



Tarrant County, Texas

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2022

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**TARRANT COUNTY, TEXAS**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Fiscal Year Ended September 30, 2022**



**Prepared By**

**County Auditor's Office**

**S. Renee Tidwell, CPA**

**County Auditor**



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# INTRODUCTORY SECTION

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





## **TARRANT COUNTY**

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100 E. WEATHERFORD  
FORT WORTH, TEXAS 76196-0103  
817/884-1205  
Fax 817/884-1104**

**S. RENEE TIDWELL, CPA  
COUNTY AUDITOR  
rtidwell@tarrantcounty.com**

**KIM BUCHANAN, CPA  
FIRST ASSISTANT COUNTY AUDITOR  
kmbuchanan@tarrantcounty.com**

March 29, 2023

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, 2022 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, 2022 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, 2022, 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 2,170,962 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 98-101 as part of the required supplementary information. The other budget comparisons at the department level are presented on pages 119-127 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. Development around the County continues to remain strong since 2019 despite the pandemic, with many company relocations from out-of-state and other global markets.

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 26,000-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 525 companies, and 61,000 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.

**Amazon:** Amazon built a 1.1 million square-foot distribution center. This center is one of three new e-commerce fulfillment sites in Texas employing 1,000 in Tarrant County. Amazon's new Regional Air Hub opened at Fort Worth Alliance Airport in October 2019.

**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 2.6 million square feet with total investment of \$1.5 billion and approximately 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 began in 2021. Once complete, 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 more than 5 million annual visitors. The museum is expected to open in 2024.

**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, 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 \$55 million in its assembly plant for new tooling and equipment to provide tools and technology 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.

**Dickies Arena:** The City of Fort Worth built a \$540 million multi-purpose arena to house the Fort Worth Stock Show and Rodeo as well as concerts and other performances in the city's museum district. The City's funding was capped at \$225 million; the remaining funds came from private sector participants. The state-of-the-art venue opened in November 2019. Dickies Arena hosted the Professional Bull Rider (PBR) World Finals event in 2022.

**American Airlines:** American Airlines opened the new 1.8 million square-foot headquarters campus in Fort Worth in 2019.

**Tarleton State University:** Construction started on a new campus in the southwest portion of Tarrant County. The first building was completed in 2019 with the ribbon cutting officially opening Tarleton's Fort Worth campus on August 1, 2019.

**TCU-UNTHSC:** Texas Christian University and the University of North Texas Health Science Center joined forces to open a new medical school. Classes began July 15, 2019.

**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.

**Texas Ranger Ballpark:** The citizens of the City of Arlington approved a 50/50 cost-sharing plan to build a new \$1 billion new ballpark with a retractable roof for the Texas Rangers. Globe Life Field opened in 2020.

**Dallas Cowboy Stadium:** The Dallas Cowboy Stadium opened in 2009 and has hosted numerous professional, college and high school football games, as well as basketball, pro bull riding, boxing, and concert events.

**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.

**Other major businesses:** Other major businesses recently locating to or expanding in Tarrant County include Incora, Ariat International, Allied Electronics & Automation, RSI SmartCap, and DCI Hollow Metal.

## **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 2022 totaled \$0.229 with \$0.015447 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

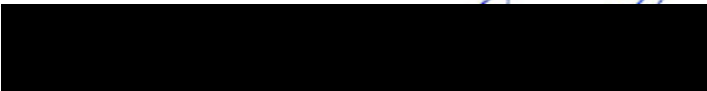

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting for the County's annual comprehensive financial report for the fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 Commissioners Court and the District Judges 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.

Sincerely,



S. Rence Tidwell, CPA  
County Auditor



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

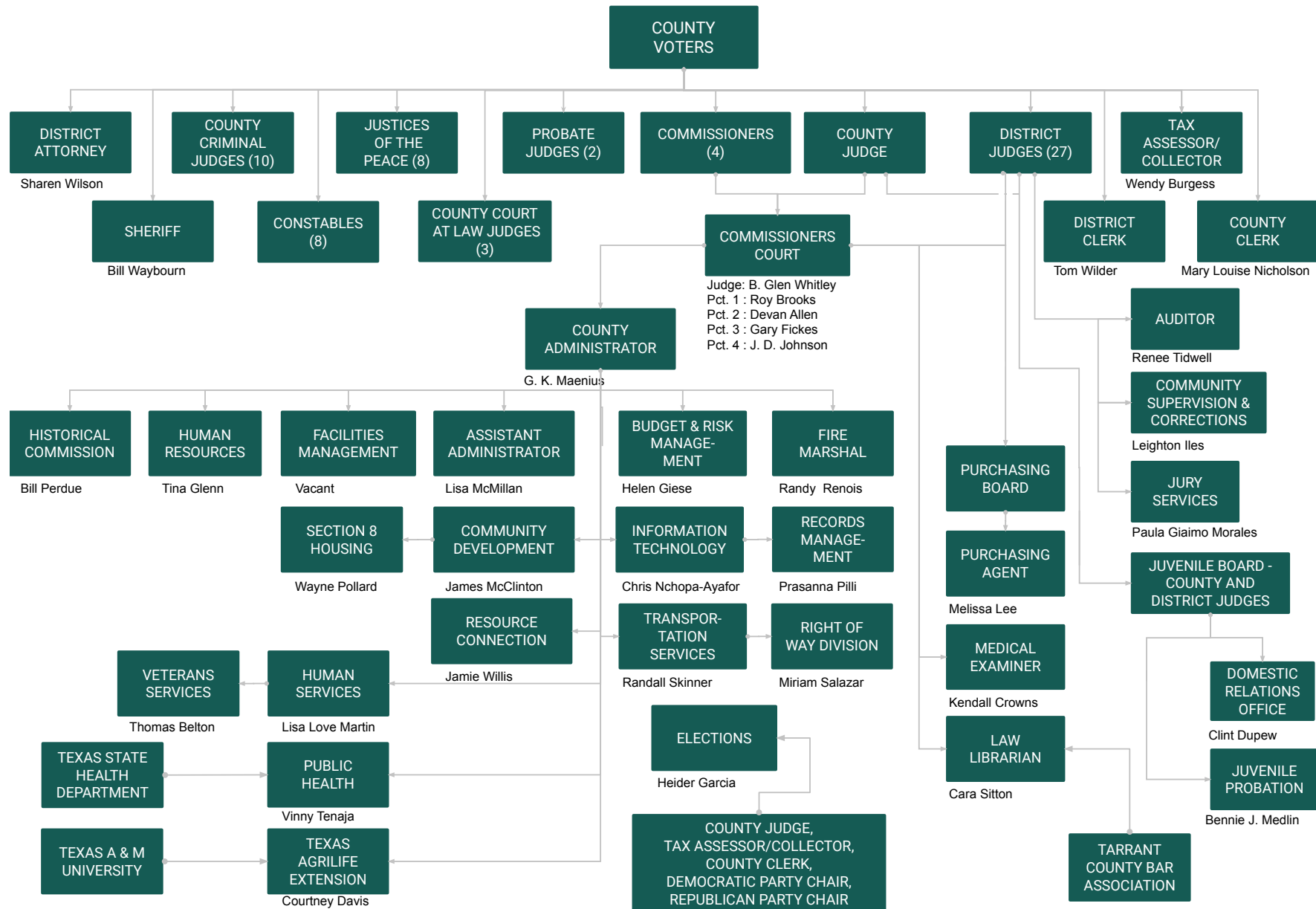
September 30, 2021

*Christopher P. Morill*

Executive Director/CEO



(as of 9/30/2022)



## PRINCIPAL OFFICIALS

September 30, 2022

### Commissioners Court:

B. Glen Whitley  
Roy Charles Brooks  
Devan Allen  
Gary Fickes  
J. D. Johnson

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

### Board of District Judges:

Elizabeth H. Beach  
Wayne Salvant  
Robb Catalano  
Mike Thomas  
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  
Jerome S. Hennigan  
Judith Wells  
Kimberly Fitzpatrick  
Megan Fahey  
Josh Burgess  
Patricia Baca Bennett  
Ryan Hill  
Scott Wisch  
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  
Jamie Cummings  
Molly Jones  
Cheril Hardy  
Charles Vanover  
Brent Carr  
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, 2022**

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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  
Sharen Wilson  
Bennie J. Medlin\*  
Leighton Iles\*  
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\*  
S. Renee Tidwell\*  
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.



