred Compensation Plan

MHMRTC offers employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are more fully described below:

Non Matching Plan

This plan is available to all active MHMRTC employees. Employee elective deferrals are voluntary and permit them to defer a portion of their salary in accordance with maximum limits established by the Internal Revenue Code. Deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. In service withdrawals are available from fully vested balances upon attainment of age 70 ½. Employee contributions are always fully vested. This plan is administered by Voya Financial. At year end, the amount due to the plan was \$33,990.10. Employee contributions to the defined compensation plan for the year were \$938,296.84.

Matching Plan

Employees of MHMR who were hired on or before April 1, 2016 who were eligible to participate in the 401(a) Money Purchase Plan (identified in Note 14), but who did not elect to participate during their initial eligibility enrollment period or at any time prior to April 1, 2016 are eligible to participate in the MHMR 457 Deferred Compensation Matching Plan established by MHMR on July 25, 2017. Employees eligible for this plan who elect to participate contribute 5% of compensation and receive an 8% match from MHMR. Employee and employee contributions are 100% vested at the time of contribution. This plan is administered by Voya Financial. During the fiscal year, no employee forfeitures were used to reduce employer contributions. The amount remaining in the forfeiture account as of the close of the fiscal year was \$10,260. At year end, the amount due to the plan was \$37,612.68. Employee contributions to the matching plan for the year were \$250,442.85 with employer contributions to the plan totaling \$642,721.98.

(j) Health Care Coverage

MHMRTC established a partially self-funded health benefits plan for employee medical benefits. MHMRTC purchases commercial stop-loss coverage for medical claims in excess of \$225,000 per plan participant, per policy period. The policy Minimum Annual Aggregate Deductible limit is the greater of a) \$18,019,987; or b) 90% of the Monthly Aggregate Deductible for the first month of the Policy Year, then multiplied by 12. There is also an Aggregate Benefit Attachment Point limit for the Policy Year, which was \$24,317,883. At year-end, the final paid aggregate claims for the Policy Year were below the sum of the Monthly Aggregate Deductibles for the Policy Year. MHMRTC accounts for this activity in an internal service fund. This internal service fund reflects a claims liability in the amount of \$3,932,241 at year-end. This claims liability is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates a liability has been incurred at the date of the financial statements and the amount of the liability can be reasonably estimated. MHMRTC does not discount its claims liabilities. All claims liabilities are expected to be paid within one year.

Changes in the balance of the claims liability is as follows (in thousands):

	2022	2023
Unpaid claims, beginning of year	\$ 2,036	\$ 2,030
Incurred claims (including BNR)	21,230	29,242
Claims, premiums, and fee payments	<u>(21,236)</u>	<u>(27,340)</u>
Unpaid claims, end of year	<u>\$ 2,030</u>	<u>\$ 3,932</u>

(k) Commitments and Contingencies

MHMRTC has participated in a number of federal and state assisted grants programs. These programs are subject to financial and compliance audits by the grantors or their representatives and regulatory authorities. The purpose of the audits is to ensure compliance with conditions relating to the granting of funds and other reimbursement regulations. MHMRTC's management believes that any liability for reimbursement, which may arise as the result of these audits, will not be material to the financial position of MHMRTC. MHMRTC is subject to certain penalties in the event that performance targets are not met.

MHMRTC is involved in litigation arising in the ordinary course of business. It is MHMRTC management's belief that any liability resulting from such litigation would not be material in relation to MHMRTC's financial position.

(l) Permanently Restricted Capital Assets

The Texas Health and Human Services Commission (HHSC), formerly the Department of Aging and Disability Services (DADS), transferred title to five separate real estate properties to MHMRTC in return for the payoff of DADS bonded indebtedness in a prior year. These properties are used by MHMRTC to provide group home services to its patients. In addition, MHMRTC received title to another separate property from DADS to be used to provide program services. The deeds received for these properties contain a restriction that states if the properties cease to be utilized by MHMRTC to provide community-based mental health or disability services for a continuous period of more than 180 days, then title to the property reverts to HHSC as successor to DADS. In accordance with this deed restriction, MHMRTC reports the cost of these properties of \$4,605,775 as restricted capital assets within the building and improvements – restricted and land – restricted captions in Note (d). The net book value of these assets after depreciation is \$2,437,377.

(m) Patient Assistance Program

Consumers periodically receive prescription medications through a program known as the Patient Assistance Program (PAP). These prescriptions are provided at no cost to the consumer. These items do not meet the criteria for recognition on MHMRTC's financial statements; however, they do provide significant assistance to the consumers MHMRTC serves. Management estimates that consumers received prescription medications through this program valued at \$6,598,128 during the year ending August 31, 2023.

(n) Direct Payment Program and Charity Care Program

The State of Texas has been approved for a five-year Medicaid demonstration waiver (through September 30, 2016) that will enable hospitals and other providers to earn up to \$11.4 billion in funds for Delivery System Reform Incentive Payment (DSRIP) projects. DSRIP projects are designed to improve Texas' health care delivery system, including access to care, quality of care, and health outcomes. Texas has allocated a minimum of 10% of the DSRIP funds to the community mental health centers that serve mentally ill Medicaid and indigent patients throughout the state. An extension was granted until December 2017. On December 21, 2017, the Centers for Medicare & Medicaid Services (CMS) approved Texas HHSC's request to extend Texas' section 1115(a) demonstration project effective from January 1, 2019 through September 30, 2022. Under the new terms, there are two years of level funding, followed by two years of funding which will decrease each year. The program ended September 30, 2022.

In November 2021, CMS approved the Directed Payment Program for Behavioral Health Services (DPP BHS) to take the place of the DSRIP program, but community mental health centers (CMHC) are encouraged to continue successful DSRIP innovations. DPP BHS is a value-based payment program to promote and improve access to behavioral health services, care coordination, and successful care transitions. It also incentivizes continuation of services to Medicaid-enrolled individuals that are aligned with the Certified Community Behavioral Health Clinic (CCBHC) model of care.

DPP BHS payments will be included in MCO capitation rates and distributed through two components to enrolled CMHCs who meet program requirements. Component 1 is a uniform dollar increase issued in monthly payments to all qualifying providers participating in the program. As a condition of participation, providers will report on progress made toward certification or maintenance of CCBHC status. Enrolled providers will also be required to report on the implementation status of activities foundational to quality improvement, such as telehealth services, collaborative care, integration of physical and behavioral health, and improved data exchange. Component 2 is a uniform percent increase on certain CCBHC services based on achievement of quality metrics that align with CCBHC measures and goals. MHMRTC enrolled in this program and for the period of September 1, 2022 through August 31, 2023, has paid HHS two deposits of intergovernmental transfers (IGT) in the amount of \$5,910,673. MHMRTC has received or expects to receive

FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

payments of \$12,820,605 of which they have applied \$4,165,375 to IGT, recognized \$7,130,523 in revenue, and have reserved \$1,524,707. The reserve is an estimate based on a future settle-up across centers in the state of Component 1 and includes an estimate of \$928,162 of expense to be paid for FY 23 out of IGT in FY24. This IGT is recorded as Deposit IGT DPP and the reserve in accounts payable on the balance sheet in the Governmental Funds and in the Statement of net Position.

The effect of the fiscal year 2022 settle-up was additional revenue net of expenses of \$631,286 to MHMRTC in fiscal year 2023.

The State of Texas has also developed the Public Health Provider – Charity Care Program (PHP-CCP), which is designed to allow qualified providers to receive reimbursements for the cost of delivering healthcare services, including behavioral health services, when those services are not covered by other funding sources. This program is authorized under the 1115 waiver and year 1 included uncovered cost and the Medicaid shortfall. Year 2 will only include charity care. The Company recognized \$16,789,305 from the PHP-CCP in FY23 based on cost reports reporting FY 22 expenses.

REQUIRED SUPPLEMENTARY INFORMATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



BUDGETARY COMPARISON SCHEDULE GENERAL FUND (CONTINUED)

For the year ended September 30, 2023 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 505,760	\$ 505,760	\$ 505,674	\$ (86)
Licenses and permits	1,300	1,300	1,467	167
Fees of office	69,803	69,803	73,715	3,912
Intergovernmental	28,159	28,159	35,388	7,229
Investment income	9,102	9,102	28,606	19,504
Other revenues	14,065	14,065	10,078	(3,987)
Transfers	928	928	1,433	505
Total Revenues	<u>\$ 629,117</u>	<u>\$ 629,117</u>	<u>\$ 656,361</u>	<u>\$ 27,244</u>
EXPENDITURES:				
County Judge	\$ 1,071	\$ 1,071	\$ 1,018	\$ 53
County Administrator	3,558	3,558	3,426	132
Non-Departmental	239,511	243,073	149,030	94,043
Auditor	8,478	8,479	8,314	165
Budget/Risk Management	1,566	1,568	1,403	165
Tax Assessor / Collector	18,142	18,142	16,908	1,234
Elections Administration	10,832	10,832	8,528	2,304
Information Technology	54,088	54,102	47,128	6,974
Human Resources	4,280	4,293	3,625	668
Purchasing	2,853	2,856	2,693	163
Facilities	6,486	6,584	6,166	418
Sheriff	58,436	59,148	58,757	391
Sheriff - Confinement	106,976	109,466	109,261	205
Constable Precinct 1	1,539	1,540	1,447	93
Constable Precinct 2	1,437	1,490	1,488	2
Constable Precinct 3	1,746	1,758	1,753	5
Constable Precinct 4	1,240	1,244	1,140	104
Constable Precinct 5	1,114	1,114	1,110	4
Constable Precinct 6	1,093	1,093	1,070	23
Constable Precinct 7	1,598	1,598	1,520	78
Constable Precinct 8	1,474	1,481	1,425	56
Medical Examiner	16,050	16,044	14,148	1,896
Fire Marshal	481	498	491	7
Community Supervision	4,503	4,503	3,703	800
Juvenile Services	30,773	30,799	26,807	3,992
Buildings	28,356	28,338	27,752	586
17TH District Court	333	333	327	6
48TH District Court	331	360	356	4
67TH District Court	327	328	322	6
96TH District Court	329	329	317	12
141ST District Court	325	326	316	10
153RD District Court	341	341	333	8
236TH District Court	333	333	323	10

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)**
For the year ended September 30, 2023 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
342ND District Court	\$ 329	\$ 329	\$ 319	\$ 10
348TH District Court	329	329	323	6
352ND District Court	326	326	323	3
Criminal District Court 1	2,478	2,505	2,308	197
Criminal District Court 2	2,099	2,223	2,187	36
Criminal District Court 3	2,076	2,326	2,157	169
Criminal District Court 4	2,000	2,000	1,855	145
213TH District Court	2,483	2,683	2,633	50
297TH District Court	2,055	2,315	2,207	108
371ST District Court	2,466	3,016	2,930	86
372ND District Court	2,163	2,167	2,011	156
396TH District Court	2,720	2,729	2,697	32
432nd District Court	2,469	2,474	2,346	128
485TH District Court	2,541	2,612	2,329	283
Magistrate Court	2,640	2,948	2,889	59
231ST District Court	1,132	1,390	1,385	5
233RD District Court	1,946	1,947	1,817	130
322ND District Court	1,087	1,087	1,035	52
323RD District Court	3,272	3,625	2,184	1,441
324TH District Court	1,181	1,181	947	234
325TH District Court	1,112	1,147	1,038	109
360TH District Court	1,489	1,489	1,439	50
Special Judges	283	377	365	12
Criminal Court Administration	4,832	5,457	5,404	53
Grand Jury	238	238	236	2
Criminal Attorney Appointment	615	670	628	42
Criminal Mental Health Court	960	457	416	41
County Court at Law #1	681	684	675	9
County Court at Law #2	675	677	668	9
County Court at Law #3	660	660	551	109
County Criminal Court #1	1,158	1,238	1,200	38
County Criminal Court #2	1,147	1,278	1,192	86
County Criminal Court #3	1,081	1,191	1,072	119
County Criminal Court #4	1,052	1,192	1,058	134
County Criminal Court #5	1,339	1,364	1,158	206
County Criminal Court #6	890	1,090	1,063	27
County Criminal Court #7	934	1,134	1,064	70
County Criminal Court #8	912	1,112	1,018	94
County Criminal Court #9	930	1,330	1,099	231
County Criminal Court #10	807	1,042	982	60
Probate Court 1	2,599	2,600	2,493	107
Probate Court 2	2,337	2,337	2,254	83
Justice of the Peace Pct. 1	1,004	1,005	951	54
Justice of the Peace Pct. 2	1,027	1,034	972	62
Justice of the Peace Pct. 3	977	977	946	31

BUDGETARY COMPARISON SCHEDULE GENERAL FUND (CONCLUDED)

For the year ended September 30, 2023 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
Justice of the Peace Pct. 4	\$ 864	\$ 864	\$ 803	\$ 61
Justice of the Peace Pct. 5	892	952	948	4
Justice of the Peace Pct. 6	958	959	900	59
Justice of the Peace Pct. 7	1,073	1,089	1,036	53
Justice of the Peace Pct. 8	1,035	1,038	932	106
Criminal District Attorney	49,376	47,916	47,688	228
District Clerk	13,035	13,035	12,098	937
County Clerk	14,264	14,270	12,789	1,481
Domestic Relations	8,866	8,868	8,386	482
Jury Services	2,196	2,196	2,111	85
Courts / Judiciary	13,484	10,191	669	9,522
Human Services	4,655	4,655	3,184	1,471
Child Protective Services	2,553	2,553	2,269	284
Public Assistance	1,464	1,492	1,319	173
TX Cooperative Extension	811	813	796	17
Veterans Services	591	619	559	60
Historical Commission	362	478	255	223
Community Outreach	18,000	10,837	10,737	100
Central Garage	3,434	3,605	3,571	34
Total Expenditures	<u>\$ 815,444</u>	<u>\$ 815,444</u>	<u>\$ 680,279</u>	<u>\$ 135,165</u>

BUDGETARY COMPARISON SCHEDULE ROAD AND BRIDGE

For the year ended September 30, 2023 (Amounts in thousands)