# 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining 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*

March 29, 2023



## 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, 2022. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements following this section.

### Financial Highlights

- The County received \$204,194,446 as a direct disbursement from the U.S. Treasury for COVID-19 relief as part of the American Rescue Plan Act. Additional federal and state grants awarded for the global pandemic totaled approximately \$5,623,119.
- The assets and deferred outflows of the County exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$396,222,000 (net position). This is an increase of \$135,004,000.
- Total net position of the County is comprised of the following:
  1. Net investment in capital assets of \$404,023,000 includes land, buildings, computer software, infrastructure, construction in progress and other capital assets, net of accumulated depreciation, and is reduced by outstanding debt, net of unspent bond proceeds, related to the purchase or construction of capital assets.
  2. Net position of \$54,084,000 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 negative \$61,885,000.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$703,703,000, an increase of \$260,780,000 in comparison with the prior year. Approximately 14 percent of this total amount, \$101,912,000, 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 \$115,047,000, or approximately 23 percent of total general fund expenditures.
- The County's bonded debt increased by \$190,685,000 (approximately 89 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 115.

**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 129.

**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 29-97 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 98-112 of this report.

## 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 \$396,222,000 at the close of the most recent fiscal year.

A large portion of the County's net position, \$404,023,000, 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 \$24,907,000 for records management, \$15,459,000 for contractual or donor imposed restrictions, and \$13,718,000 for legislative purposes. The remaining portion of the net position is unrestricted net position, which is a negative \$61,885,000.

**Tarrant County's Net Position**

(Amounts in thousands)

	September 30, 2022			September 30, 2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 1,222,322	\$ 5,390	\$ 1,227,712	\$ 813,325	\$ 3,646	\$ 816,971
Capital assets	510,147	3,651	513,798	494,264	3,936	498,200
Total assets	1,732,469	9,041	1,741,510	1,307,589	7,582	1,315,171
Deferred outflows	159,326	401	159,727	182,596	467	183,063
Other liabilities	460,041	269	460,310	319,456	254	319,710
Long-term liabilities	739,667	879	740,546	789,032	1,535	790,567
Total liabilities	1,199,708	1,148	1,200,856	1,108,488	1,789	1,110,277
Deferred inflows	302,089	2,070	304,159	126,368	371	126,739
Net position:						
Net investment in capital assets	400,372	3,651	404,023	378,073	3,936	382,009
Restricted	54,084	-	54,084	52,361	-	52,361
Unrestricted	(64,458)	2,573	(61,885)	(175,105)	1,953	(173,152)
Total net position (deficit)	\$ 389,998	\$ 6,224	\$ 396,222	\$ 255,329	\$ 5,889	\$ 261,218

The County has a positive net position for the government as a whole, as well as for its governmental activities. The negative unrestricted net position is a result of the required accounting and reporting for the estimated unfunded portion of pension and other postemployment benefit liabilities and associated deferred inflows and outflows of resources. The net pension liability and OPEB liability of the governmental activities are \$28,589,000 and \$222,716,000, respectively. More information regarding contributions, net pension liability and OPEB liability can be found in the required supplemental information on pages 104-109.

The County's net position increased by \$135,004,000, during the current fiscal year. This increase represents the degree to which ongoing revenues have surpassed ongoing expenses. Revenues decreased \$2,913,000, less than 1 percent, due to a decrease in Community Service and Public Safety related grants received for the public health emergency (COVID-19) offset by an increase in property tax revenue resulting from increased property values and increased investment income due to increasing interest rates. Expenses decreased \$27,728,000, or by approximately 4 percent.

**Governmental activities.** Governmental activities increased the County's net position by \$134,669,000, thereby accounting for the increase in the net position of the County. Revenue decreased \$2,949,000 or less than 1 percent from prior year. Expenses decreased \$27,913,000 or by approximately 4 percent from prior year as a result of decreased spending in community services related to COVID-19 and decrease in transportation support for local county projects.

**Business-type activities.** Business-type activities net position increased \$335,000. Expenses increased \$185,000 or approximately 6 percent from the prior year and current year revenues increased \$36,000 or approximately 1 percent.

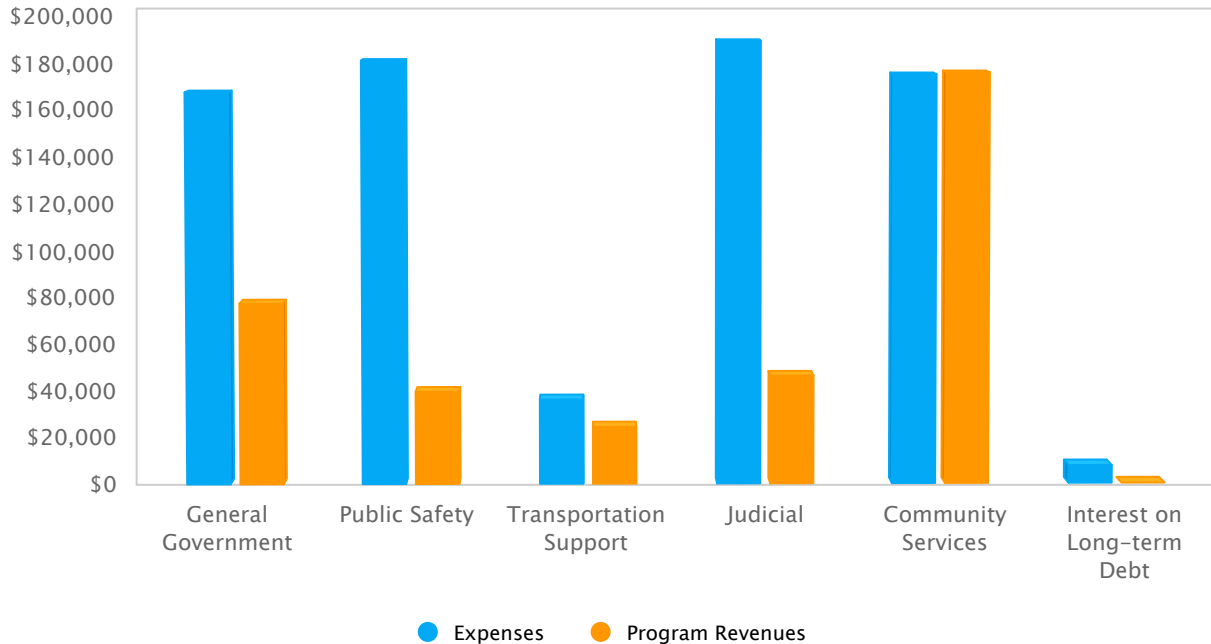
## Tarrant County's Changes in Net Position

(Amounts in thousands)

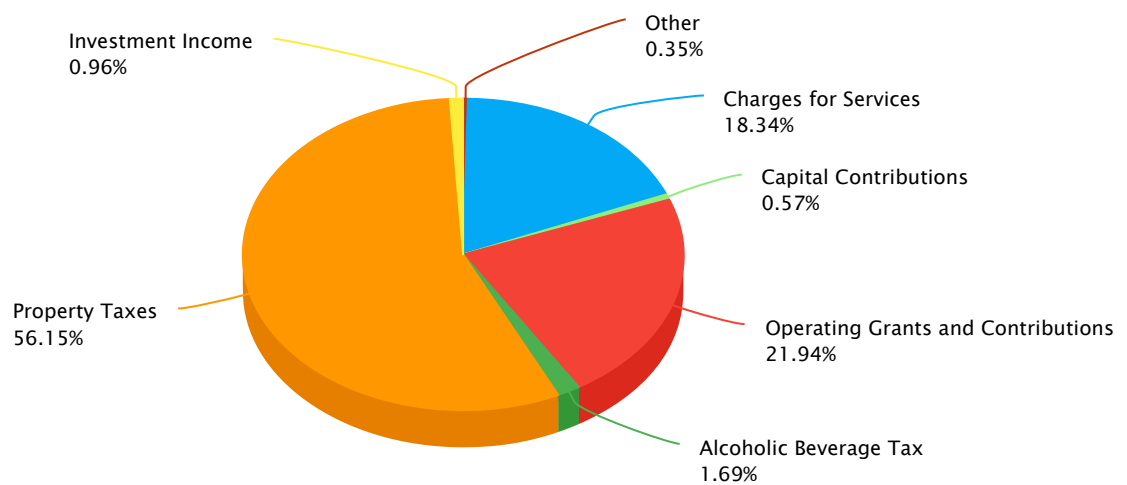
	For the year ended September 30, 2022			For the year ended September 30, 2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Fees, fines and charges for for services	\$ 163,643	\$ 3,311	\$ 166,954	\$ 154,178	\$ 3,408	\$ 157,586
Operating grants and contributions	195,772	-	195,772	236,748	-	236,748
Capital grants and contributions	5,105	-	5,105	2,223	-	2,223
General revenues:						
Property taxes	501,129	-	501,129	486,726	-	486,726
Alcohol, bingo, and other taxes	15,062	-	15,062	12,695	-	12,695
Investment earnings	8,574	49	8,623	975	5	980
Other general revenue	3,164	195	3,359	1,853	106	1,959
Total revenues	<u>892,449</u>	<u>3,555</u>	<u>896,004</u>	<u>895,398</u>	<u>3,519</u>	<u>898,917</u>
Expenses:						
General government	167,969	-	167,969	159,604	-	159,604
Public safety	181,792	-	181,792	177,771	-	177,771
Transportation	35,915	-	35,915	46,368	-	46,368
Judicial	189,465	-	189,465	187,223	-	187,223
Community services	175,285	-	175,285	208,224	-	208,224
Interest and fiscal charges	7,354	-	7,354	6,503	-	6,503
Resource Connection	-	3,220	3,220	-	3,035	3,035
Total expenses	<u>757,780</u>	<u>3,220</u>	<u>761,000</u>	<u>785,693</u>	<u>3,035</u>	<u>788,728</u>
Increase in net position before transfers	<u>134,669</u>	<u>335</u>	<u>135,004</u>	<u>109,705</u>	<u>484</u>	<u>110,189</u>
Transfers	-	-	-	(350)	350	-
Increase in net position	<u>134,669</u>	<u>335</u>	<u>135,004</u>	<u>109,355</u>	<u>834</u>	<u>110,189</u>
Net position-beginning	255,329	5,889	261,218	145,974	5,055	151,029
Net position-ending	<u>\$ 389,998</u>	<u>\$ 6,224</u>	<u>\$ 396,222</u>	<u>\$ 255,329</u>	<u>\$ 5,889</u>	<u>\$ 261,218</u>

## 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 \$703,703,000, an increase of \$260,780,000. Approximately 14 percent of this total amount, \$101,912,000, 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) \$11,065,000 is not in spendable form, 2) \$304,191,000 is restricted for a specific purpose externally imposed by bond covenants, grantors and contributors, or by enabling legislation, 3) \$186,479,000 has been committed by a formal action of the Commissioners Court for a specific purpose, and 4) \$100,056,000 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 \$115,047,000, and the total fund balance was \$215,501,000. 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 23 percent of total general fund expenditures, while total fund balance represents approximately 43 percent of that same amount.

The fund balance of the County's general fund increased by \$13,433,000 during the current fiscal year. Revenues increased about 6 percent from prior year predominantly due to increased tax revenue from increased property values. Expenditures increased as a result of public safety personnel costs being paid from COVID-19 grants in the prior year. Operating transfers to other funds increased 78 percent due to an increase in budgeted transfers to capital project funds for IT related projects and building renovations.

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 \$15,924,000 of which \$846,000 is in nonspendable form, the remainder is committed by the Commissioners Court. The fund balance decreased \$2,012,000 mainly due to increased expenses for a right of way project with the Texas Department of Transportation.

The debt service fund has a total fund balance of \$1,802,000, all of which is committed for the payment of debt service. The net increase in fund balance during the current year was \$84,000 due to refunding bond issue. The County maintains a budgeted reserve of \$1,500,000 in this fund.

The capital projects fund has a total fund balance of \$359,962,000, 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 \$246,019,000. The fund balance increased due to the issuance of voter approved bonds for transportation improvement projects. Expenditures decreased approximately 30 percent primarily due to the completion of interlocal transportation projects originating from the 2006 transportation bond program. Details of the bond projects are further described in the long-term debt section beginning on page 46.

The grants fund has a deficit fund balance for COVID-19 expenditures anticipated to be eligible for FEMA reimbursement that were not awarded to the County by fiscal year end. All expenditures in the grants fund should be reimbursed by state and federal funds. Also, any excess revenues received are deferred until earned.

Other governmental funds are for specific purposes. Revenues exceed expenditures resulting in an increase of the fund balance by \$3,256,000. Records preservation and automation fund increased \$2,575,000 with revenues exceeding expenditures related to projects to enhance public access and to make records searchable and available online. Miscellaneous contracts increased \$1,576,000 due to increased revenue from contract elections and \$509,000 in 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 \$6,224,000. The total increase in net position for the fund was \$335,000. Current year revenues increased \$36,000 or approximately less than 1 percent due to increases in mineral royalty and investment income offset by a decrease in auction proceeds and rental income. Expenses increased \$185,000 or approximately 6 percent from prior year due to increased building maintenance costs.

## 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 were to sheriff confinement due to increased jail population, transfer of court costs amongst the numerous courts as well as a \$20,000,000 transfer to community outreach programs.

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 \$73,601,170 and an undesignated balance of \$27,193,311.
- Departmental expenses were less than budgeted for sheriff, jail, information technology, medical examiner, juvenile administration, criminal district attorney, courts/judiciary and community outreach.
- Total revenues exceeded budgeted amounts. Revenue from property taxes, tax office motor vehicle, liquor by the drink, county clerk real estate filings, passports, and district clerk constable fees 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, 2022 amounted to \$513,798,000 net of accumulated depreciation. This investment in capital assets includes land, buildings, lease assets, equipment, computer software, infrastructure and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was \$15,598,000.

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

- Continued development of criminal justice software
- Continued development of Juvenile Justice Complex
- Purchase of a building for mental health jail diversion

Additional information on the County's capital assets can be found in Note 5 on pages 44-45 of this report.

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

	September 30, 2022			September 30, 2021 <sup>(1)</sup>		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	\$ 67,142	\$ 2,071	\$ 69,213	\$ 66,872	\$ 2,071	\$ 68,943
Buildings and improvements	267,584	646	268,230	276,222	828	277,050
Right to use building	5,207	-	5,207	6,068	-	6,068
Furnishings and equipment	27,995	88	28,083	26,504	108	26,612
Software	12,987	-	12,987	3,884	-	3,884
Infrastructure	53,220	846	54,066	51,720	929	52,649
Construction in progress	46,805	-	46,805	32,617	-	32,617
Software in development	29,207	-	29,207	36,445	-	36,445
Total	<u>\$ 510,147</u>	<u>\$ 3,651</u>	<u>\$ 513,798</u>	<u>\$ 494,264</u>	<u>\$ 3,936</u>	<u>\$ 498,200</u>

(1) Fiscal year 2021 balances amended from prior year in accordance with GASB 87.