	Road and Bridge			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 18,320	\$ 18,320	\$ 19,212	\$ 892
Intergovernmental	56	56	81	25
Investment income	280	280	774	494
Other revenues	212	212	1,315	1,103
Transfers	15,060	15,060	15,060	-
Total Revenues	<u>\$ 33,928</u>	<u>\$ 33,928</u>	<u>\$ 36,442</u>	<u>\$ 2,514</u>
EXPENDITURES:				
Commissioner Precinct 1	\$ 11,595	\$ 11,595	\$ 9,009	\$ 2,586
Commissioner Precinct 2	6,213	6,235	5,078	1,157
Commissioner Precinct 3	5,568	5,569	4,640	929
Commissioner Precinct 4	8,454	8,487	8,210	277
Right of Way	7,061	6,304	3,272	3,032
Transportation	4,622	5,353	3,783	1,570
Road and Bridge Non-Departmental	1,031	1,001	382	619
Total Expenditures	<u>\$ 44,544</u>	<u>\$ 44,544</u>	<u>\$ 34,374</u>	<u>\$ 10,170</u>

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION
For the year ended September 30, 2023**

1. Budgets and Budgetary Accounting

Tarrant County adheres to the following procedures in its consideration and adoption of its annual operating budget:

- Departmental annual budget requests are submitted by the department head to the County Budget Officer during the third quarter of the fiscal year for the upcoming fiscal year to begin October 1.
- The County Auditor prepares an estimate of available resources for the upcoming fiscal year.
- The County Budget Officer prepares the proposed annual operating budget to be presented to the Commissioners Court for their consideration. The budget represents the financial plan for the new fiscal year.
- Public hearings are held on the proposed budget.
- The Commissioners Court must adopt an annual operating budget by a majority vote of the Commissioners Court before September 30. To support the budget, property taxes are assessed on October 1, creating a legal enforceable claim. The adopted budget must be balanced; that is, available resources must be sufficient to support annual appropriations.
- The legal level of budgetary control is 10 categorical levels within each department. Commissioners Court may legally amend the budget. Management must seek approval of Commissioners Court to transfer appropriations between categories even within the same department.
- Some budgets are developed at a “sub-fund” level. These “sub-funds” may not be budgeted at the 10 categorical levels, but budgeted at the total “sub-fund” level.
- A separate budget report detailed to the legal level of control is available upon request or can be viewed at www.tarrantcountytx.gov under the Auditor department. The detailed budget report has “sub-funds” and contains more detail than the budget information provided within this report.
- Annual appropriated budgets are legally adopted for all funds except TCHFC, TCIDC and Grants Fund. The budget is prepared utilizing a modified cash basis of accounting, as allowed by state statutes. Beginning fund balance is budgeted as revenue, as required by state statutes.
- Encumbrances are used for budgetary basis accounting for the appropriated budgets. Encumbrances consume budget as an actual when a purchase order is issued. Encumbrances do not represent expenditures or liabilities for modified accrual basis until the goods or services are received.
- Unencumbered appropriations lapse at year-end for all funds.

- The financial statements are prepared in accordance with GAAP and, accordingly, there are differences between the amounts reported as revenues and expenditures in the financial statements and the amounts reflected in the budgetary comparison schedule.

2. Reconciliation to Fund Statements

For GAAP purposes, transfers are considered as other financing sources and are not considered revenues or expenditures. Also, for GAAP purposes, revenues are considered when measurable and available, therefore, some accruals are made for revenues. Additionally, encumbrances are not considered expenditures or liabilities. These are the primary differences in the financial statements prepared in accordance with GAAP and the budgetary comparison schedule. The following table illustrates the various components of these differences and their impact on the excess of revenues over expenditures for the governmental fund types (in thousands):

	General Fund	Road and Bridge
Revenues		
Budgetary Basis	\$ 656,361	\$ 36,442
Transfers in	(1,641)	(15,060)
Non-monetary donations not budget relevant	112	173
Available in 2023, received in 2024	(487)	-
Accrued in prior years, received in 2023	(621)	-
Not budget relevant transfer in of assets	208	-
Difference of amortized lease revenue and payments received	2	-
Revenues on modified accrual (GAAP) basis	<u>653,934</u>	<u>21,555</u>
Expenditures		
Budgetary Basis	680,279	34,374
Transfers out	(134,200)	(412)
Capital outlay for right to use software subscriptions	7,673	-
Incurred in prior years, paid in 2023	2,183	620
Incurred during 2023, payable in future years	(9,303)	(2,061)
Not budget relevant transfer in of assets	-	208
Not budget relevant entries including changes in prepaid, bad-debt, non-monetary donations, and inventory adjustments	(3,260)	1
Expenditures on modified accrual (GAAP) basis	<u>543,372</u>	<u>32,730</u>
Other Financing Sources (Uses)	<u>(124,886)</u>	<u>14,648</u>
Changes in fund balance on modified accrual (GAAP) basis	<u>\$ (14,324)</u>	<u>\$ 3,473</u>

A separate budget report detailed to the legal level of control is available upon request or can be viewed at www.tarrantcountytx.gov under the Auditor department. The detailed budget report has "sub-funds" and contains more detail than the budget information provided within this report.



REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
(Amounts in thousands)

	Year ended September 30				
	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 48,606	\$ 46,804	\$ 42,581	\$ 41,266	\$ 38,960
Contributions in relation to the actuarially determined contribution	71,445	65,014	59,618	56,181	53,353
Contribution (excess)	(22,839)	(18,210)	(17,037)	(14,915)	(14,393)
Covered payroll	\$ 366,385	\$ 333,404	\$ 305,731	\$ 288,105	\$ 273,603
Contributions as a percentage of covered payroll	19.50%	19.50%	19.50%	19.50%	19.50%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	4.8 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset valuation method	5 year smoothed fair value
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career, including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Plan Provisions Reflected in the Schedule *	Calendar year 2015: Employer contributions reflect a 50% CPI COLA adoption Calendar year 2016: No changes in plan provisions Calendar year 2017: Employer contributions reflect a 50% CPI COLA adoption Also, new Annuity Purchase rates were reflected for benefits earned after 2017 Calendar year 2018: Employer contributions reflect a 50% CPI COLA adoption Calendar year 2019: Employer contributions reflect a 1% flat COLA adoption Calendar year 2020: Employer contributions reflect a 1% flat COLA adoption Calendar year 2021: Employer contributions reflect a 1% flat COLA adoption Calendar year 2022: Employer contributions reflect a 1% flat COLA adoption
Changes in Assumptions Methods Reflected in the Schedule *	Calendar year 2015: New inflation, mortality and other assumptions reflected. Calendar year 2017: New mortality assumptions reflected. Calendar year 2019: New inflation, mortality and other assumptions reflected. Calendar year 2022: New investment return and inflation assumptions reflected.

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

2018	2017	2016	2015	2014
\$ 38,055	\$ 36,398	\$ 35,941	\$ 34,260	\$ 32,472
50,786	46,843	44,024	39,342	38,235
(12,731)	(10,445)	(8,083)	(5,082)	(5,763)
\$ 262,718	\$ 253,641	\$ 251,567	\$ 234,785	\$ 225,829
19.33%	18.47%	17.50%	16.76%	16.93%

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

(Amounts in thousands)

	Plan Year ended December 31		
	2022	2021	2020
Total Pension Liability			
Service cost	\$ 48,963	\$ 50,651	\$ 40,819
Interest on total pension liability	162,126	154,557	146,368
Effect of plan changes	-	-	-
Effect of assumption changes or inputs	-	(4,721)	115,425
Difference between expected and actual activity	5,566	(2,486)	2,915
Refunds of contributions	(3,776)	(2,591)	(2,845)
Benefit payments	(102,282)	(94,014)	(86,648)
Other	4,521	4,305	1,925
Net change in total pension liability	115,118	105,701	217,959
Total pension liability, beginning	2,131,806	2,026,105	1,808,146
Total pension liability, ending (a)	\$ 2,246,924	\$ 2,131,806	\$ 2,026,105
Fiduciary Net Position			
Employer contributions	\$ 68,277	\$ 60,188	\$ 58,920
Member contributions	24,566	21,607	21,174
Investment income (loss) net of investment expenses	(122,428)	380,241	163,464
Refunds of contributions	(3,776)	(2,591)	(2,845)
Benefit payments	(102,282)	(94,014)	(86,648)
Administrative expenses	(1,155)	(1,138)	(1,270)
Other	4,362	3,748	1,558
Net change in fiduciary net position	(132,436)	368,041	154,353
Fiduciary net position, beginning	2,103,217	1,735,176	1,580,823
Fiduciary net position, ending (b)	\$ 1,970,781	\$ 2,103,217	\$ 1,735,176
Net pension liability, ending = (a) - (b)	\$ 276,143	\$ 28,589	\$ 290,929
Fiduciary net position as a percentage of total pension liability	87.71%	98.66%	85.64%
Covered payroll	\$ 350,138	\$ 308,678	\$ 302,165
Net pension liability as a percentage of covered payroll	78.87%	9.26%	96.28%

TCDRS Annual Comprehensive Financial Report is available at www.tcds.org or PO Box 2034, Austin, Texas 78768-2034. The County implemented GASB 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available, therefore, ten years of data will accumulate over time.

2019	2018	2017	2016	2015	2014
\$ 39,404	\$ 39,155	\$ 38,878	\$ 39,393	\$ 37,283	\$ 35,951
138,573	135,469	129,570	120,402	113,517	105,804
-	(60,557)	-	-	(7,351)	-
-	-	(9,933)	-	21,317	-
940	(1,393)	(16,337)	(2,578)	(15,711)	(898)
(3,000)	(2,068)	(3,479)	(2,321)	(2,989)	(2,207)
(79,672)	(71,926)	(65,434)	(59,509)	(54,948)	(49,258)
3,642	1,780	1,703	1,600	1,503	-
99,887	40,460	74,968	96,987	92,621	89,392
1,708,259	1,667,799	1,592,831	1,495,844	1,403,223	1,313,831
\$ 1,808,146	\$ 1,708,259	\$ 1,667,799	\$ 1,592,831	\$ 1,495,844	\$ 1,403,223
\$ 53,560	\$ 51,604	\$ 47,657	\$ 42,720	\$ 41,529	\$ 33,317
19,241	18,518	17,817	17,094	16,662	16,120
224,572	(26,041)	178,077	84,033	(3,788)	72,724
(3,000)	(2,068)	(3,479)	(2,321)	(2,989)	(2,207)
(79,672)	(71,926)	(65,434)	(59,509)	(54,948)	(49,258)
(1,205)	(1,096)	(927)	(913)	(818)	(850)
2,792	1,513	1,247	4,229	517	31
216,288	(29,496)	174,958	85,333	(3,835)	69,877
1,364,535	1,394,031	1,219,073	1,133,740	1,137,575	1,067,698
\$ 1,580,823	\$ 1,364,535	\$ 1,394,031	\$ 1,219,073	\$ 1,133,740	\$ 1,137,575
\$ 227,323	\$ 343,724	\$ 273,768	\$ 373,758	\$ 362,104	\$ 265,648
87.43%	79.88%	83.59%	76.53%	75.79%	81.07%
\$ 274,656	\$ 264,548	\$ 254,133	\$ 244,001	\$ 237,309	\$ 228,675
82.77%	129.93%	107.73%	153.18%	152.59%	116.17%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
(Amounts in thousands)

	Measurement date September 30		
	2022	2021	2020
Total OPEB Liability			
Service cost	\$ 15,543	\$ 15,371	\$ 15,788
Interest cost	5,755	5,393	6,782
Difference between expected and actual activity	(19,712)	177	(34,069)
Effect of assumption changes or inputs	(46,686)	(1,601)	10,510
Benefit payments	(9,314)	(8,474)	(10,603)
Net change in total OPEB liability	(54,414)	10,866	(11,592)
Total OPEB liability, beginning	243,748	232,882	244,474
Total OPEB liability, ending (a)	\$ 189,334	\$ 243,748	\$ 232,882
Fiduciary Net Position			
Employer contributions	\$ 9,314	\$ 8,474	\$ 10,603
Benefit payments	(9,314)	(8,474)	(10,603)
Net change in fiduciary net position	-	-	-
Fiduciary net position, beginning	-	-	-
Fiduciary net position, ending (b)	-	-	-
Total OPEB liability, ending = (a) - (b)	\$ 189,334	\$ 243,748	\$ 232,882
Fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 288,682	\$ 274,981	\$ 265,682
Total OPEB liability as a percentage of covered employee payroll	65.59%	88.64%	87.65%

Notes to schedule

There are no assets in a qualifying trust, as defined by GASB 75, to pay related benefits.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2022	4.02%
2021	2.26%
2020	2.21%
2019	2.66%
2018	4.18%
2017	3.64%
2016	3.06%

The County implemented GASB 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available, therefore, ten years of data will accumulate over time.