**Long-term debt.**

At the end of the current fiscal year, the County had total bonded debt outstanding of \$404,360,000. All of this debt represents bonds payable solely on future ad valorem tax revenue. The remainder of the County's long-term debt obligation is comprised of leases with a balance of \$5,107,000.

**Tarrant County's Outstanding Debt**

(Amounts in thousands)

	Governmental Activities September 30	
	2022	2021 <sup>(1)</sup>
Bonds	\$ 404,360	\$ 213,675
Leases	5,107	6,068
Total	<u>\$ 409,467</u>	<u>\$ 213,713</u>

(1) Fiscal year 2021 balances amended from prior year in accordance with GASB 87.

The County's bonded debt increased by \$190,685,000 or approximately 89 percent during the current fiscal year. This reflects the issuance of \$75,710,000 refunding bonds, \$214,905,000 of limited tax bonds and principal reduction of \$99,330,000.

On November 2, 2021 the voters of Tarrant County approved proposition A totaling \$400,000,000 for the purpose of advancing transportation improvements throughout Tarrant County. The County issued \$214,905,000 in Limited Tax Bonds for this purpose.

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 \$11,395,369,000, 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 7 on pages 46-49 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 decreased from 4.1 percent to 3.5 percent. The state's average unemployment rate decreased to 3.8 percent compared to the prior year of 5.1 percent. The national unemployment rate also decreased to 3.5 percent.
- Continued increase in the 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 2023 fiscal year.

At September 30, 2022, the unassigned fund balance in the general fund was \$115,047,000. Total assigned fund balance, \$96,177,000, includes \$89,088,000 assigned for the purpose of spending in the 2023 fiscal year budget. This available fund balance enabled the County's tax rate to be decreased to \$0.224 for the 2023 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, 2022 (Amounts in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents, and investments	\$ 1,143,269	\$ 4,463	\$ 1,147,732
Taxes receivable, net of allowance for uncollectibles	5,662	-	5,662
Other receivables, net of allowance for uncollectibles	61,716	1,302	63,018
Internal balances	382	(382)	-
Prepaid expenses and inventory	11,293	7	11,300
Net pension asset	-	-	-
Capital assets, net:			
Not subject to depreciation/amortization	143,154	2,071	145,225
Subject to depreciation/amortization	366,993	1,580	368,573
Total assets	1,732,469	9,041	1,741,510
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	119,522	291	119,813
Deferred OPEB outflows	38,525	110	38,635
Deferred charge on refunding	1,279	-	1,279
Total deferred outflows of resources	159,326	401	159,727
<b>LIABILITIES</b>			
Accounts payable	32,181	191	32,372
Accrued interest payable	3,222	-	3,222
Other liabilities	39,318	50	39,368
Unearned revenue	385,320	28	385,348
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences payable	36,364	101	36,465
Leases	1,737	-	1,737
Bonds & notes payable	28,240	-	28,240
Other postemployment benefit liability	9,288	26	9,314
Other noncurrent liabilities	3,756	-	3,756
Portion due or payable after one year:			
Compensated absences payable	13,671	16	13,687
Leases	3,370	-	3,370
Bonds and notes payable	389,311	-	389,311
Net pension liability	28,520	69	28,589
Other postemployment benefit liability	212,735	667	213,402
Other noncurrent liabilities	12,675	-	12,675
Total liabilities	1,199,708	1,148	1,200,856
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension inflows	248,292	611	248,903
Deferred OPEB inflows	50,957	165	51,122
Deferred lease inflows	973	1,294	2,267
Deferred charge on refunding	1,867	-	1,867
Total deferred inflows of resources	302,089	2,070	304,159
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	400,372	3,651	404,023
Restricted:			
Records management	24,907	-	24,907
Contractual or donor imposed	15,459	-	15,459
Legislative	13,718	-	13,718
Unrestricted	(64,458)	2,573	(61,885)
Total net position (deficit)	\$ 389,998	\$ 6,224	\$ 396,222

See accompanying notes to the financial statements



Component Units	
Tarrant County Hospital District	MHMR of Tarrant County
\$ 1,249,458	\$ 39,017
2,582	-
188,715	26,715
-	-
37,597	6,285
26,266	-
76,176	5,758
167,756	21,252
1,748,550	99,027
34,982	-
-	-
-	-
34,982	-
79,415	6,971
-	-
107,491	5,387
-	3,241
-	324
2,621	1,939
5,297	-
-	-
6,459	-
-	3,832
8,439	3,579
19,441	-
-	-
-	-
13,450	-
242,613	25,273
46,027	-
-	-
930	-
-	-
46,957	-
206,107	21,491
-	-
29,736	1,469
-	-
1,258,119	50,794
\$ 1,493,962	\$ 73,754

**STATEMENT OF ACTIVITIES**

For the year ended September 30, 2022 (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	\$ 167,969	\$ 68,324	\$ 9,440	\$ -
Public safety	181,792	17,774	21,521	55
Transportation support	35,915	19,094	586	5,050
Judicial	189,465	29,823	16,347	-
Community services	175,285	28,628	147,878	-
Interest and fiscal charges	7,354	-	-	-
Total governmental activities	757,780	163,643	195,772	5,105
Business-type:				
Resource Connection	3,220	3,311	-	-
Total primary government	<u>\$ 761,000</u>	<u>\$ 166,954</u>	<u>\$ 195,772</u>	<u>\$ 5,105</u>
Component units				
Tarrant County Hospital District	\$ 1,381,156	\$ 639,967	\$ 233,013	\$ 256
MHMR of Tarrant County	184,246	50,566	116,502	-
	<u>\$ 1,565,402</u>	<u>\$ 690,533</u>	<u>\$ 349,515</u>	<u>\$ 256</u>

## General revenues and transfers

## General revenues:

Property taxes

Alcoholic beverage, bingo, and other taxes

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
\$ (90,205)	\$ -	\$ (90,205)	\$ -	\$ -
(142,442)	-	(142,442)	-	-
(11,185)	-	(11,185)	-	-
(143,295)	-	(143,295)	-	-
1,221	-	1,221	-	-
(7,354)	-	(7,354)	-	-
(393,260)	-	(393,260)	-	-
-	91	91	-	-
<u>\$ (393,260)</u>	<u>\$ 91</u>	<u>\$ (393,169)</u>	<u>\$ -</u>	<u>\$ -</u>
			\$ (507,920)	\$ -
			-	(17,178)
			<u>\$ (507,920)</u>	<u>\$ (17,178)</u>
501,129	-	501,129	513,773	-
15,062	-	15,062	-	-
8,574	49	8,623	-	231
3,164	195	3,359	106,763	12,492
<u>527,929</u>	<u>244</u>	<u>528,173</u>	<u>620,536</u>	<u>12,723</u>
134,669	335	135,004	112,616	(4,455)
255,329	5,889	261,218	1,381,346	78,209
<u>\$ 389,998</u>	<u>\$ 6,224</u>	<u>\$ 396,222</u>	<u>\$ 1,493,962</u>	<u>\$ 73,754</u>

## BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2022 (Amounts in thousands)

	General	Road and Bridge	Debt Service	Capital Projects
<b>ASSETS</b>				
Cash, cash equivalents, and investments	\$ 208,046	\$ 16,880	\$ 1,755	\$ 368,469
Receivables				
Taxes, net of allowance for uncollectibles	5,176	1	485	-
Other receivables, net of allowance for uncollectibles	11,249	545	-	10
Due from other funds	33,137	-	-	-
Advance to proprietary fund	-	-	-	382
Supplies and prepaid items	3,832	846	-	-
<b>TOTAL ASSETS</b>	<b>\$ 261,440</b>	<b>\$ 18,272</b>	<b>\$ 2,240</b>	<b>\$ 368,861</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 7,677	\$ 1,364	\$ -	\$ 8,891
Other liabilities	28,839	983	-	8
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>36,516</b>	<b>2,347</b>	<b>-</b>	<b>8,899</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	4,556	1	438	-
Unavailable revenue-other receivables	3,894	-	-	-
Deferred lease inflows	973	-	-	-
<b>Total deferred inflows of resources</b>	<b>9,423</b>	<b>1</b>	<b>438</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	3,832	846	-	-
Restricted	-	-	-	248,255
Committed	445	15,078	1,802	111,707
Assigned	96,177	-	-	-
Unassigned	115,047	-	-	-
<b>Total fund balances</b>	<b>215,501</b>	<b>15,924</b>	<b>1,802</b>	<b>359,962</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 261,440</b>	<b>\$ 18,272</b>	<b>\$ 2,240</b>	<b>\$ 368,861</b>

See accompanying notes to the financial statements

Grants	Other Governmental Funds	Total Governmental Funds
\$ 389,691	\$ 110,062	\$ 1,094,903
-	-	5,662
29,131	17,148	58,083
-	-	33,137
-	-	382
5,841	546	11,065
<u>\$ 424,663</u>	<u>\$ 127,756</u>	<u>\$ 1,203,232</u>
\$ 11,443	\$ 785	\$ 30,160
4,081	1,225	35,136
31,677	1,460	33,137
384,756	448	385,204
<u>431,957</u>	<u>3,918</u>	<u>483,637</u>
-	-	4,995
-	6,030	9,924
-	-	973
<u>-</u>	<u>6,030</u>	<u>15,892</u>
5,841	546	11,065
-	55,936	304,191
-	57,447	186,479
-	3,879	100,056
(13,135)	-	101,912
<u>(7,294)</u>	<u>117,808</u>	<u>703,703</u>
<u>\$ 424,663</u>	<u>\$ 127,756</u>	<u>\$ 1,203,232</u>

# RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE TO GOVERNMENTAL ACTIVITIES NET POSITION

September 30, 2022 (Amounts in thousands)

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

Total fund balance - total governmental funds	\$ 703,703
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	510,147
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	14,919
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.	30,973
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds. (Note 2)	159,326
Deferred inflows of resources are not an available resource and, therefore, are not reported in the funds. (Note 2)	(301,116)
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>(727,954)</u>
Net position - governmental activities	<u>\$ 389,998</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, 2022 (Amounts in thousands)

	General	Road and Bridge	Debt Service	Capital Projects
<b>REVENUES:</b>				
Taxes	\$ 468,334	\$ 1	\$ 34,208	\$ -
Licenses and permits	1,346	-	-	-
Fees of office	72,749	19,044	-	546
Intergovernmental	29,932	81	-	-
Investment income	4,941	128	99	2,354
Other revenues	11,362	742	-	1,169
Total revenues	588,664	19,996	34,307	4,069
<b>EXPENDITURES:</b>				
Current:				
General government	132,527	4,212	-	-
Public safety	169,403	-	-	-
Transportation support	1	28,482	-	-
Judicial	189,617	-	-	-
Community services	7,987	-	-	-
Capital outlay	-	-	-	45,405
Debt service:				
Principal payments	491	-	28,815	-
Interest and fiscal charges	11	-	5,716	-
Total expenditures	500,037	32,694	34,531	45,405
Excess (deficiency) of revenues over (under) expenditures	88,627	(12,698)	(224)	(41,336)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,317	10,686	-	60,659
Transfers out	(76,511)	-	-	-
Leases (as lessee)	-	-	-	-
Issuance of debt	-	-	-	214,905
Premium on new debt	-	-	-	11,791
Refunding bonds issued	-	-	75,710	-
Payment to refunded bond escrow agent	-	-	(75,402)	-
Total other financing sources (uses)	(75,194)	10,686	308	287,355
Change in fund balance	13,433	(2,012)	84	246,019
FUND BALANCES, beginning of year	202,068	17,936	1,718	113,943
FUND BALANCES, end of year	\$ 215,501	\$ 15,924	\$ 1,802	\$ 359,962

See accompanying notes to the financial statements



Grants	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 504	\$ 503,047
-	7	1,353
816	24,132	117,287
182,379	18,884	231,276
191	862	8,575
440	6,974	20,687
183,826	51,363	882,225
7,603	6,075	150,417
15,644	8,738	193,785
1,319	-	29,802
14,841	2,969	207,427
132,396	31,794	172,177
11,982	744	58,131
1,291	199	30,796
34	6	5,767
185,110	50,525	848,302
(1,284)	838	33,923
-	3,666	76,328
-	(1,317)	(77,828)
1,284	69	1,353
-	-	214,905
-	-	11,791
-	-	75,710
-	-	(75,402)
1,284	2,418	226,857
-	3,256	260,780
(7,294)	114,552	442,923
<u>\$ (7,294)</u>	<u>\$ 117,808</u>	<u>\$ 703,703</u>

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

For the year ended September 30, 2022 (Amounts in thousands)

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

Net change in fund balances--total governmental funds	\$ 260,780
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)	8,279
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (Note 2)	373
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,643
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)	(197,523)
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)	56,149
The change in net position of certain activities of internal service funds is reported with governmental activities.	<u>2,968</u>
Change in net position - governmental activities	<u>\$ 134,669</u>

See accompanying notes to the financial statements

# STATEMENT OF NET POSITION PROPRIETARY FUNDS

September 30, 2022 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,463	\$ 48,366
Other receivables, net of allowance for uncollectibles	1,302	3,633
Prepaid expenses and inventory	7	386
Total current assets	5,772	52,385
Noncurrent assets:		
Capital assets		
Land	2,071	-
Building and improvements, net	646	-
Equipment, net	88	-
Infrastructure, net	846	-
Total noncurrent assets	3,651	-
Total assets	9,423	52,385
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pension outflows	291	-
Deferred OPEB outflows	110	-
Total deferred outflows of resources	401	-
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	191	683
Other liabilities	50	4,182
Advance from capital projects fund	382	-
Unearned revenue	28	116
Compensated absences payable	101	-
Other postemployment benefit liability	26	-
Other long term liabilities-current portion	-	3,756
Total current liabilities	778	8,737
Noncurrent liabilities:		
Other noncurrent liabilities	-	12,675
Net pension liability	69	-
Compensated absences payable	16	-
Other postemployment benefit liability	667	-
Total noncurrent liabilities	752	12,675
Total liabilities	1,530	21,412
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred pension inflows	611	-
Deferred OPEB inflows	165	-
Deferred lease inflows	1,294	-
Total deferred inflows of resources	2,070	-
<b>NET POSITION</b>		
Investment in capital assets	3,651	-
Unrestricted	2,573	30,973
Total net position	\$ 6,224	\$ 30,973

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, 2022 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<b>OPERATING REVENUES</b>		
Building rental	\$ 3,311	\$ -
Charges for services - external	-	18,833
Charges for services - internal	-	53,386
Oil and gas royalties	190	-
Other revenues	5	13,086
Total operating revenues	3,506	85,305
<b>OPERATING EXPENSES</b>		
Personnel	989	-
Building and equipment	1,683	115
Depreciation and amortization	307	-
Self insurance claims	-	72,796
Insurance premiums	44	2,540
Other expenses	197	8,759
Total operating expenses	3,220	84,210
Operating income	286	1,095
<b>NONOPERATING REVENUES</b>		
Investment income	49	373
Total nonoperating revenues	49	373
Income before contributions and transfers	335	1,468
Transfers in	-	8,500
Transfers out	-	(7,000)
Change in net position	335	2,968
Net position - beginning of year	5,889	28,005
Net position - ending	\$ 6,224	\$ 30,973

See accompanying notes to the financial statements

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended September 30, 2022 (Amounts in thousands)

	Business-type Activities- Enterprise	Governmental Activities- Internal Service
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from customers and employees	\$ 2,341	\$ 32,200
Receipts from interfund charges	1,102	53,386
Payments to suppliers	(1,866)	-
Payments for claims and judgments	-	(81,886)
Payments to employees	(1,171)	-
Net cash provided by operating activities	406	3,700
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Investment income	49	373
Net cash provided by investing activities	49	373
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
Transfers in	-	8,500
Transfers out	-	(7,000)
Net cash provided by noncapital financing activities	-	1,500
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Purchase of capital assets	(22)	-
Net cash used in capital and related financial activities	(22)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	433	5,573
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	4,030	42,793
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 4,463</u>	<u>\$ 48,366</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Income from operations	\$ 286	\$ 1,095
Net cash provided by operating activities:		
Depreciation & amortization	307	-
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Other receivables	1,322	272
Pension related deferred outflows	59	-
OPEB related deferred outflows	7	-
Accounts payable	58	31
Other liabilities	3	2,293
Advance from capital projects fund	(75)	-
Unearned revenue	(46)	9
Pension liability	(670)	-
Pension related deferred inflows	432	-
OPEB liability	26	-
OPEB related deferred inflows	(27)	-
Deferred lease inflows	(1,264)	-
Compensated absences	(12)	-
Net cash provided by operating activities	<u>\$ 406</u>	<u>\$ 3,700</u>

See accompanying notes to the financial statements

# STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

September 30, 2022 (Amounts in thousands)

	Custodial Funds
<b>ASSETS</b>	
Cash, cash equivalents, and investments	\$ 113,841
Other receivables	5
Total assets	113,846
<b>LIABILITIES</b>	
Accounts payable	86
Held for others	4,760
Due to other government agencies	50,869
Total liabilities	55,715
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	58,131
Total net position	\$ 58,131

See accompanying notes to the financial statements

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the year ended September 30, 2022 (Amounts in thousands)

	Custodial Funds
<b>ADDITIONS</b>	
Property tax collections for other governments	\$ 4,673,113
Vehicle registration fees collected for state	735,863
Judicial/statutory ordered collections due to others	50,951
Collateral/escrow deposits from bondsmen	786
Inmate commissary deposits	11,214
Seizures by law enforcement agencies	2,728
State grant/program revenue	24,611
Interest earnings	332
Total additions	5,499,598
<b>DEDUCTIONS</b>	
Property taxes due to other governments	4,673,113
Vehicle registration due to state	735,863
Payments due under judicial order/statute	52,900
Release of collateral/escrow held for bondsmen	605
Inmate commissary funds	11,214
State grant/program revenue	24,689
Total deductions	5,498,384
Net increase (decrease) in fiduciary net position	1,214
Net position-beginning	56,917
Net position - ending	\$ 58,131

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 2022, the County implemented requirements of **GASB Statement No. 87, *Leases***, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. **GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period***, establishes accounting requirements for interest cost incurred before the end of a construction period. **GASB Statement No. 92, *Omnibus 2020***, addresses a variety of topics including issues related to clarifying the implementation of Statements 73, 74, 83, 84 and 87. **GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32***, provides guidance on financial reporting for defined contribution pension plans, OPEB plans, Section 457 plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. **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 that were effective immediately and the requirements related to leases in fiscal year 2022.

### (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 7).

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 7).

#### 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, 2022. 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, 2022 and therefore are not included in the County's financial statements. All debt issued through TCHFDC was conduit debt (see Note 7). 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, 2022, and therefore are not included in the County's financial statements. All debt issued through TCCEFFC was conduit debt (see Note 7). 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, 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 and Right to Use Assets**

Capital assets, which include land, software in development, construction in progress, building and improvements, right to use buildings, furnishings and equipment, 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 are amortized on the shorter of the lease 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 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.
- 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.
- Net difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- 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.
- Present value of future lease payments to be amortized over the lease term.

### (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 \$0.229 (\$0.213553 for the maintenance and operations and \$0.015447 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) 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.

**(n) 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.

### 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 \$727,954 difference are as follows (in thousands):

Bonds payable	\$ 404,360
Plus: Premium on issuance (to be amortized as interest expense)	13,191
Accrued interest payable	3,222
Unsettled capital asset trade-in	1,338
Lease liability	5,107
Lease prepayment already recognized at the fund level	158
Compensated absences	50,035
Pension liability	28,520
Other postemployment benefits liability	<u>222,023</u>
Net adjustment to fund balance	<u>\$ 727,954</u>

Another element of that reconciliation explains that “Deferred outflows of resources are not reported in the funds.” The details of this \$159,326 difference are as follows (in thousands):

Deferred loss on debt refunding	\$ 1,279
Pension contributions after the measurement date	48,323
Changes in pension assumptions	69,079
Difference in pension experience	2,120
OPEB contributions after the measurement date	9,288
Difference in OPEB assumptions	28,754
Difference in OPEB experience	<u>483</u>
Net adjustment to fund balance	<u>\$ 159,326</u>

Another element of that reconciliation explains that Deferred inflows of resources are not reported in the funds. The details of this \$301,116 difference are as follows (in thousands):

Deferred gain on debt refunding	\$ 1,867
Difference in projected and actual pension earnings	237,711
Changes in pension assumptions	5,419
Difference in pension experience	5,162
Changes in OPEB assumptions	21,244
Difference in OPEB experience	<u>29,713</u>
Net adjustment to fund balance	<u>\$ 301,116</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 \$8,279 difference are as follows (in thousands):

Capital outlay	\$ 39,359
Depreciation/amortization expense	<u>(31,080)</u>
Net adjustment to fund balance	<u>\$ 8,279</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 \$373 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.

	\$ (3,554)
--	------------

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.

	<u>3,927</u>
Net adjustment to fund balance	<u>\$ 373</u>

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 \$197,523 difference are as follows (in thousands):

Debt issued or incurred:	
Issuance of general obligation/refunding notes	\$ (290,615)
Plus premium	(11,791)
Leases (as lessee)	(1,353)
Principal repayments:	
Limited tax refunding and general obligation debt	28,815
Reduction of lease liability	2,019
Payment to escrow agent for refunding	<u>75,402</u>
Net adjustment to fund balance	<u>\$ (197,523)</u>

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

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 \$56,149 difference are as follows (in thousands):

Changes in:	
Compensated absences	\$ 391
Other postemployment benefits	(9,299)
Net pension liability	261,670
Deferred pension outflows	(19,318)
Deferred pension inflows	(181,138)
Deferred OPEB outflows	(2,827)
Deferred OPEB inflows	8,257
Accrued interest payable	(1,835)
Interest expense on refunding	(1,113)
Amortization of deferred outflow on refunding	(630)
Amortization of deferred inflow on refunding	190
Amortization of bond premiums	1,801
Net adjustment to fund balance	<u>\$ 56,149</u>

### 3. CASH AND INVESTMENTS

#### Cash

At year-end, the County's carrying amount of cash including cash in the fiduciary funds was \$540,043,000 and the bank balance was \$555,598,000, 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, 2022 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	\$ 2,770	\$ 1,641	\$ 1,129	0.4%
Investment pools:				
TexPool	222,555	222,555	-	30.8%
Lone Star	258,840	258,840	-	35.9%
TexStar	177,551	177,551	-	24.6%
Texas CLASS	13,494	13,494	-	1.9%
Fiduciary funds:				
Certificates of deposit	46,320	16,608	29,712	6.4%
Total Investments	<u>\$ 721,530</u>	<u>\$ 690,689</u>	<u>\$ 30,841</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, 2022, 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 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, 2022, 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	\$ 540,043
Investments	<u>721,530</u>
Total	<u>\$ 1,261,573</u>
Cash and investments per Statement of Net Position	\$ 1,147,732
Cash and investments per Statement of Fiduciary Net Position	<u>113,841</u>
Total	<u>\$ 1,261,573</u>