The Total OPEB liability for measurement dates September 30, 2018 through September 30, 2021 were adjusted to correct OPEB actuarial calculation errors. See Note 1 for additional details

<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 12,527	\$ 16,282	\$ 12,432
8,953	8,449	7,137
762	(5,183)	-
24,675	(25,870)	(17,168)
(8,203)	(7,479)	(7,305)
<u>38,714</u>	<u>(13,801)</u>	<u>(4,904)</u>
 205,760	 219,561	 224,465
<u>\$ 244,474</u>	<u>\$ 205,760</u>	<u>\$ 219,561</u>
 \$ 8,203	 \$ 7,479	 \$ 7,305
<u>(8,203)</u>	<u>(7,479)</u>	<u>(7,305)</u>
 -	 -	 -
 -	 -	 -
<u>-</u>	<u>-</u>	<u>-</u>
 <u>\$ 244,474</u>	 <u>\$ 205,760</u>	 <u>\$ 219,561</u>
 0.00%	 0.00%	 0.00%
\$ 250,278	\$ 243,335	\$ 254,210
97.68%	84.56%	86.37%

DISCRETELY PRESENTED COMPONENT UNIT - TCHD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - TCHD
(Amounts in thousands)

Year ended September 30,	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2023	\$ 18,861	\$ 18,861	\$ -	\$ 301,779	6.25%
2022	20,425	20,425	-	326,804	6.25%
2021	20,153	20,153	-	322,441	6.25%
2020	18,225	18,225	-	291,597	6.25%
2019	17,281	17,281	-	276,493	6.25%
2018	17,305	17,305	-	256,366	6.75%
2017	14,443	14,443	-	213,963	6.75%
2016	13,579	13,579	-	201,170	6.75%
2015	12,313	12,313	-	182,418	6.75%
2014	11,625	11,625	-	178,847	6.50%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of October 1, which is the most recent valuation date prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	"Closed group" level dollar of payroll
Remaining amortization period	2 years at October 1, 2022; recalculated annually; employer contribution rate constant unless amortization period > 25 years or ≤ 0 years
Asset valuation method	5 year smoothed fair value
Inflation	2.50%
Salary increases	5.62%, average, including inflation
Investment rate of return	6.75% net of pension plan investment expenses, including inflation
Retirement age	62 (average)
Mortality	Pri-2012 Total Dataset Mortality Table, Projected from the 2012 base year using the MP-2021 mortality improvement scale

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



DISCRETELY PRESENTED COMPONENT UNIT - TCHD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS
(Amounts in thousands)

	Measurement date October 1		
	2022	2021	2020
Total Pension Liability			
Service cost	\$ 13,198	\$ 28,335	\$ 18,432
Interest on total pension liability	27,646	25,495	23,472
Changes of benefit terms	-	-	200
Effect of assumption changes or inputs	(4,425)	(2,375)	10,774
Difference between expected and actual activity	5,556	5,978	2,314
Benefit payments, including refunds of employee contributions	(16,510)	(16,330)	(13,021)
Administrative expenses	(1,003)	(1,053)	(1,110)
Net change in total pension liability	24,462	40,050	41,061
Total pension liability, beginning	405,504	365,454	324,393
Total pension liability, ending (a)	\$ 429,966	\$ 405,504	\$ 365,454
Fiduciary Net Position			
Employer contributions	\$ 20,425	\$ 20,153	\$ 18,225
Member contributions	5,573	5,476	5,258
Investment income (loss) net of investment expenses	(70,626)	82,016	19,485
Benefit payments, including refunds of employee contributions	(16,510)	(16,330)	(13,021)
Administrative expenses	(1,003)	(1,053)	(1,110)
Net change in fiduciary net position	(62,141)	90,262	28,837
Fiduciary net position, beginning	431,770	341,508	312,671
Fiduciary net position, ending (b)	\$ 369,629	\$ 431,770	\$ 341,508
Net pension liability/(asset), ending = (a) - (b)	\$ 60,337	\$ (26,266)	\$ 23,946
Fiduciary net position as a percentage of total pension liability	85.97%	106.48%	93.45%
Covered payroll	\$ 326,804	\$ 322,441	\$ 291,597
Net pension liability as a percentage of covered payroll	18.46%	-8.15%	8.21%

Notes to schedule:

Changes of assumptions:

1) Updated withdrawal rates, CPI, payment form and earnings progression assumption

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

2019	2018	2017	2016	2015	2014
\$ 17,647	\$ 15,429	\$ 12,604	\$ 12,028	\$ 12,181	\$ 11,556
21,612	19,526	17,416	15,931	14,805	12,953
-	184	-	-	-	-
(1,028)	8,396	(1,084)	(2,153)	(4,900)	6,650
1,073	4,775	5,794	1,523	1,720	(717)
(11,805)	(8,577)	(6,590)	(7,210)	(6,069)	(7,021)
(942)	(886)	(515)	(496)	-	-
26,557	38,847	27,625	19,623	17,737	23,421
297,836	258,989	231,364	211,741	194,004	170,583
\$ 324,393	\$ 297,836	\$ 258,989	\$ 231,364	\$ 211,741	\$ 194,004
\$ 17,281	\$ 17,305	\$ 14,443	\$ 13,579	\$ 12,313	\$ 11,625
4,956	2,314	1,933	1,805	1,641	1,575
10,602	25,385	29,994	20,967	(2,629)	20,134
(11,805)	(8,577)	(6,590)	(7,210)	(6,069)	(7,021)
(942)	(886)	(515)	(496)	(587)	(407)
20,092	35,541	39,265	28,645	4,669	25,906
292,579	257,038	217,773	189,128	184,459	158,553
\$ 312,671	\$ 292,579	\$ 257,038	\$ 217,773	\$ 189,128	\$ 184,459
\$ 11,722	\$ 5,257	\$ 1,951	\$ 13,591	\$ 22,613	\$ 9,545
96.39%	98.23%	99.25%	94.13%	89.32%	95.08%
\$ 276,493	\$ 256,366	\$ 213,963	\$ 201,170	\$ 182,418	\$ 178,847
4.24%	2.05%	0.91%	6.76%	12.40%	5.34%



NONMAJOR GOVERNMENTAL FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS - FUND DESCRIPTIONS

LAW LIBRARY FUND

This fund was established, pursuant to State statutes, to account for the collection and expenditure of monies collected in civil cases supporting the Tarrant County Law Library.

RECORDS PRESERVATION & AUTOMATION FUNDS

This fund was established, pursuant to State statutes, to account for the collection and expenditure of monies collected in court cases and from filing fees to allow for the preservation and automation of County Records.

EDUCATION FUND

This fund was established, pursuant to State statutes, to account for the collection and expenditure of monies collected to provide for the continuing education of those officials and employees associated with the probate courts and certain law enforcement officers.

PUBLIC HEALTH CONTRACT

The Tarrant County Hospital District provides funding for the operation of the Tarrant County Health Department in an effort to aggregate the cost of health service to Tarrant County residents. These funds are restricted. This fund also includes the Medicaid 1115 Waiver, this waiver is to enhance access to health care, increase the quality of care, improve the cost-effectiveness of care provided and better serve the health of the patients and their families. These funds are committed.

DISTRICT ATTORNEY CONTRACTS

These funds are used to account for monies collected by the District Attorney which are used in the investigation of criminal activities. These monies consist primarily of fees for bad checks and forfeited monies resulting from narcotics related convictions. These funds are restricted by State statutes.

SHERIFF CONTRACTS

These funds are used to account for monies collected by activities in the Sheriff Department. These activities include fees from operation of the jail commissary which are used for the benefit of the jail inmates. Monies are also collected from forfeitures resulting from narcotics related activities. These funds are restricted by State statutes.

MISCELLANEOUS CONTRACTS

These funds are used to account for monies received by Tarrant County as contributions for specified purposes. These funds may be restricted by the donor if not; they are committed for a specific purpose by the Commissioners Court.

COURT DESIGNATED FUNDS

These funds were established to account for the collection and expenditure of court ordered fees, pursuant to State statutes.

VEHICLE INVENTORY TAX FUND

This fund was established, pursuant to State statutes, to account for any earnings generated from the vehicle inventory tax, which the collector shall retain to defray the cost of collecting this tax.

CONSUMER HEALTH FUND

This fund was established, pursuant to State statutes, to account for the collection of food permit fees and expenditures incurred in connection with issuing permits and conducting inspections.

HOUSING FINANCE CORPORATION

The Housing Finance Corporation was organized exclusively for the purpose of benefiting and accomplishing public purpose of, and on behalf of, the County, by financing the cost of residential ownership and development that will provide decent, safe and sanitary housing for residents of the County at prices they can afford.

INDUSTRIAL DEVELOPMENT CORPORATION

The Industrial Development Corporation was organized to promote and develop commercial, industrial and manufacturing enterprises to promote and encourage employment and public welfare.



**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**
September 30, 2023 (Amounts in thousands)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
ASSETS					
Cash, cash equivalents, and investments	\$ 1,765	\$ 25,567	\$ 190	\$ 53,104	\$ 2,163
Other receivables, net of allowance for uncollectibles	-	-	-	514	-
Supplies and prepaid items	-	148	-	25	-
TOTAL ASSETS	\$ 1,765	\$ 25,715	\$ 190	\$ 53,643	\$ 2,163
LIABILITIES					
Accounts payable	\$ 37	\$ 563	\$ 28	\$ 370	\$ 153
Other liabilities	25	90	-	670	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	62	653	28	1,040	153
DEFERRED INFLOWS OF RESOURCES					
Deferred lease inflows	-	-	-	1,406	-
Total deferred inflows of resources	-	-	-	1,406	-
FUND BALANCES					
Nonspendable	-	148	-	25	-
Restricted:					
Law library	1,456	-	-	-	-
Records management	-	23,052	-	-	-
Education	-	-	162	-	-
Public health	-	-	-	6,828	-
Law enforcement and prosecution	-	-	-	-	1,827
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
VIT administration	-	-	-	-	-
Committed:					
Law library	247	-	-	-	-
Records management	-	1,862	-	-	-
Public health	-	-	-	44,344	-
Law enforcement and prosecution	-	-	-	-	183
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
Assigned:					
Economic development	-	-	-	-	-
Total fund balances	1,703	25,062	162	51,197	2,010
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,765	\$ 25,715	\$ 190	\$ 53,643	\$ 2,163

Sheriff Contracts	Miscellaneous Contracts	Court Designated Funds	Vehicle Inventory Tax	Consumer Health	Housing Finance Corporation	Industrial Development Corporation	Total
\$ 5,706	\$ 23,968	\$ 4,230	\$ 3,239	\$ 482	\$ 4,481	\$ 45	\$ 124,940
85	2,151	-	-	-	-	-	2,750
300	254	-	-	-	-	-	727
<u>\$ 6,091</u>	<u>\$ 26,373</u>	<u>\$ 4,230</u>	<u>\$ 3,239</u>	<u>\$ 482</u>	<u>\$ 4,481</u>	<u>\$ 45</u>	<u>\$ 128,417</u>
\$ 179	\$ 361	\$ 40	\$ -	\$ 2	\$ -	\$ -	\$ 1,733
94	320	33	3	34	-	-	1,269
-	294	-	-	-	-	-	294
-	359	-	-	-	-	-	359
<u>273</u>	<u>1,334</u>	<u>73</u>	<u>3</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>3,655</u>
-	-	-	-	-	-	-	1,406
-	-	-	-	-	-	-	1,406
300	254	-	-	-	-	-	727
-	-	-	-	-	-	-	1,456
-	-	-	-	-	-	-	23,052
-	-	-	-	-	-	-	162
-	29	-	-	349	-	-	7,206
4,798	758	-	-	-	-	-	7,383
-	5,341	-	-	-	-	-	5,341
-	307	3,702	-	-	-	-	4,009
-	-	-	3,236	-	-	-	3,236
-	-	-	-	-	-	-	247
-	-	-	-	-	-	-	1,862
-	12,433	-	-	97	-	-	56,874
720	123	-	-	-	-	-	1,026
-	5,672	-	-	-	-	-	5,672
-	122	455	-	-	-	-	577
-	-	-	-	-	4,481	45	4,526
<u>5,818</u>	<u>25,039</u>	<u>4,157</u>	<u>3,236</u>	<u>446</u>	<u>4,481</u>	<u>45</u>	<u>123,356</u>
<u>\$ 6,091</u>	<u>\$ 26,373</u>	<u>\$ 4,230</u>	<u>\$ 3,239</u>	<u>\$ 482</u>	<u>\$ 4,481</u>	<u>\$ 45</u>	<u>\$ 128,417</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fees of office	1,485	4,946	29	1,168	1
Intergovernmental	-	-	71	21,079	-
Investment income	70	1,206	-	2,350	82
Other revenues	50	-	-	325	891
Total revenues	1,605	6,152	100	24,922	974
EXPENDITURES:					
Current:					
General government	-	6,048	-	-	-
Public safety	-	-	196	-	-
Judicial	230	883	38	-	493
Community services	956	-	-	21,743	-
Capital outlay	14	91	-	1,986	149
Debt service:					
Principal payments	-	47	-	119	-
Interest and fiscal charges	-	-	-	1	-
Total expenditures	1,200	7,069	234	23,849	642
Excess (deficiency) of revenues over (under) expenditures	405	(917)	(134)	1,073	332
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	(515)	-	-	-
Leases (as lessee)	-	-	-	81	-
Total other financing sources (uses)	-	(515)	-	81	-
Change in fund balance	405	(1,432)	(134)	1,154	332
FUND BALANCES, beginning of year	1,298	26,494	296	50,043	1,678
FUND BALANCES, end of year	\$ 1,703	\$ 25,062	\$ 162	\$ 51,197	\$ 2,010

Sheriff Contracts	Miscellaneous Contracts	Court Designated Funds	Vehicle Inventory Tax	Consumer Health	Housing Finance Corporation	Industrial Development Corporation	Total
\$ -	\$ -	\$ -	\$ 214	\$ -	\$ -	\$ -	\$ 214
-	7	-	-	-	-	-	7
-	10,147	3,050	587	1,018	-	-	22,431
-	7,431	209	-	-	-	-	28,790
236	978	170	114	17	77	-	5,300
3,414	1,662	-	61	-	649	-	7,052
3,650	20,225	3,429	976	1,035	726	-	63,794
-	2,122	532	52	-	-	-	8,754
4,130	5,219	-	-	-	-	-	9,545
-	982	602	-	-	-	-	3,228
-	13,281	83	-	954	79	-	37,096
109	290	6	7	-	-	-	2,652
69	-	-	-	-	-	-	235
4	-	-	-	-	-	-	5
4,312	21,894	1,223	59	954	79	-	61,515
(662)	(1,669)	2,206	917	81	647	-	2,279
400	4,736	-	-	-	-	-	5,136
-	-	(1,433)	-	-	-	-	(1,948)
-	-	-	-	-	-	-	81
400	4,736	(1,433)	-	-	-	-	3,269
(262)	3,067	773	917	81	647	-	5,548
6,080	21,972	3,384	2,319	365	3,834	45	117,808
\$ 5,818	\$ 25,039	\$ 4,157	\$ 3,236	\$ 446	\$ 4,481	\$ 45	\$ 123,356



BUDGETARY COMPLIANCE

ANNUAL COMPREHENSIVE FINANCIAL REPORT, TARRANT COUNTY, TEXAS



SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - DEBT SERVICE

For the year ended September 30, 2023 (Amounts in thousands)

	Debt Service Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 42,706	\$ 42,706	\$ 42,613	\$ (93)
Investment income	330	330	899	569
Other	-	-	26	26
Total Revenues	<u>\$ 43,036</u>	<u>\$ 43,036</u>	<u>\$ 43,538</u>	<u>\$ 502</u>
EXPENDITURES:				
Debt service	\$ 44,714	\$ 44,714	\$ 43,211	\$ 1,503
Total Expenditures	<u>\$ 44,714</u>	<u>\$ 44,714</u>	<u>\$ 43,211</u>	<u>\$ 1,503</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS (CONTINUED)