### 4. RECEIVABLES AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Total</u>
Property taxes receivable	\$ 25,745	\$ 14	\$ 3,202	\$ 28,961
Allowance for uncollectibles	(20,569)	(13)	(2,717)	(23,299)
Net taxes receivable	<u>\$ 5,176</u>	<u>\$ 1</u>	<u>\$ 485</u>	<u>\$ 5,662</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

	<u>General</u>	<u>Road and Bridge</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Accounts receivable	\$ 2,853	\$ 1	\$ 10	\$ 1,827	\$ 2,843	\$ 7,534
Fee office receivable	95,837	-	-	-	-	95,837
Intergovernmental receivable	3,702	544	-	27,733	14,377	46,356
Lease receivable	978	-	-	-	-	978
Allowance for uncollectible	(92,121)	-	-	(429)	(72)	(92,622)
Net accounts receivable	<u>\$ 11,249</u>	<u>\$ 545</u>	<u>\$ 10</u>	<u>\$ 29,131</u>	<u>\$ 17,148</u>	<u>\$ 58,083</u>

#### Proprietary Funds

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Accounts receivable	\$ 62	\$ 3,648	\$ 3,710
Lease receivable	1,241	-	1,241
Allowance for uncollectible	(1)	(15)	(16)
Net accounts receivable	<u>\$ 1,302</u>	<u>\$ 3,633</u>	<u>\$ 4,935</u>

### 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows (in thousands):

	Balance October 1, 2021 <sup>(1)</sup>	Additions	Disposals	Transfers	Balance September 30, 2022
<b>Governmental activities:</b>					
Capital assets; not depreciated:					
Land	\$ 66,872	\$ 792	\$ (522)	\$ -	\$ 67,142
Software in development	36,445	3,208	-	(10,446)	29,207
Construction in progress	32,617	14,188	-	-	46,805
Total capital assets not depreciated	<u>135,934</u>	<u>18,188</u>	<u>(522)</u>	<u>(10,446)</u>	<u>143,154</u>
Capital assets; being depreciated:					
Buildings and improvements	508,871	4,522	-	-	513,393
Right to use building	6,068	1,353	(242)	-	7,179
Furnishings and equipment	101,329	9,112	(4,266)	-	106,175
Software	50,916	1,306	-	10,446	62,668
Infrastructure	136,000	9,005	(8,103)	-	136,902
Total capital assets; being depreciated	<u>803,184</u>	<u>25,298</u>	<u>(12,611)</u>	<u>10,446</u>	<u>826,317</u>
Less accumulated depreciation/ amortization for:					
Buildings and improvements	(232,649)	(13,160)	-	-	(245,809)
Right to use building	-	(2,041)	69	-	(1,972)
Furnishings and equipment	(74,825)	(7,600)	4,245	-	(78,180)
Software	(47,032)	(2,649)	-	-	(49,681)
Infrastructure	(84,280)	(5,630)	6,228	-	(83,682)
Total accumulated depreciation	<u>(438,786)</u>	<u>(31,080)</u>	<u>10,542</u>	<u>-</u>	<u>(459,324)</u>
Total capital assets; being depreciated, net	364,398	(5,782)	(2,069)	10,446	366,993
Governmental activities capital assets, net	<u>\$ 500,332</u>	<u>\$ 12,406</u>	<u>\$ (2,591)</u>	<u>\$ -</u>	<u>\$ 510,147</u>

(1) Opening balances amended from prior year in accordance with GASB 87.

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

<b>Governmental activities:</b>	
General government	\$ 14,541
Public safety	4,851
Transportation	9,532
Judicial	175
Community services	1,981
Total governmental activities depreciation expense	<u>\$ 31,080</u>

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

	Balance October 1, 2021	Additions	Disposal	Transfers	Balance September 30, 2022
<b>Business-type activities:</b>					
Capital assets; not depreciated:					
Land	\$ 2,071	\$ -	\$ -	\$ -	\$ 2,071
Total capital assets not depreciated	2,071	-	-	-	2,071
Capital assets; being depreciated:					
Buildings and improvements	6,807	-	-	-	6,807
Furnishings and equipment	607	22	-	-	629
Infrastructure	1,759	-	-	-	1,759
Total capital assets; being depreciated	9,173	22	-	-	9,195
Less accumulated depreciation for:					
Buildings and improvements	(5,979)	(182)	-	-	(6,161)
Furnishings and equipment	(499)	(42)	-	-	(541)
Infrastructure	(830)	(83)	-	-	(913)
Total accumulated depreciation	(7,308)	(307)	-	-	(7,615)
Total capital assets; being depreciated, net	1,865	(285)	-	-	1,580
Business-type activities capital assets, net	\$ 3,936	\$ (285)	\$ -	\$ -	\$ 3,651

## 6. LEASES

### Leases

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee is required to recognize a lease liability and an intangible right to use asset.

### Lease Receivable

Tarrant County is currently a lessor for 17 noncancelable leases with various third parties. Current lease activities include the right to use building rental space. The County recognized \$209,133 in lease revenue and \$9,337 in lease interest revenue during the current fiscal year for governmental activities and \$1,316,337 in lease revenue and \$15,190 in lease interest for business-type activities (Resource Connection). In addition, governmental funds received \$12,630 for the increase in rent based on the Consumer Price Index in accordance with the lease agreement. As of September 30, 2022, the County's deferred inflow of resources from these leases is \$973,411 for governmental and \$1,293,864 for business-type activities.

### Lease Payable

Tarrant County is a lessee for 13 noncancelable leases with various third parties. Current lease activities include the right to use assets for building rental space. The October 1, 2021 lease liability was \$6,067,786 with a remaining balance of \$5,106,296 at September 30, 2022.

As of September 30, 2022, the lease liability principal and interest requirements to maturity are as follows (in thousands):

<b>Fiscal Year(s)</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Principal &amp; Interest</b>
2023	\$ 1,737	\$ 38	\$ 1,775
2024	1,716	23	1,739
2025	628	14	642
2026	501	9	510
2027	288	4	292
2028 - 2029	237	2	239
Total	<u>\$ 5,107</u>	<u>\$ 90</u>	<u>\$ 5,197</u>

## 7. LONG-TERM DEBT AND LIABILITIES

General obligation debt and limited tax refunding bonds are generally payable from property tax revenues. Leases are payable from the General, Grants, and Other Governmental funds. Pension liability, OPEB obligations and compensated absences are generally liquidated from the following funds: General, Road and Bridge, Grants, Resource Connection and Other Governmental funds.

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. During the fiscal year, the County issued \$214,905,000 in Limited Tax Bonds, Series 2022 for this purpose.

On May 17, 2022, the County issued \$29,220,000 Limited Tax Refunding Bonds, Series 2022A through a private placement. The proceeds were used to advance refund \$27,650,000 of outstanding Limited Tax Refunding and General Obligation Bonds, Series 2013. The net proceeds of \$29,089,735 (after payment of issuance costs) were placed with an escrow agent to provide for all future debt service payments. As of September 30, 2022, \$27,650,000 remains outstanding. As a result, a portion of the Limited Tax Refunding and General Obligation Bonds, Series 2013, are considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price by \$695,285. This amount is amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$3,106,759 and resulted in an economic gain of \$2,687,963.