For the year ended September 30, 2023 (Amounts in thousands)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 650	\$ 650	\$ 827	\$ 177
Investment income	5,265	5,265	18,745	13,480
Other revenues	-	183	1,137	954
Transfers/bond proceeds	97,306	98,627	98,702	75
Total Revenues	<u>\$ 103,221</u>	<u>\$ 104,725</u>	<u>\$ 119,411</u>	<u>\$ 14,686</u>
EXPENDITURES:				
County Judge	\$ -	\$ 1	\$ -	\$ 1
County Administrator	15	62	44	18
Non-Departmental	10,193	10,272	34	10,238
Auditor	3	3	2	1
Budget/Risk Management	-	4	3	1
Tax Assessor / Collector	124	124	120	4
Elections Administration	2,747	2,759	416	2,343
Information Technology	35,904	35,803	8,887	26,916
Human Resources	1	1	-	1
Purchasing	7	7	4	3
Facilities	38,918	38,041	931	37,110
Sheriff	1,153	1,202	498	704
Sheriff - Confinement	61	61	58	3
Constable Precinct 1	36	5	4	1
Constable Precinct 2	43	43	22	21
Constable Precinct 3	33	33	25	8
Constable Precinct 4	30	50	50	-
Constable Precinct 5	46	47	37	10
Constable Precinct 6	51	51	30	21
Constable Precinct 7	28	43	43	-
Constable Precinct 8	65	65	54	11
Medical Examiner	373	369	40	329
Community Supervision	24	24	9	15
Juvenile Services	93	129	126	3
Buildings	85,306	86,015	7,804	78,211
322ND District Court	-	3	2	1
324TH District Court	-	2	2	-
360TH District Court	-	3	3	-
Criminal Court Administration	41	89	27	62
Grand Jury	5	5	-	5
Probate Court 1	-	2	2	-
Justice of the Peace Pct. 1	6	6	6	-
Justice of the Peace Pct. 4	-	3	-	3
Justice of the Peace Pct. 5	-	1	1	-
Justice of the Peace Pct. 6	2	2	1	1
Justice of the Peace Pct. 7	1	1	1	-

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - CAPITAL PROJECTS (CONCLUDED)

For the year ended September 30, 2023 (Amounts in thousands)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
Criminal District Attorney	\$ 62	\$ 62	\$ 59	\$ 3
District Clerk	8	8	6	2
County Clerk	82	83	45	38
Domestic Relations	11	15	13	2
Jury Services	-	2	1	1
Courts / Judiciary	75	18	1	17
Human Services	4	-	-	-
Historical Commission	-	171	137	34
Commissioner Precinct 1	3,078	3,686	2,266	1,420
Commissioner Precinct 2	4,160	4,276	1,285	2,991
Commissioner Precinct 3	582	612	400	212
Commissioner Precinct 4	2,803	2,914	1,731	1,183
Transportation	248,928	249,428	53,859	195,569
Total Expenditures	<u>\$ 435,102</u>	<u>\$ 436,606</u>	<u>\$ 79,089</u>	<u>\$ 357,517</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

Law Library				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,250	\$ 1,250	\$ 1,485	\$ 235
Investment income	18	18	70	52
Other revenues	10	10	50	40
Total Revenues	<u>\$ 1,278</u>	<u>\$ 1,278</u>	<u>\$ 1,605</u>	<u>\$ 327</u>
EXPENDITURES:				
Law Library	\$ 2,092	\$ 1,800	\$ 972	\$ 828
Judicial Law Library	175	467	231	236
Total Expenditures	<u>\$ 2,267</u>	<u>\$ 2,267</u>	<u>\$ 1,203</u>	<u>\$ 1,064</u>

Records Preservation and Automation				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 5,615	\$ 5,615	\$ 4,946	\$ (669)
Investment income	431	431	1,206	775
Total Revenues	<u>\$ 6,046</u>	<u>\$ 6,046</u>	<u>\$ 6,152</u>	<u>\$ 106</u>
EXPENDITURES:				
Non-Departmental	\$ -	\$ 368	\$ -	\$ 368
Information Technology	650	282	257	25
District Clerk	1,861	1,861	678	1,183
County Clerk	29,230	29,230	7,218	22,012
Total Expenditures	<u>\$ 31,741</u>	<u>\$ 31,741</u>	<u>\$ 8,153</u>	<u>\$ 23,588</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

Education				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 28	\$ 28	\$ 29	\$ 1
Intergovernmental	-	71	71	-
Total Revenues	<u>\$ 28</u>	<u>\$ 99</u>	<u>\$ 100</u>	<u>\$ 1</u>
EXPENDITURES:				
Sheriff	\$ 110	\$ 165	\$ 159	\$ 6
Sheriff-Confinement	50	54	42	12
Constable Precinct 1	-	1	-	1
Constable Precinct 2	7	8	3	5
Constable Precinct 3	2	3	3	-
Constable Precinct 4	9	10	4	6
Constable Precinct 5	6	8	3	5
Constable Precinct 6	8	9	1	8
Constable Precinct 7	8	9	2	7
Constable Precinct 8	2	3	3	-
Fire Marshal	-	1	-	1
Probate Court 1	57	55	9	46
Probate Court 2	52	49	2	47
Criminal District Attorney	-	3	3	-
Courts / Judiciary	-	5	5	-
Total Expenditures	<u>\$ 311</u>	<u>\$ 383</u>	<u>\$ 239</u>	<u>\$ 144</u>
Public Health				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 862	\$ 862	\$ 1,168	\$ 306
Intergovernmental	13,147	13,147	21,079	7,932
Investment income	500	500	2,350	1,850
Total Revenues	<u>\$ 14,509</u>	<u>\$ 14,509</u>	<u>\$ 24,597</u>	<u>\$ 10,088</u>
EXPENDITURES:				
Non-Departmental	\$ 32,558	\$ 29,461	\$ -	\$ 29,461
Buildings	174	369	181	188
Public Health	26,944	29,846	21,925	7,921
Total Expenditures	<u>\$ 59,676</u>	<u>\$ 59,676</u>	<u>\$ 22,106</u>	<u>\$ 37,570</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

District Attorney				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ -	\$ -	\$ 1	\$ 1
Investment income	25	25	81	56
Other revenues	-	-	892	892
Total Revenues	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 974</u>	<u>\$ 949</u>
EXPENDITURES:				
District Attorney	\$ 1,247	\$ 1,247	\$ 590	\$ 657
Total Expenditures	<u>\$ 1,247</u>	<u>\$ 1,247</u>	<u>\$ 590</u>	<u>\$ 657</u>

Sheriff Contracts				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Investment income	\$ 88	\$ 88	\$ 237	\$ 149
Other revenues	1,620	1,620	3,414	1,794
Transfer	400	400	400	-
Total Revenues	<u>\$ 2,108</u>	<u>\$ 2,108</u>	<u>\$ 4,051</u>	<u>\$ 1,943</u>
EXPENDITURES:				
Sheriff	\$ 1,147	\$ 1,147	\$ 591	\$ 556
Sheriff - Confinement	6,195	6,195	3,692	2,503
Total Expenditures	<u>\$ 7,342</u>	<u>\$ 7,342</u>	<u>\$ 4,283</u>	<u>\$ 3,059</u>

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS**
For the year ended September 30, 2023 (Amounts in thousands)

	Miscellaneous Contracts			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Licenses and permits	\$ 7	\$ 7	\$ 7	\$ -
Fees of office	9,249	9,273	10,148	875
Intergovernmental	817	2,708	7,431	4,723
Investment income	293	293	978	685
Other revenues	1,121	1,191	1,662	471
Transfer	4,500	4,502	4,736	234
Total Revenues	<u>\$ 15,987</u>	<u>\$ 17,974</u>	<u>\$ 24,962</u>	<u>\$ 6,988</u>
EXPENDITURES:				
County Administrator	\$ 7	\$ 7	\$ -	\$ 7
Non-Departmental	2,446	2,450	133	2,317
Elections Administration	946	2,816	1,871	945
Self Insurance	1,499	1,499	355	1,144
Sheriff	2	2	-	2
Constable Precinct 7	20	20	1	19
Medical Examiner	26	26	1	25
Fire Marshal	732	732	109	623
Community Supervision	5,475	5,475	5,112	363
Juvenile Services	353	353	24	329
Buildings	100	100	-	100
Criminal Court Administration	24	46	38	8
Veterans Diversion Court	14	14	3	11
Criminal District Attorney	697	717	717	-
Domestic Relations	7	7	3	4
8th Admin Judicial Region	140	142	130	12
Public Health	22,106	22,106	13,618	8,488
Human Services	37	107	64	43
Child Protective Services	171	171	78	93
Public Assistance	43	43	24	19
Historical Commission	65	65	3	62
Total Expenditures	<u>\$ 34,910</u>	<u>\$ 36,898</u>	<u>\$ 22,284</u>	<u>\$ 14,614</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

	Court Designated			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 2,447	\$ 2,788	\$ 3,050	\$ 262
Intergovernmental	80	80	209	129
Investment income	56	56	170	114
Total Revenues	<u>\$ 2,583</u>	<u>\$ 2,924</u>	<u>\$ 3,429</u>	<u>\$ 505</u>
EXPENDITURES:				
County Administrator	\$ 2,303	\$ 2,248	\$ 423	\$ 1,825
Non Departmental	1,443	1,734	1,542	192
Information Technology	448	448	6	442
Juvenile Services	3	3	-	3
Buildings	-	55	-	55
233rd District Court	117	117	10	107
360TH District Court	119	119	83	36
Appeals Court	185	235	206	29
Criminal Court Administration	197	197	171	26
Probate Court 1	480	480	67	413
Probate Court 2	400	400	65	335
Public Health	83	83	83	-
Total Expenditures	<u>\$ 5,778</u>	<u>\$ 6,119</u>	<u>\$ 2,656</u>	<u>\$ 3,463</u>

	Vehicle Inventory Tax			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 180	\$ 180	\$ 213	\$ 33
Fees of office	30	30	588	558
Investment income	35	35	114	79
Other	-	-	61	61
Total Revenues	<u>\$ 245</u>	<u>\$ 245</u>	<u>\$ 976</u>	<u>\$ 731</u>
EXPENDITURES:				
Tax Assessor/Collector	\$ 2,415	\$ 2,415	\$ 56	\$ 2,359
Total Expenditures	<u>\$ 2,415</u>	<u>\$ 2,415</u>	<u>\$ 56</u>	<u>\$ 2,359</u>

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS**

For the year ended September 30, 2023 (Amounts in thousands)

	Consumer Health			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,030	\$ 1,030	\$ 1,018	\$ (12)
Investment income	4	4	17	13
Total Revenues	<u>\$ 1,034</u>	<u>\$ 1,034</u>	<u>\$ 1,035</u>	<u>\$ 1</u>
EXPENDITURES:				
Public Health	\$ 1,281	\$ 1,281	\$ 954	\$ 327
Total Expenditures	<u>\$ 1,281</u>	<u>\$ 1,281</u>	<u>\$ 954</u>	<u>\$ 327</u>



INTERNAL SERVICE FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



**INTERNAL SERVICE FUNDS
FUND DESCRIPTIONS****EMPLOYEE BENEFITS FUND**

This fund was established to account for Tarrant County employee benefits (e.g., medical, dental and life insurance).

SELF INSURANCE FUND

These funds were established to account for County self-insured general liability, law enforcement, public officials' error and omissions, medical malpractice and automobile physical damage.

WORKERS' COMPENSATION FUND

This fund was established to account for workers' compensation claims.

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

September 30, 2023 (Amounts in thousands)

	Employee Benefits	Self Insurance	Workers Compensation	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 37,480	\$ 13,661	\$ 5,387	\$ 56,528
Other receivables, net of allowance for uncollectibles	5,775	8	-	5,783
Prepaid expenses and inventory	199	-	140	339
Total current assets	43,454	13,669	5,527	62,650
LIABILITIES				
Current liabilities:				
Accounts payable	668	1,228	492	2,388
Other liabilities	4,420	2	-	4,422
Unearned revenue	124	-	-	124
Other long term liabilities-current portion	-	630	3,355	3,985
Total current liabilities	5,212	1,860	3,847	10,919
Noncurrent liabilities:				
Other noncurrent liabilities	-	3,551	10,665	14,216
Total noncurrent liabilities	-	3,551	10,665	14,216
Total liabilities	5,212	5,411	14,512	25,135
NET POSITION				
Unrestricted	38,242	8,258	(8,985)	37,515
Total net position	\$ 38,242	\$ 8,258	\$ (8,985)	\$ 37,515

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

	Employee Benefits	Self Insurance	Workers Compensation	Total
<u>OPERATING REVENUES</u>				
Charges for services - external	\$ 19,627	\$ -	\$ -	\$ 19,627
Charges for services - internal	47,219	-	3,340	50,559
Other revenues	9,348	30	357	9,735
Total operating revenues	76,194	30	3,697	79,921
<u>OPERATING EXPENSES</u>				
Building and equipment	3	46	-	49
Self insurance claims	68,710	1,912	3,328	73,950
Insurance premiums	2,964	-	-	2,964
Other expenses	5,228	2,243	532	8,003
Total operating expenses	76,905	4,201	3,860	84,966
Operating income (loss)	(711)	(4,171)	(163)	(5,045)
<u>NONOPERATING REVENUES</u>				
Investment income	1,780	610	228	2,618
Total nonoperating revenues	1,780	610	228	2,618
Income (loss) before transfers	1,069	(3,561)	65	(2,427)
Transfers in	-	10,000	-	10,000
Transfers out	(1,031)	-	-	(1,031)
Change in net position	38	6,439	65	6,542
Net position - beginning	38,204	1,819	(9,050)	30,973
Net position (deficit) - ending	<u>\$ 38,242</u>	<u>\$ 8,258</u>	<u>\$ (8,985)</u>	<u>\$ 37,515</u>

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

	Employee Benefits	Self Insurance	Workers Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and employees	\$ 26,837	\$ 26	\$ 357	\$ 27,220
Receipts from interfund charges	47,219	-	3,340	50,559
Payments for claims and judgments	(76,451)	(1,019)	(3,734)	(81,204)
Net cash used in operating activities	(2,395)	(993)	(37)	(3,425)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income, net	1,780	610	228	2,618
Net cash provided by investing activities	1,780	610	228	2,618
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	10,000	-	10,000
Transfers out	(1,031)	-	-	(1,031)
Net cash provided by (used in) noncapital financing activities	(1,031)	10,000	-	8,969
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,646)	9,617	191	8,162
CASH AND CASH EQUIVALENTS, beginning of year	39,126	4,044	5,196	48,366
CASH AND CASH EQUIVALENTS, end of year	\$ 37,480	\$ 13,661	\$ 5,387	\$ 56,528
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Income (loss) from operations	\$ (711)	\$ (4,171)	\$ (163)	\$ (5,045)
Changes in assets and liabilities:				
Other receivables	(2,146)	(4)	-	(2,150)
Prepaid expenses and inventory	47	-	-	47
Accounts payable	169	1,149	387	1,705
Other liabilities	238	2,033	(261)	2,010
Unearned revenue	8	-	-	8
Net cash used in operating activities	\$ (2,395)	\$ (993)	\$ (37)	\$ (3,425)

FIDUCIARY FUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT, TARRANT COUNTY, TEXAS



**FIDUCIARY FUNDS
FUND DESCRIPTIONS****CUSTODIAL FUNDS:****STATE COMPTROLLER FUND**

This fund was established to account for monies received on behalf of, and subsequently remitted to the State Comptroller.

OTHER CUSTODIAL FUNDS

This fund was established to report assets held in a fiduciary capacity for others and includes property taxes collected and remitted for other entities, statutory fees collected on behalf of other governments, funds held in the registry of the court awaiting judicial order to disburse, cash and securities posted as collateral for securing bail bonds, monies deposited on account for inmate commissary purchases and funds seized by law enforcement agencies.

COMMUNITY SUPERVISION & CORRECTIONS FUND

This fund was established to account for the activities of a State agency with funds in the County depository.

COMBINING STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

September 30, 2023 (Amounts in thousands)

	Custodial Funds			
	State Comptroller	Other Custodial	Community Supervision & Corrections	Total
<u>ASSETS</u>				
Cash, cash equivalents, and investments	\$ 19,940	\$ 101,250	\$ 12,048	\$ 133,238
Other receivables	-	2	1	3
Total assets	19,940	101,252	12,049	133,241
<u>LIABILITIES</u>				
Accounts payable	-	293	385	678
Held for others	-	12,351	322	12,673
Due to other government agencies	19,940	26,537	11,342	57,819
Total liabilities	19,940	39,181	12,049	71,170
<u>NET POSITION</u>				
Restricted for:				
Individuals, organizations, and other governments	-	62,071	-	62,071
Total net position	\$ -	\$ 62,071	\$ -	\$ 62,071

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended September 30, 2023 (Amounts in thousands)

	Custodial Funds			
	State Comptroller	Other Custodial	Community Supervision & Corrections	Total
ADDITIONS				
Property tax collections for other governments	\$ -	\$ 5,069,175	\$ -	\$ 5,069,175
Vehicle registration fees collected for state	751,348	-	-	751,348
Judicial/statutory ordered collections due to others	5,614	41,476	1,486	48,576
Collateral/escrow deposits from bondsmen	-	744	-	744
Inmate commissary deposits	-	10,915	-	10,915
Seizures by law enforcement agencies	-	2,938	-	2,938
State grant/program revenue	-	-	21,611	21,611
Interest earnings	-	1,187	509	1,696
Total additions	756,962	5,126,435	23,606	5,907,003
DEDUCTIONS				
Property taxes due to other governments	-	5,069,175	-	5,069,175
Vehicle registration due to state	751,348	-	-	751,348
Payments due under judicial order/statute	5,614	41,608	1,486	48,708
Release of collateral/escrow held for bondsmen	-	797	-	797
Inmate commissary funds	-	10,915	-	10,915
State grant/program revenue	-	-	22,120	22,120
Total deductions	756,962	5,122,495	23,606	5,903,063
Net increase in fiduciary net position	-	3,940	-	3,940
Net position - beginning	-	58,131	-	58,131
Net position - ending	\$ -	\$ 62,071	\$ -	\$ 62,071



STATISTICAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT, [TARRANT COUNTY, TEXAS](#)



TABLE OF CONTENTS

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

FINANCIAL TRENDS	138
<p>These schedules contain trend information to aid in understanding how the County's financial performance and well being have changed over time.</p> <p>The first three schedules relate to government wide; the remaining schedules relate to fund information.</p>	
REVENUE CAPACITY	148
<p>These schedules contain information to aid in assessing the factors affecting the County's ability to generate its property taxes, its most significant local revenue source.</p>	
DEBT CAPACITY	156
<p>These schedules present information to aid in assessing the County's current debt levels and its ability to issue additional debt in the future.</p>	
DEMOGRAPHIC AND ECONOMIC INFORMATION	162
<p>These schedules offer demographic and economic indicators to aid in understanding the environment within which the County's financial activities take place.</p>	
OPERATING INFORMATION	164
<p>These schedules contain information about the County's operations and resources to aid in understanding how the County's financial information relates to the services the County provides and the activities it performs.</p>	

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(Accrual basis of accounting)

(Amounts in thousands)

	FISCAL YEAR				
	2014	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾
Governmental activities:					
Net investment in capital assets	\$ 214,058	\$ 205,217	\$ 242,704	\$ 263,098	\$ 351,713
Restricted	23,439	35,733	27,460	56,753	31,287
Unrestricted	12,510	(211,929)	(251,868)	(312,227)	(413,157)
Total governmental activities net position (deficit)	<u>\$ 250,007</u>	<u>\$ 29,021</u>	<u>\$ 18,296</u>	<u>\$ 7,624</u>	<u>\$ (30,157)</u>
Business-type activities:					
Net investment in capital assets	\$ 4,567	\$ 4,302	\$ 4,480	\$ 4,301	\$ 4,095
Unrestricted	1,638	843	890	1,057	823
Total business-type activities net position	<u>\$ 6,205</u>	<u>\$ 5,145</u>	<u>\$ 5,370</u>	<u>\$ 5,358</u>	<u>\$ 4,918</u>
Primary government:					
Net investment in capital assets	\$ 218,625	\$ 209,519	\$ 247,184	\$ 267,399	\$ 355,808
Restricted	23,439	35,733	27,460	56,753	31,287
Unrestricted	14,148	(211,086)	(250,978)	(311,170)	(412,334)
Total primary government net position (deficit)	<u>\$ 256,212</u>	<u>\$ 34,166</u>	<u>\$ 23,666</u>	<u>\$ 12,982</u>	<u>\$ (25,239)</u>

- (1) The County implemented GASB 68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.
- (2) The County implemented GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.
- (3) Balances presented for the 2019 through 2022 fiscal years were adjusted to correct OPEB actuarial calculation errors. See Note 1 for additional details

TABLE I

2019 ⁽³⁾	2020 ⁽³⁾	2021 ⁽³⁾	2022 ⁽³⁾	2023
\$ 365,058	\$ 374,709	\$ 378,073	\$ 400,372	\$ 434,572
34,488	45,417	52,361	54,084	50,203
(361,924)	(294,115)	(200,551)	(92,397)	26,044
<u>\$ 37,622</u>	<u>\$ 126,011</u>	<u>\$ 229,883</u>	<u>\$ 362,059</u>	<u>\$ 510,819</u>
\$ 4,154	\$ 3,888	\$ 3,936	\$ 3,651	\$ 3,443
758	1,103	1,872	2,483	3,081
<u>\$ 4,912</u>	<u>\$ 4,991</u>	<u>\$ 5,808</u>	<u>\$ 6,134</u>	<u>\$ 6,524</u>
\$ 369,212	\$ 378,597	\$ 382,009	\$ 404,023	\$ 438,015
34,488	45,417	52,361	54,084	50,203
(361,166)	(293,012)	(198,679)	(89,914)	29,125
<u>\$ 42,534</u>	<u>\$ 131,002</u>	<u>\$ 235,691</u>	<u>\$ 368,193</u>	<u>\$ 517,343</u>

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Accrual basis of accounting)

(Amounts in thousands)

	FISCAL YEAR				
Expenses	2014	2015	2016	2017	2018
Governmental activities:					
General government	\$ 127,883	\$ 143,920	\$ 145,969	\$ 157,056	\$ 151,006
Public safety	127,787	132,926	145,216	159,812	155,980
Transportation support	32,234	38,500	37,363	36,952	49,564
Judicial	157,483	162,219	174,043	182,028	182,031
Community services	78,405	82,042	92,572	99,256	93,103
Interest and fiscal charges	14,124	16,066	13,275	10,435	8,701
Total governmental activities expenses	537,916	575,673	608,438	645,539	640,385
Business-type activities:					
Resource Connection	3,699	3,735	3,453	3,496	3,210
Total primary government expenses	541,615	579,408	611,891	649,035	643,595
Program Revenues ⁽¹⁾					
Governmental activities:					
Fees, Fines, and Charges for Services	119,321	126,633	131,550	131,310	132,839
Operating Grants and Contributions	80,696	88,776	85,747	99,132	87,599
Capital Grants and Contributions	347	1,728	1,318	3,579	642
Total governmental activities program revenues	200,364	217,137	218,615	234,021	221,080
Business-type activities:					
Resource Connection	3,138	3,092	3,292	3,284	3,284
Total primary government program revenues	203,502	220,229	221,907	237,305	224,364
Net (Expenses)/Revenue					
Governmental activities	(337,552)	(358,536)	(389,823)	(411,518)	(419,305)
Business-type activities	(561)	(643)	(161)	(212)	74
Total primary government net expenses	\$ (338,113)	\$ (359,179)	\$ (389,984)	\$ (411,730)	\$ (419,231)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 335,242	\$ 350,708	\$ 363,964	\$ 384,555	\$ 403,618
Alcoholic beverage, bingo and other taxes	9,110	11,136	10,953	10,943	11,321
Grants and contributions not restricted to specific programs	-	-	-	-	-
Unrestricted investment earnings	1,151	1,134	2,188	3,815	6,888
Other general revenue	5,205	4,322	1,993	1,533	1,037
Transfers	-	-	-	-	-
Total governmental activities	350,708	367,300	379,098	400,846	422,864
Business-type activities:					
Unrestricted investment earnings	5	5	9	20	44
Other general revenue	320	195	377	180	140
Transfers	-	-	-	-	-
Total business-type activities	325	200	386	200	184
Total primary government	351,033	367,500	379,484	401,046	423,048
Changes in Net Position					
Governmental activities	13,156	8,764	(10,725)	(10,672)	3,559
Business-type activities	(236)	(443)	225	(12)	258
Total primary government	\$ 12,920	\$ 8,321	\$ (10,500)	\$ (10,684)	\$ 3,817

(1) See schedule of Program Revenue by Function/Program Table III for detail.

(2) Fluctuation due to public health emergency (COVID-19).

(3) Certain revenues were reclassified to align with current year classification.

(4) Balances presented for the 2019 through 2022 fiscal years were adjusted to correct OPEB actuarial calculation errors. See Note 1 for additional details.

TABLE II

2019 ⁽⁴⁾	2020 ⁽⁴⁾	2021 ⁽⁴⁾	2022 ^{(3) (4)}	2023
\$ 156,306	\$ 167,448	\$ 161,163	\$ 168,685	\$ 189,986
148,179	168,988	179,405	182,510	222,224
29,009	29,646	46,580	36,009	48,010
175,400	189,490	188,803	190,166	225,502
97,204	162,159 ⁽²⁾	208,722 ⁽²⁾	175,549 ⁽²⁾	201,028 ⁽²⁾
7,933	7,060	6,503	7,354	14,262
614,031	724,791	791,176	760,273	901,012
3,466	3,198	3,052	3,229	3,480
617,497	727,989	794,228	763,502	904,492
143,884	142,468	154,178	163,643	163,303
90,900	188,415 ⁽²⁾	236,748 ⁽²⁾	140,520	133,858
4,833	711	2,223	5,105	4,201
239,617	331,594	393,149	309,268	301,362
3,272	3,174	3,408	3,311	3,399
242,889	334,768	396,557	312,579	304,761
(374,414)	(393,197)	(398,027)	(451,005)	(599,650)
(194)	(24)	356	82	(81)
\$ (374,608)	\$ (393,221)	\$ (397,671)	\$ (450,923)	\$ (599,731)
\$ 417,540	\$ 465,946	\$ 486,726	\$ 501,129	\$ 547,071
12,188	10,772	12,695	15,062	16,647
-	-	-	55,252	126,207
10,453	4,258	975	8,574	54,912
2,012	610	1,853	3,164	3,573
-	-	(350)	-	-
442,193	481,586	501,899	583,181	748,410
72	28	5	49	299
116	75	106	195	172
-	-	350	-	-
188	103	461	244	471
442,381	481,689	502,360	583,425	748,881
67,779	88,389	103,872	132,176	148,760
(6)	79	817	326	390
\$ 67,773	\$ 88,468	\$ 104,689	\$ 132,502	\$ 149,150

PROGRAM REVENUE BY FUNCTION/PROGRAM LAST TEN YEARS

(Accrual basis of accounting)

(Amounts in thousands)

Function/Program	FISCAL YEAR				
	2014	2015	2016	2017	2018
Fees, Fines, and Charges for Services					
Governmental:					
General government	\$ 47,345	\$ 51,688	\$ 52,059	\$ 53,037	\$ 54,323
Public safety	6,621	6,915	7,468	10,521	10,995
Transportation support	18,851	17,449	18,484	18,021	18,830
Judicial	29,311	28,103	29,827	28,937	29,143
Community services	17,193	22,478	23,712	20,794	19,548
Total Governmental	119,321	126,633	131,550	131,310	132,839
Business-type:					
Total Fees, Fines and Charges for Service	3,138	3,092	3,253	3,284	3,284
	<u>\$ 122,459</u>	<u>\$ 129,725</u>	<u>\$ 134,803</u>	<u>\$ 134,594</u>	<u>\$ 136,123</u>
Operating Grants and Contributions					
Governmental:					
General government	\$ 2,263	\$ 8,873	\$ 677	\$ 6,969	\$ 1,134
Public safety	3,892	3,902	3,961	3,965	4,659
Transportation support	217	137	31	85	31
Judicial	12,614	11,626	11,776	12,469	11,370
Community services	61,710	64,238	69,302	75,644	70,405
Total Governmental	80,696	88,776	85,747	99,132	87,599
Total Operating Grants and Contributions	<u>\$ 80,696</u>	<u>\$ 88,776</u>	<u>\$ 85,747</u>	<u>\$ 99,132</u>	<u>\$ 87,599</u>
Capital Grants and Contributions					
Governmental:					
General government	\$ -	\$ -	\$ 377	\$ 63	\$ 85
Public safety	325	229	482	25	38
Transportation support	-	1,392	256	3,404	519
Judicial	22	107	-	-	-
Community services	-	-	203	87	-
Total Governmental	347	1,728	1,318	3,579	642
Business-type:					
Total Capital Grants and Contributions	-	-	39	-	-
	<u>\$ 347</u>	<u>\$ 1,728</u>	<u>\$ 1,357</u>	<u>\$ 3,579</u>	<u>\$ 642</u>
Total Program Revenues					
Governmental:					
General government	\$ 49,608	\$ 60,561	\$ 53,113	\$ 60,069	\$ 55,542
Public safety	10,838	11,046	11,911	14,511	15,692
Transportation support	19,068	18,978	18,771	21,510	19,380
Judicial	41,947	39,836	41,603	41,406	40,513
Community services	78,903	86,716	93,217	96,525	89,953
Total Governmental	200,364	217,137	218,615	234,021	221,080
Business-type:					
Total Program Revenues	3,138	3,092	3,292	3,284	3,284
	<u>\$ 203,502</u>	<u>\$ 220,229</u>	<u>\$ 221,907</u>	<u>\$ 237,305</u>	<u>\$ 224,364</u>

(1) Certain revenues reclassified with current year classification

TABLE III

2019	2020	2021	2022 ⁽¹⁾	2023
\$ 57,787	\$ 59,041	\$ 62,283	\$ 68,324	\$ 65,531
12,169	14,219	16,351	17,774	20,686
19,236	18,242	19,610	19,094	19,262
29,455	25,048	23,572	29,823	30,496
25,237	25,918	32,362	28,628	27,328
143,884	142,468	154,178	163,643	163,303
3,272	3,174	3,408	3,311	3,399
\$ 147,156	\$ 145,642	\$ 157,586	\$ 166,954	\$ 166,702
\$ 1,410	\$ 11,212	\$ 8,200	\$ 2,389	\$ 710
5,992	17,895	39,549	5,826	6,403
38	39	33	66	372
11,690	12,823	11,063	10,903	13,358
71,770	146,446	177,903	121,336	113,015
90,900	188,415	236,748	140,520	133,858
\$ 90,900	\$ 188,415	\$ 236,748	\$ 140,520	\$ 133,858
\$ 88	\$ -	\$ 44	\$ -	\$ -
26	60	30	55	42
4,719	651	2,142	5,050	4,159
-	-	-	-	-
-	-	7	-	-
4,833	711	2,223	5,105	4,201
-	-	-	-	-
\$ 4,833	\$ 711	\$ 2,223	\$ 5,105	\$ 4,201
\$ 59,285	\$ 70,253	\$ 70,527	\$ 70,713	\$ 66,241
18,187	32,174	55,930	23,655	27,131
23,993	18,932	21,785	24,210	23,793
41,145	37,871	34,635	40,726	43,854
97,007	172,364	210,272	149,964	140,343
239,617	331,594	393,149	309,268	301,362
3,272	3,174	3,408	3,311	3,399
\$ 242,889	\$ 334,768	\$ 396,557	\$ 312,579	\$ 304,761

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified accrual basis of accounting)

(Amounts in thousands)

	FISCAL YEAR				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 2,442	\$ 1,703	\$ 830	\$ 1,432	\$ 2,666
Committed	307	244	795	320	386
Assigned	27,578	26,917	31,146	27,942	27,005
Unassigned	48,616	52,580	52,861	50,545	51,478
Total General fund	<u>\$ 78,943</u>	<u>\$ 81,444</u>	<u>\$ 85,632</u>	<u>\$ 80,239</u>	<u>\$ 81,535</u>
All Other Governmental Funds					
Nonspendable	\$ 2,604	\$ 2,321	\$ 2,355	\$ 2,592	\$ 3,475
Restricted	114,877	153,572	144,294	134,580	114,858
Committed	78,467	90,117	101,253	95,569	102,701
Assigned	3,488	3,597	3,703	3,717	3,765
Unassigned	(1,482)	(1,462)	(1,691)	(1,859)	(1,973)
Total all other governmental funds	<u>\$ 197,954</u>	<u>\$ 248,145</u>	<u>\$ 249,914</u>	<u>\$ 234,599</u>	<u>\$ 222,826</u>

TABLE IV

2019	2020	2021	2022	2023
\$ 2,825	\$ 3,276	\$ 3,570	\$ 3,832	\$ 2,891
138	668	587	445	6,373
10,794	31,227	66,206	96,177	81,703
75,997	91,914	131,705	115,047	110,210
<u>\$ 89,754</u>	<u>\$ 127,085</u>	<u>\$ 202,068</u>	<u>\$ 215,501</u>	<u>\$ 201,177</u>
\$ 3,041	\$ 2,155	\$ 4,214	\$ 7,233	\$ 5,625
114,326	117,717	85,577	304,191	286,207
114,761	136,661	156,954	186,034	287,875
4,255	4,005	4,120	3,879	4,526
(1,997)	-	(10,010)	(13,135)	(4,073)
<u>\$ 234,386</u>	<u>\$ 260,538</u>	<u>\$ 240,855</u>	<u>\$ 488,202</u>	<u>\$ 580,160</u>

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified accrual basis of accounting)

(Amounts in thousands)

	FISCAL YEAR				
	2014	2015	2016	2017	2018
Revenues:					
Taxes	\$ 333,417	\$ 351,233	\$ 364,485	\$ 384,275	\$ 403,972
Licenses and permits	1,078	1,435	1,198	1,291	1,214
Fees of office	81,740	85,429	90,803	93,665	94,059
Intergovernmental	112,639	121,625	120,058	125,472	126,883
Investment income	1,151	1,134	2,188	3,813	6,891
Other revenues	21,240	19,225	18,672	17,127	17,292
Total revenues	551,265	580,081	597,404	625,643	650,311
Expenditures:					
Current:					
General government	111,910	117,878	115,112	128,382	123,409
Public safety	118,983	123,359	127,142	136,224	143,914
Transportation support	20,451	23,136	22,523	24,978	22,929
Judicial	152,770	158,622	161,072	168,256	177,228
Community services	74,836	77,537	83,886	87,797	90,764
Capital outlay	70,370	62,106	44,487	62,761	65,274
Debt service:					
Principal payments	18,815	18,645	22,990	25,940	27,295
Interest and fiscal charges	15,508	16,128	14,542	11,911	9,995
Total expenditures	583,643	597,411	591,754	646,249	660,808
Excess (deficiency) of revenues over (under) expenditures	(32,378)	(17,330)	5,650	(20,606)	(10,497)
Other Financing Sources (Uses):					
Transfers in	29,040	39,303	36,974	44,571	43,115
Transfers out	(29,453)	(39,350)	(36,894)	(44,810)	(43,245)
Leases (as lessee)	-	3,783	-	-	150
Software subscriptions	-	-	-	-	-
Issuance of debt	-	61,095	-	-	-
Premium on new debt	-	4,677	-	-	-
Discount on new debt	-	-	-	-	-
Refunding bonds issued	-	88,960	70,905	36,860	-
Premium on refunding bonds	-	4,566	-	-	-
Discount on refunding bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	(93,012)	(70,678)	(36,723)	-
Total other financing sources (uses)	(413)	70,022	307	(102)	20
Change in fund balance	\$ (32,791)	\$ 52,692	\$ 5,957	\$ (20,708)	\$ (10,477)
Debt Service as a percentage of noncapital expenditures	6.5%	6.2%	6.6%	6.3%	5.9%

(1) Fluctuation due to public health emergency (COVID-19).

TABLE V

2019	2020	2021	2022	2023
\$ 418,793	\$ 464,547	\$ 487,134	\$ 503,047	\$ 547,308
1,422	1,213	1,294	1,353	1,474
106,227	104,172	112,991	117,287	117,443
132,352	223,553 ⁽¹⁾	276,443 ⁽¹⁾	231,276 ⁽¹⁾	313,699 ⁽¹⁾
10,453	4,258	977	8,575	54,912
18,718	16,124	16,657	20,687	20,131
687,965	813,867	895,496	882,225	1,054,967
127,951	140,259	141,266	150,417	162,156
151,697	161,860	171,743	193,785	222,373
23,244	24,191	23,978	29,802	30,758
185,877	188,429	190,287	207,427	227,629
97,860	157,767 ⁽¹⁾	205,098 ⁽¹⁾	172,177 ⁽¹⁾	196,317 ⁽¹⁾
44,393	43,297	73,232	58,131	89,351
28,125	25,930	26,770	30,796	33,422
9,158	8,276	7,447	5,767	15,114
668,305	750,009	839,821	848,302	977,120
19,660	63,858	55,675	33,923	77,847
41,175	51,282	43,369	76,328	127,591
(41,056)	(51,657)	(43,744)	(77,828)	(136,560)
-	-	-	1,353	300
-	-	-	-	8,456
-	-	-	214,905	-
-	-	-	11,791	-
-	-	-	-	-
-	-	-	75,710	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(75,402)	-
119	(375)	(375)	226,857	(213)
\$ 19,779	\$ 63,483	\$ 55,300	\$ 260,780	\$ 77,634
5.8%	4.7%	4.3%	4.5%	5.3%

DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED) LAST TEN YEARS

(Per \$100 of Assessed Value)

Governmental Unit	FISCAL YEAR				
	2014	2015	2016	2017	2018
Tarrant County	\$ 0.264000	\$ 0.264000	\$ 0.264000	\$ 0.254000	\$ 0.244000
Special Districts Rates					
Live Oak Creek Municipal Utility District #1	0.990000	0.990000	0.990000	0.990000	0.990000
Far North Fort Worth Municipal Utility District #1	-	-	-	-	-
Viridian Municipal Management District	0.448100	0.448100	0.448100	0.448100	0.448100
Tarrant County Hospital District	0.227897	0.227897	0.227897	0.227897	0.224429
Tarrant County College District	0.149500	0.149500	0.149500	0.144730	0.140060
Tarrant Regional Water District	0.020000	0.020000	0.020000	0.019400	0.019400
Tarrant Emergency Services District	0.080000	0.080000	0.080000	0.080000	0.082500
County Line Special District Rates					
Karis Municipal Management District	-	-	-	-	-
Trophy Club Municipal Utility District #1	0.133390	0.133390	0.131140	0.127220	0.120210
City Rates					
Arlington	0.648000	0.648000	0.648000	0.644800	0.639800
Bedford	0.494830	0.494830	0.494830	0.476509	0.520000
Benbrook	0.657500	0.657500	0.657500	0.650000	0.640000
Blue Mound	0.750000	0.750000	0.806250	0.806250	0.741530
Colleyville	0.355900	0.355900	0.355900	0.339130	0.333834
Dalworthington Gardens	0.262739	0.262739	0.253670	0.273979	0.374379
Edgecliff Village	0.299000	0.305216	0.305216	0.270359	0.270359
Eules	0.470000	0.467500	0.467500	0.462500	0.462500
Everman	1.255205	1.255205	1.255205	1.230000	1.158630
Forest Hill	1.060000	0.996054	0.996054	0.990000	0.990000
Fort Worth	0.855000	0.855000	0.855000	0.835000	0.805000
Haltom City	0.699990	0.699990	0.699990	0.699990	0.668180
Haslet	0.320869	0.292785	0.285693	0.290253	0.333044
Hurst	0.608498	0.606000	0.610560	0.587900	0.580940
Keller	0.442190	0.437190	0.434690	0.430000	0.427500
Kennedale	0.747500	0.747500	0.767500	0.767500	0.777500
Lake Worth	0.482083	0.467828	0.499252	0.460660	0.454920
Lakeside	0.379260	0.379260	0.360192	0.360192	0.375000
North Richland Hills	0.610000	0.610000	0.610000	0.610000	0.590000
Pantego	0.420000	0.420000	0.420000	0.420000	0.420000
Pelican Bay	0.898499	0.898499	0.898499	0.898499	0.898499
Richland Hills	0.528094	0.528094	0.528805	0.595633	0.563738
River Oaks	0.850351	0.850351	0.852309	0.794444	0.780000
Saginaw	0.510000	0.510000	0.544000	0.513000	0.495000
Sansom Park	0.733655	0.704741	0.690692	0.767304	0.787304
Watauga	0.591216	0.591216	0.618718	0.618411	0.601788
Westover Hills	0.350500	0.347400	0.347400	0.355000	0.355000
Westworth Village	0.492000	0.492000	0.500000	0.500000	0.500000
White Settlement	0.670653	0.690660	0.733103	0.755693	0.762127
County Line City Rates					
Azle	0.659500	0.668000	0.679500	0.679500	0.671500
Burleson	0.690000	0.740000	0.740000	0.735000	0.735000
Crowley	0.696829	0.696829	0.739270	0.739270	0.719000
Flower Mound	0.449700	0.439000	0.439000	0.439000	0.439000
Grand Prairie	0.669998	0.669998	0.669998	0.669998	0.669998
Grapevine	0.342500	0.332439	0.328437	0.289271	0.289271

TABLE VI

2019	2020	2021	2022	2023
\$ 0.234000	\$ 0.234000	\$ 0.234000	\$ 0.229000	\$ 0.224000
1.000000	1.000000	1.000000	1.000000	0.942000
-	-	1.000000	1.000000	1.000000
0.448100	0.448100	0.448100	0.448100	0.448100
0.224429	0.224429	0.224429	0.224429	0.224429
0.136070	0.130170	0.130170	0.130170	0.130170
0.019400	0.028700	0.028700	0.028700	0.026900
0.082500	0.081900	0.081900	0.081900	0.080000
-	-	-	0.350000	0.350000
0.116180	0.112730	0.107740	0.105580	0.091340
0.634800	0.624000	0.622500	0.619800	0.599800
0.561862	0.569000	0.569000	0.552000	0.495726
0.640000	0.627770	0.622500	0.617500	0.595000
0.696800	0.605900	0.571000	0.560545	0.560545
0.320800	0.306807	0.304365	0.291778	0.265618
0.580000	0.580000	0.636593	0.658553	0.665133
0.270359	0.257780	0.272000	0.285000	0.267425
0.462500	0.462500	0.462500	0.475000	0.460000
1.113943	1.085713	1.149676	1.149676	1.119676
0.992873	0.992873	0.997340	0.997342	0.882820
0.785000	0.747500	0.747500	0.732500	0.712500
0.653000	0.665760	0.665760	0.645651	0.608162
0.305960	0.297583	0.249972	0.283229	0.296957
0.580000	0.597299	0.625159	0.625159	0.614043
0.413250	0.399900	0.395000	0.395000	0.354500
0.725714	0.734970	0.774085	0.764085	0.706190
0.434806	0.413577	0.469212	0.458548	0.438928
0.379000	0.406300	0.406300	0.406239	0.493500
0.585000	0.572000	0.575700	0.572184	0.547972
0.420000	0.420000	0.420000	0.420000	0.475931
0.898499	0.898499	0.898499	0.800000	0.753999
0.541880	0.558551	0.558551	0.558551	0.538885
0.749400	0.674516	0.697374	0.720874	0.754168
0.471800	0.459000	0.461579	0.479516	0.508042
0.787304	0.722200	0.718850	0.670724	0.677660
0.601788	0.580500	0.580404	0.580400	0.570200
0.387200	0.426000	0.447000	0.478925	0.486833
0.485000	0.475000	0.475000	0.475000	0.475000
0.762186	0.732245	0.746200	0.741795	0.712115
0.667287	0.657204	0.657204	0.646149	0.623426
0.735000	0.720000	0.711100	0.685900	0.657200
0.709000	0.681992	0.699806	0.729545	0.645203
0.439000	0.436500	0.436500	0.405000	0.405000
0.669998	0.669998	0.669998	0.664998	0.660000
0.289271	0.284271	0.282601	0.271811	0.271775

DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONCLUDED) LAST TEN YEARS

(Per \$100 of Assessed Value)

Governmental Unit (cont'd)	FISCAL YEAR				
	2014	2015	2016	2017	2018
Mansfield	0.710000	0.710000	0.710000	0.710000	0.710000
Reno	0.499600	0.499900	0.530000	0.530000	0.520000
Roanoke	0.375120	0.375120	0.375120	0.375120	0.375120
Southlake	0.462000	0.462000	0.462000	0.462000	0.462000
Trophy Club	0.499300	0.490000	0.484000	0.473000	0.451442
Westlake	0.156840	0.156340	0.156340	0.136950	0.136150
School District Rates					
Arlington Independent School District	1.292170	1.348110	1.412952	1.390080	1.368670
Birdville Independent School District	1.435000	1.435000	1.453900	1.453900	1.453900
Carroll Independent School District	1.400000	1.400000	1.395000	1.390000	1.385000
Castleberry Independent School District	1.415500	1.399700	1.415500	1.376600	1.392200
Eagle Mountain Saginaw Independent School District	1.540000	1.540000	1.540000	1.540000	1.540000
Everman Independent School District	1.490000	1.510000	1.530000	1.525000	1.510000
Fort Worth Independent School District	1.322000	1.322000	1.352000	1.352000	1.352000
Hurst Euless Bedford Independent School District	1.387500	1.375000	1.350000	1.316000	1.263000
Keller Independent School District	1.540000	1.540000	1.540000	1.520000	1.520000
Kennedale Independent School District	1.492068	1.514717	1.486724	1.486724	1.480000
Lake Worth Independent School District	1.670000	1.670000	1.670000	1.670000	1.670000
White Settlement Independent School District	1.540000	1.540000	1.540000	1.540000	1.540000
County Line School District Rates					
Aledo Independent School District	1.425200	1.425200	1.595000	1.595000	1.595000
Azle Independent School District	1.190000	1.203000	1.203000	1.203000	1.329000
Burleson Independent School District	1.540000	1.540000	1.540000	1.540000	1.670000
Crowley Independent School District	1.670000	1.650000	1.650000	1.650000	1.670000
Godley Independent School District	1.172752	1.195500	1.247660	1.540000	1.540000
Grapevine Colleyville Independent School District	1.320100	1.320100	1.320100	1.396700	1.396700
Lewisville Independent School District	1.477000	1.477000	1.476730	1.420000	1.407500
Mansfield Independent School District	1.527100	1.527100	1.510000	1.510000	1.540000
Northwest Independent School District	1.452500	1.452500	1.452500	1.452500	1.490000

Note: Overlapping rates are those of local governments that apply to property owners within the County.

Not all overlapping rates apply to all County property owners (e.g., the rates for the special districts apply only to the portion of the County's property owners whose property is located within the geographic boundaries of the special district). These tax rates were not assessed by Tarrant County Commissioners Court.

Source: Tarrant Appraisal District

TABLE VI

2019	2020	2021	2022	2023
0.710000	0.710000	0.690000	0.690000	0.680000
0.520000	0.520000	0.520000	0.468166	0.468166
0.375120	0.375120	0.375120	0.375120	0.339779
0.447000	0.410000	0.405000	0.390000	0.360000
0.446442	0.446442	0.446442	0.445000	0.434799
0.156000	0.160180	0.167880	0.167880	0.167880
1.368670	1.298670	1.387100	1.360800	1.308700
1.453900	1.383900	1.380300	1.338000	1.279800
1.380000	1.300000	1.286400	1.268600	1.218800
1.392200	1.290550	1.241300	1.313100	1.434600
1.540000	1.518000	1.496400	1.457500	1.434600
1.495000	1.390000	1.370000	1.370000	1.327118
1.352000	1.282000	1.378400	1.343200	1.281600
1.273000	1.220000	1.198000	1.160800	1.109800
1.510000	1.408300	1.394700	1.344000	1.272900
1.451694	1.350000	1.336400	1.299100	1.226400
1.670000	1.568400	1.510200	1.519100	1.442900
1.520000	1.450000	1.415900	1.460300	1.417400
1.595000	1.493300	1.479700	1.392900	1.367900
1.329000	1.247350	1.247400	1.222600	1.210500
1.670000	1.568350	1.538300	1.494600	1.442900
1.670000	1.568400	1.539800	1.265800	1.442900
1.540000	1.470000	1.466400	1.492000	1.474600
1.396700	1.326700	1.303100	1.275100	1.130800
1.407500	1.337500	1.347300	1.308700	1.236800
1.540000	1.460000	1.446400	1.418300	1.334600
1.490000	1.420000	1.336300	1.292000	1.274600

ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

TABLE VII

(Amounts in thousands)

Fiscal Year Ended September 30	Assessed Real Property	Assessed Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Direct Tax Rate ⁽¹⁾
2014	\$ 131,383,399	\$ 26,034,219	\$ 29,025,508	\$ 128,392,110	\$ 0.264000
2015	140,621,096	25,012,208	30,338,644	135,294,660	0.264000
2016	146,065,649	26,475,593	31,481,815	141,059,427	0.264000
2017	162,709,268	28,237,199	36,254,928	154,691,539	0.254000
2018	181,216,178	28,982,575	39,610,155	170,588,598	0.244000
2019	197,865,532	31,179,225	42,851,611	186,193,146	0.234000
2020	217,773,980	33,529,763	44,512,343	206,791,400	0.234000
2021	228,823,263	35,421,286	47,339,178	216,905,371	0.234000
2022	241,663,541	36,848,651	50,604,819	227,907,373	0.229000
2023	271,829,414	40,144,502	55,092,844	256,881,072	0.224000

Note: The appraisal of property within the County is the responsibility of the Tarrant Appraisal District. Under the Texas Tax Code, the appraisal district is required to appraise all property on the basis of 100% of its market value and is prohibited from applying any assessment ratios. The Appraisal District is required to review the value of property at least every three years.

(1) Tax rates are per \$100 of assessed value

Source: Tarrant Appraisal District

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TABLE VIII

(Amounts in thousands)

Taxpayer	FISCAL YEAR					
	2023			2014		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Winner LLC	\$ 2,083,530	1	0.81%	\$ -		
Oncor Electric Delivery	1,608,230	2	0.63%	951,569	1	0.74%
American Airlines	1,471,937	3	0.57%	366,782	7	0.29%
General Motors LLC	1,100,091	4	0.43%	-		
Atmos Energy/Mid Tex Division	690,906	5	0.27%	-		
Bell Textron Inc.	450,721	6	0.18%	353,814	8	0.28%
Alcon Laboratories Inc.	411,059	7	0.16%	-		
Amazon.com Services LLC	391,931	8	0.15%	-		
Wal-mart Real Estate Bus Trust	377,761	9	0.15%	470,417	5	0.37%
United Parcel Service Inc	363,060	10	0.14%	-		
Xto Energy Inc.	-			597,305	2	0.47%
Chesapeake Operating	-			565,846	3	0.44%
Barnett Gathering Lp	-			471,761	4	0.37%
Devon Energy Food Co	-			381,143	6	0.30%
Opryland Hotel	-			278,139	9	0.22%
Southwestern Bell	-			240,514	10	0.19%
	<u>\$ 8,949,226</u>		<u>3.48%</u>	<u>\$ 4,677,290</u>		<u>3.64%</u>

Source: Tarrant Appraisal District

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

(Amounts in thousands)

Fiscal Year Ended September 30	Taxes Levied Within the Fiscal Year of the Levy		Adjustments to Levy in Subsequent Years		Adjusted Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years		
							Amount	Percentage of Levy			
2014	\$	336,803	\$	(464)	\$	336,339	\$	333,806	99.11%	\$	1,936
2015		354,272		(688)		353,584		350,698	98.99%		2,394
2016		368,922		100		369,022		365,724	99.13%		2,706
2017		387,855		(645)		387,210		384,387	99.11%		2,279
2018		409,336		(870)		408,466		406,075	99.20%		1,845
2019		427,161		(860)		426,301		423,720	99.19%		1,797
2020		471,596		(2,126)		469,470		467,381	99.11%		1,315
2021		492,857		(2,108)		490,749		489,370	99.29%		481
2022		505,505		(707)		504,798		502,321	99.37%		1,440
2023		555,148		-		555,148		551,532	99.35%		-

Source: Tarrant County Tax Office and Tarrant Appraisal District

TABLE IX

Total Collections		Percentage of Levy
Amount		
\$ 335,742		99.82%
353,092		99.86%
368,430		99.84%
386,666		99.86%
407,920		99.87%
425,517		99.82%
468,696		99.84%
489,851		99.82%
503,761		99.79%
551,532		99.35%

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

TABLE X

(Amounts in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Limited Tax Refunding	Leases ⁽³⁾	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
2014	\$ 186,343	\$ 152,406	\$ 1,304	\$ 340,053	0.38%	\$ 176.07
2015	91,551	295,620	4,441	391,612	0.41%	199.86
2016	12,378	352,616	3,064	368,058	0.39%	184.80
2017	5,089	331,923	2,270	339,282	0.35%	167.63
2018	-	307,996	1,641	309,637	0.29%	150.46
2019	-	278,259	857	279,116	0.25%	133.39
2020	-	250,717	71	250,788	0.22%	116.99
2021	-	222,602	38	222,640	0.19%	103.81
2022	226,696	190,855	5,107	422,658	0.34%	194.69
2023	224,420	163,347	2,888	390,655	0.29% ⁽²⁾	178.47

Note: All debt is related to government activities, net of issuance discounts, premiums, and refunding.
Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule of Demographic and Economic Statistics Table XIV for personal income and population data.

(2) Calculation based on most recent information for personal income data, fiscal year 2022.

(3) GASB Statement 87 "Leases" was implemented during fiscal year 2022. Amounts listed for years prior to 2022 have not been restated.

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

TABLE XI

(Amounts in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Limited Tax Refunding	Total Primary Government	Total	Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
2014	\$ 186,343	\$ 152,406	\$ 338,749	\$ 338,749	0.26%	\$ 175.40
2015	91,551	295,620	387,171	387,171	0.29%	197.59
2016	12,378	352,616	364,994	364,994	0.26%	183.26
2017	5,089	331,923	337,012	337,012	0.22%	166.51
2018	-	307,996	307,996	307,996	0.18%	149.66
2019	-	278,259	278,259	278,259	0.14%	127.30
2020	-	250,717	250,717	250,717	0.12%	118.79
2021	-	222,602	222,602	222,602	0.10%	103.79
2022	226,696	190,855	417,551	417,551	0.18%	192.33
2023	224,420	163,347	387,767	387,767	0.15%	177.15

Note: All debt is related to government activities, net of issuance discounts, premiums, and refunding. Non-Taxable Tax Notes are bonded debt. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule of Assessed and Actual Value of Taxable Property Table VII for property value data.

(2) See Schedule of Demographic and Economic Statistics Table XIV for personal income and population data.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2023

(Amounts in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt 9/30/2023
Debt repaid with property taxes:			
Special Districts:			
Live Oak Creek Municipal Utility District #1	\$ 21,015	100.00%	\$ 21,015
Viridian Municipal Management District	250,030	100.00%	250,030
Tarrant County College District	591,230	100.00%	591,230
Tarrant County Hospital District	448,410	100.00%	448,410
County Line Special District:			
Trophy Club Municipal Utility District #1	4,700	27.26%	1,281
Far North Fort Worth Municipal Utility District #1	40,120	81.07%	32,525
Cities:			
Arlington	649,845	100.00%	649,845
Bedford	144,975	100.00%	144,975
Benbrook	21,715	100.00%	21,715
Colleyville	11,870	100.00%	11,870
Dalworthington Gardens	4,850	100.00%	4,850
Euless	81,955	100.00%	81,955
Everman	7,440	100.00%	7,440
Forest Hill	1,440	100.00%	1,440
Fort Worth	1,044,895	96.60%	1,009,368
Haltom City	91,065	100.00%	91,065
Haslet	22,250	100.00%	22,250
Hurst	50,420	100.00%	50,420
Keller	38,655	100.00%	38,655
Kennedale	28,575	100.00%	28,575
Lake Worth	10,505	100.00%	10,505
North Richland Hills	143,005	100.00%	143,005
Pantego	14,785	100.00%	14,785
Richland Hills	22,425	100.00%	22,425
River Oaks	17,330	100.00%	17,330
Saginaw	82,265	100.00%	82,265
Sansom Park	9,656	100.00%	9,656
Watauga	48,380	100.00%	48,380
Westover Hills	7,045	100.00%	7,045
Westworth Village	6,529	100.00%	6,529
White Settlement	27,975	100.00%	27,975
County Line Cities:			
Azle	17,820	77.78%	13,860

Note: Overlapping rates are those of local and county governments that apply to property owners within the County.

Not all overlapping rates apply to all County property owners (e.g., the rates for the special districts apply only to the portion of the County's property owners whose property is located within the geographic boundaries of the special district.)

Source: Municipal Advisory Council of Texas

TABLE XII

Governmental Unit (cont'd)	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt 9/30/2023
Burleson	\$ 169,305	18.42%	\$ 31,186
Crowley	43,960	99.78%	43,863
Flower Mound	143,070	3.57%	5,108
Grand Prairie	474,759	46.87%	222,520
Grapevine	140,190	97.02%	136,012
Mansfield	192,175	85.66%	164,617
Reno	1,005	4.15%	42
Roanoke	39,010	4.42%	1,724
Southlake	66,555	97.71%	65,031
Trophy Club	24,105	5.49%	1,323
Westlake	48,874	94.85%	46,357
School Districts:			
Arlington Independent School District	1,225,555	100.00%	1,225,555
Birdville Independent School District	655,275	100.00%	655,275
Carroll Independent School District	288,580	100.00%	288,580
Castleberry Independent School District	27,395	100.00%	27,395
Eagle Mountain Saginaw Independent School District	1,057,305	100.00%	1,057,305
Everman Independent School District	106,785	100.00%	106,785
Fort Worth Independent School District	1,504,885	100.00%	1,504,885
Hurst Euless Bedford Independent School District	295,350	100.00%	295,350
Keller Independent School District	782,925	100.00%	782,925
Kennedale Independent School District	62,915	100.00%	62,915
Lake Worth Independent School District	79,507	100.00%	79,507
White Settlement Independent School District	250,385	100.00%	250,385
County Line School Districts:			
Aledo Independent School District	376,053	8.03%	30,197
Azle Independent School District	131,490	33.48%	44,023
Burleson Independent School District	277,644	32.48%	90,179
Crowley Independent School District	936,034	99.58%	932,103
Godley Independent School District	227,180	6.71%	15,244
Grapevine Colleyville Independent School District	289,241	97.80%	282,877
Lewisville Independent School District	1,032,290	0.99%	10,220
Mansfield Independent School District	761,995	90.21%	687,395
Northwest Independent School District	1,807,155	41.51%	750,150
Sub-total Overlapping Debt			13,809,707
Tarrant County (direct debt)	390,655	100.00%	390,655
Total Direct and Overlapping Debt			\$ 14,200,362

LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

(Amounts in thousands)

	FISCAL YEAR				
	2014	2015	2016	2017	2018
Debt Limit	\$ 6,419,606	\$ 6,764,733	\$ 7,052,971	\$ 7,734,577	\$ 8,529,430
Total net debt applicable to limit	337,637	386,020	363,573	335,499	306,155
Legal debt margin	<u>\$ 6,081,969</u>	<u>\$ 6,378,713</u>	<u>\$ 6,689,398</u>	<u>\$ 7,399,078</u>	<u>\$ 8,223,275</u>
Total net debt applicable to the limit as a percentage of debt limit	5.26%	5.71%	5.15%	4.34%	3.59%

(1) Vernon's Texas Codes Annotated-Government Code 1301.003 (c)

TABLE XIII

2019	2020	2021	2022	2023
\$ 9,309,657	\$ 10,339,570	\$ 10,845,269	\$ 11,395,369	\$ 12,844,054
276,997	249,750	220,884	417,551	387,767
<u>\$ 9,032,660</u>	<u>\$ 10,089,820</u>	<u>\$ 10,624,385</u>	<u>\$ 10,977,818</u>	<u>\$ 12,456,287</u>
2.98%	2.42%	2.04%	3.66%	3.02%

Legal Debt Margin Calculation (1) for Fiscal Year 2023

Assessed value	\$256,881,072
Debt Limit (5% of total assessed value)	12,844,054
Debt applicable to limit:	
Total General Bonded debt	387,767
Legal debt margin	<u>\$ 12,456,287</u>

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

TABLE XIV

Fiscal Year	Population ⁽²⁾	Personal Income (Amounts in thousands)	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾	Public School Enrollment ⁽⁵⁾
2014	1,931,335	\$ 89,167,806	\$ 46,169	5.0%	357,126
2015	1,959,449	95,478,071	48,727	4.0%	355,833
2016	1,991,639	95,698,254	48,050	4.1%	356,941
2017	2,023,985	96,189,887	47,525	3.4%	359,879
2018	2,057,926	105,446,070	51,239	3.4%	359,140
2019	2,092,419	111,509,193	53,292	3.1%	359,086
2020	2,110,640	119,224,934	55,615	7.7% ⁽¹⁾	360,066
2021	2,144,653	125,334,153	58,940	4.5%	346,274
2022	2,170,962	134,517,147	61,962	3.5%	346,571
2023	2,188,951	N/A	N/A	3.8%	345,093

N/A Not Available

(1) Fluctuation due to public health emergency (COVID-19).

Data Sources:

- (2) World Population Review, United States Census Bureau, North Central Texas Council of Governments, Fort Worth Chamber of Commerce, Texas Dept. of State Health Services
- (3) Bureau of Economic Analysis U.S. Department of Commerce
- (4) Texas Workforce Commission LAUS Report
- (5) Texas Education Agency

**TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

TABLE XV

Employer	2023 ⁽¹⁾			2014 ⁽²⁾		
	Employees	Rank	% of Total Tarrant County Employment	Employees	Rank	% of Total Tarrant County Employment
AMR Corp./American Airlines	35,000	1	3.31%	24,000	1	2.82%
Lockheed Martin Aeronautics Company	21,600	2	2.04%	12,600	2	1.48%
DFW International Airport	14,000	3	1.32%	-		
Texas Health Resources	12,776	4	1.21%	12,207	3	1.43%
Naval Air Station Fort Worth Joint Reserve Base	11,000	5	1.04%	11,000	5	1.29%
General Motors Arlington Assembly Plant	10,512	6	0.99%	-		
Fort Worth Independent School District	9,956	7	0.94%	12,000	4	1.41%
Cook Children's Health Care System	8,777	8	0.83%	5,611	8	0.66%
Arlington Independent School District	7,908	9	0.75%	8,500	6	1.00%
University of Texas at Arlington	7,647	10	0.72%	-		
JPS Health Network	-			6,000	7	0.71%
Alcon Laboratories Inc	-			5,451	9	0.64%
Bell Helicopter	-			5,400	10	0.63%

Data Sources:

- (1) Based on most current information available from individual employers, Fort Worth Business Press, Texas Workforce Commission, and North Central Texas Council of Governments
 (2) Fort Worth Business Press and Texas Workforce Commission

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	Full-Time Equivalent Employees as of September 30				
	2014	2015	2016	2017	2018
Governmental activities:					
General government	727	738	740	741	742
Public safety	1,445	1,467	1,487	1,490	1,501
Transportation	201	202	204	205	204
Judicial	1,348	1,369	1,358	1,372	1,390
Community services	516	523	527	537	532
Business-type activities:					
Resource Connection	14	15	16	16	16
Total full-time equivalent employees	<u>4,251</u>	<u>4,314</u>	<u>4,332</u>	<u>4,361</u>	<u>4,385</u>

Source: Tarrant County Budget Office

TABLE XVI

2019	2020	2021	2022	2023
755	772	813	838	845
1,531	1,547	1,616	1,665	1,681
204	205	206	207	210
1,416	1,444	1,473	1,546	1,580
532	528	646	757	773
16	16	17	17	17
4,454	4,512	4,771	5,030	5,106

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	FISCAL YEAR			
	2014	2015	2016 ⁽¹⁾	2017 ⁽¹⁾
District Clerk				
Civil court cases filed	8,752	9,143	6,785	7,752
Criminal court cases filed	17,167	17,305	20,289	20,830
Family court cases filed (Attorney General cases)	13,285	11,386	12,078	14,148
Family court cases filed (Non-Attorney General cases)	14,821	15,368	15,734	16,106
Juvenile court cases filed	2,175	1,974	1,850	2,609
Tax foreclosure cases filed	3,541	4,786	4,055	4,251
Passport applications accepted	35,659	33,520	N/A	N/A
County Clerk				
County court at law cases filed	7,480	7,754	7,932	7,940
Mental health cases filed	3,096	3,606	4,604	5,093
Probate cases filed	4,353	4,431	4,588	4,049
Birth certificates issued	46,979	51,389	54,793	43,207
Marriage licenses issued	14,754	15,424	15,560	17,079
Passport applications accepted	N/A	N/A	887	11,444
Justice of the Peace (all precincts)				
Traffic cases	6,660	9,068	9,380	9,638
Non-traffic cases	4,842	5,423	3,956	4,368
Small claims cases	5,558	5,556	5,503	5,921
Landlord/Tenant	27,511	24,245	25,124	26,021
Debt Claims	6,609	8,548	8,969	13,137
Sheriff				
Prisoner bed days in county jail	1,256,067	1,113,814	1,167,826	1,304,411
Public Health				
Chronic disease prevention, average monthly caseload	1,105	1,139	1,125	1,500
Notifiable diseases reported	4,337	4,371	5,509	11,375
Food establishment inspections	6,127	7,035	7,528	7,244
Sexually transmitted disease clinic visits	6,516	7,049	5,982	6,207
Milk and dairy tests	17,836	17,485	18,319	19,070
Tuberculosis DOT/DOPT doses administered	24,343	20,860	17,481	18,229
Women, infants & children visits and immunizations	616,333	605,912	584,517	545,408
Tax Assessor/Collector				
Tax accounts collected	1,142,980	1,329,246	1,669,671	1,686,094
Contracts with entities for tax collection	56	58	60	60
Transportation				
Miles of roads maintained in un-incorporated areas	403	402	401	398
Inter-local contracts executed/performed	70	70	53	66
Square yards of right of way	13,651,932	13,578,587	13,558,253	13,395,295
Human Services				
Rent vouchers issued	813	588	616	699
Utility vouchers issued	10,312	10,408	9,254	14,125
Food/hygiene vouchers issued	2,331	3,602	2,109	2,233

N/A Not Applicable

Source: Various County departments

(1) District Clerk Criminal court cases filed also include civil cases that are related to a criminal case.

(2) Fluctuation due to public health emergency (COVID-19).

TABLE XVII

2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾	2023 ⁽¹⁾
8,060	9,073	8,359	9,149	8,130	9,814
24,242	25,495	25,186	23,763	27,619	23,933
15,113	12,243	10,084	5,842	6,087	6,165
16,114	17,325	16,925	16,793	16,647	16,447
3,013	3,894	2,956	2,744	3,150	2,579
3,933	3,720	3,301	3,908	4,198	4,539
N/A	N/A	N/A	N/A	NA	NA
8,555	10,775	8,370	7,397	6,185	9,115
4,791	4,466	4,800	4,814	4,906	5,067
4,207	4,623	4,942	5,595	4,883	4,599
42,210	58,836	38,446 ⁽²⁾	50,753	66,412	68,422
20,284	15,380	14,825	15,307	16,995	16,032
13,753	24,111	17,838	33,445	42,884	47,367
12,345	11,835	8,229	6,464	7,441	7,024
5,158	6,082	5,840	3,676	4,512	4,510
6,930	6,666	5,639	5,157	7,010	5,519
26,558	30,349	19,439 ⁽²⁾	14,967	30,107	35,612
16,711	20,917	21,097	24,555	17,682	22,276
1,427,461	1,472,457	1,441,844	1,544,676	1,518,533	1,618,362
1,500	1,000	240 ⁽²⁾	232 ⁽²⁾	645 ⁽²⁾	1,841
10,052	11,526	60,125 ⁽²⁾	298,396 ⁽²⁾	320,722 ⁽²⁾	92,530
7,711	6,345	6,791 ⁽²⁾	6,487	6,207	6,186
6,126	5,130	6,065	6,319	8,986	7,071
18,077	17,902	15,355	16,893	14,880	14,435
13,178	12,895	10,729	9,352	6,975	9,637
460,552	431,309	406,691	398,678	461,178	437,139
1,730,397	1,808,146	1,839,821	1,844,624	1,844,036	1,869,997
67	79	79	79	79	65
397	397	395	396	390	393
67	57	56	45	52	57
13,346,720	13,281,790	13,252,717	13,281,824	12,858,803	12,876,933
553	546	495	254	218	273
5,055	4,457	5,455	4,539	5,466	3,236
1,354	1,144	1,035	683	763	679

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN YEARS

	FISCAL YEAR			
	2014	2015	2016	2017
General Government				
Number of buildings				
Subcourthouses	8	9	8	8
Courts buildings	5	6	6	6
Other	14	14	14	15
Building square footage	2,826,802	3,101,552	3,083,629	3,198,103
Subcourthouses	346,781	389,031	371,108	371,108
Courts buildings	1,074,510	1,307,010	1,307,010	1,307,010
Other	1,405,511	1,405,511	1,405,511	1,519,985
Public Safety				
Number of jails	5	4	4	5
Building square footage	1,115,523	1,044,755	1,044,755	1,230,985
Number of patrol vehicles	102	102	102	101
Transportation				
Miles of roads in un-incorporated areas	403	402	401	398
Square yards of right of way	13,651,932	13,578,587	13,558,253	13,395,295
Number of heavy equipment	250	258	257	263
Number of vehicles	523	516	497	522
Judicial				
Juvenile Services Complex square footage	124,770	124,770	124,770	124,770
Community Services				
Number of buildings	-	-	-	-
Building square footage	-	-	-	-
Public Health vehicles	45	44	43	45
Resource Connection				
Number of buildings	16	16	16	16
Building square footage	348,464	348,464	348,464	348,464

Source: Tarrant County Facilities Office

TABLE XVIII

2018	2019	2020	2021	2022	2023
8	8	8	8	8	7
6	6	6	6	6	6
15	15	15	15	16	18
3,218,798	3,218,798	3,218,798	3,218,798	3,240,272	3,258,971
391,803	391,803	391,803	391,803	391,803	383,310
1,307,010	1,307,010	1,307,010	1,307,010	1,307,010	1,321,539
1,519,985	1,519,985	1,519,985	1,519,985	1,541,459	1,554,122
5	5	5	5	5	5
1,230,985	1,230,985	1,230,985	1,230,985	1,230,985	1,232,110
100	99	102	103	103	111
397	397	395	396	390	393
13,346,720	13,281,790	13,252,717	13,281,824	12,858,803	12,820,556
260	261	258	265	269	288
495	484	554	543	558	564
124,770	124,770	124,770	124,770	124,770	195,002
-	-	-	-	-	2
-	-	-	-	-	123,450
45	45	46	46	46	48
16	16	16	16	16	16
348,464	348,464	348,464	348,464	348,464	348,650