On May 17, 2022, the County issued \$46,490,000 Limited Tax Refunding Bonds, Series 2022B through a private placement. The proceeds were used to advance refund \$43,465,000 of outstanding Limited Tax Refunding and General Obligation Bonds, Series 2015. The net proceeds of \$46,312,443 (after payment issuance costs) were placed with an escrow agent to provide for all future debt service payments. As of September 30, 2022, \$43,465,000 remains outstanding. As a result, a portion of the Limited Tax Refunding and General Obligation Bonds, Series 2015, are considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

by \$882,427. This amount is amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by \$4,152,180 and resulted in an economic gain of \$3,473,337.

At fiscal year-end, \$313,570,562 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, 2022 (in thousands):

Limited Tax Refunding and General Obligation - Series 2013

Original amount of \$72,260 dated September 1, 2013, with interest rates from 1.0% to 5.0%, payable in annual installments in varying amounts plus interest through 2033. The issuance included the refunding of \$19,975 of the 2004 Limited Tax Refunding and Improvement Bonds and \$17,235 of the 2005 Limited Tax Refunding Bonds; \$27,650 of Series 2013 was refunded with the 2022A issuance.

5,235

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 2035. 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.

9,890

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.

31,040

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.

40,095

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.

28,740

Limited Tax Refunding - Series 2022A

Original amount of \$29,220 dated May 17, 2022, with interest rate of 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.

28,675

**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.

45,780

**Limited Tax Bonds - Series 2022**

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

214,905

404,360

Less - current maturities

28,240

Long-term debt, net of current maturities

376,120

Plus premiums

13,191

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

\$ 389,311

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	
2023	\$ 9,740	\$ 10,871	\$ 18,500	\$ 4,093	\$ 43,204
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
2028-2032	33,180	39,906	48,965	4,731	126,782
2033-2037	42,345	30,739	14,905	677	88,666
2038-2042	53,385	19,694	-	-	73,079
2043-2047	65,075	8,013	-	-	73,088
Total	<u>\$ 230,030</u>	<u>\$ 146,823</u>	<u>\$ 174,330</u>	<u>\$ 20,436</u>	<u>\$ 571,619</u>



# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

The following is a summary of the changes in long-term liabilities of the County for the year ended September 30, 2022 (in thousands):

	Balance October 1, 2021 <sup>(1)</sup>	Additions	Retirements	Balance September 30, 2022	Amounts Due within One year
<b>Governmental activities:</b>					
Bonds payable	\$ 213,675	\$ 290,615	\$ (99,930)	\$ 404,360	\$ 28,240
Deferred amounts:					
Premium	8,927	11,791	(7,527)	13,191	-
Total bonds payable	222,602	302,406	(107,457)	417,551	28,240
Leases	6,068	1,353	(2,314)	5,107	1,737
Total	<u>\$ 228,670</u>	<u>\$ 303,759</u>	<u>\$ (109,771)</u>	<u>\$ 422,658</u>	<u>\$ 29,977</u>

(1) Opening balances amended from prior year in accordance with GASB 87.

<b>Governmental activities:</b>					
Compensated absences	\$ 50,426	\$ 39,485	\$ (39,876)	\$ 50,035	\$ 36,364
<b>Business-type activities:</b>					
Compensated absences	\$ 129	\$ 154	\$ (166)	\$ 117	\$ 101

### 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, 2022 is as follows (in thousands):

Tarrant County Housing Finance Corporation	\$ 186,620
Tarrant County Health Facilities Development Corporation	43,370
Tarrant County Cultural Education Facilities Finance Corporation	<u>6,219,666</u>
Total Conduit Debt	<u>\$ 6,449,656</u>

Subsequent to year-end, the Commissioners Court has approved for the Tarrant County Cultural Education Facilities Finance Corporation to issue debt for several entities, not to exceed \$550,000,000.

**8. DEFICIT FUND BALANCE / NET POSITION**

The following County funds had a deficit fund balance/net position as of September 30, 2022 (in thousands):

Grants	\$	7,294
Worker's Compensation	\$	9,050

The deficit fund balance in the Grants fund is due to COVID-19 expenditures anticipated to be eligible for FEMA reimbursement that were not awarded to the County by fiscal year end. The related revenue for these expenditures will be recognized in the year of the award.

The deficit net position in the Workers Compensation Fund is due to increased claims related to the COVID-19 pandemic and the accrual of future year liabilities of \$14,281,050. 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.

**9. INTERFUND BALANCES AND ACTIVITY**

The following is a summary of County interfund transfers, receivable and payables at September 30, 2022 and for the year then ended (in thousands):

<b>Transfer From</b>	<b>Amount</b>	<b>Transfer To</b>	<b>Explanation</b>
General Fund	\$ 60,659	Capital Projects Fund	Supplement capital funds
General Fund	10,686	Road and Bridge	Supplement transportation services
General Fund	300	Other Governmental Funds	Supplement law enforcement task force
General Fund	3,366	Other Governmental Funds	Supplement bond supervision unit
General Fund	1,500	Self Insurance Fund	Supplement self insurance
Other Governmental Funds	1,087	General Fund	Supplement courthouse security activity
Other Governmental Funds	24	General Fund	Supplement deferred prosecution program
Other Governmental Funds	206	General Fund	Supplement court language access
Employee Benefits Fund	7,000	Workers Compensation Fund	Supplement workers compensation
	<u>\$ 84,828</u>		
<b>Funds Due From</b>	<b>Amount</b>	<b>Funds Due To</b>	<b>Explanation</b>
Grants Fund	\$ 31,677	General Fund	Short-term loan
Other Governmental Funds	1,460	General Fund	Short-term loan
	<u>\$ 33,137</u>		
<b>Advance From</b>	<b>Amount</b>	<b>Advance To</b>	<b>Explanation</b>
Capital Project Fund	\$ 382	Enterprise	Repayment for Medium Voltage Distribution Project to be repaid as funds are available.

## 10. 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.

## 11. 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 viewed at [www.tcdrs.org](http://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 September 2021, the County approved a 1% cost-of-living adjustment benefit increase effective January 1, 2022.

**Employees Covered by Benefit Terms**

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2,964
Inactive employees entitled but not yet receiving benefits	2,396
Active employees	<u>4,331</u>
Total	<u>9,691</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 2021, which was 5.73% greater than the actuarially required contribution rate of 13.77% and contributed 19.5% for the calendar year 2022, which was 5.37% greater than the actuarially required contribution rate of 14.13%. The contribution rate payable by the employee members for calendar years 2021 and 2022 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, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %	
Salary Increases	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, 2021 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 2022 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. More information regarding Milliman's experience report may be obtained by contacting TCDRS at TCDRS.org.

The following target asset allocation was adopted by the TCDRS Board in March 2022. The geometric real rate of return is net of inflation, assumed at 2.6%.

Asset Class	Target Allocation	Geometric Real Rate of Return
US equities	11.5%	3.80%
Global equities	2.5%	4.10%
International equities - developed	5.0%	3.80%
International equities - emerging	6.0%	4.30%
Investment-grade bonds	3.0%	-0.85%
Strategic credit	9.0%	1.77%
Direct lending	16.0%	6.25%
Distressed debt	4.0%	4.50%
REIT equities	2.0%	3.10%
Master limited partnerships	2.0%	3.85%
Private real estate partnerships	6.0%	5.10%
Private equity	25.0%	6.80%
Hedge funds	6.0%	1.55%
Cash equivalents	2.0%	-1.05%
	<u>100.00%</u>	

### 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.

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, 2020	\$ 2,026,105	\$ 1,735,176	\$ 290,929
Changes for the year:			
Service cost	50,651	-	50,651
Interest on total pension liability <sup>1</sup>	154,557	-	154,557
Difference between expected and actual activity	(2,486)	-	(2,486)
Effect of assumption changes or inputs	(4,721)	-	(4,721)
Refunds of contributions	(2,591)	(2,591)	-
Benefit payments	(94,014)	(94,014)	-
Employer contributions	-	60,188	(60,188)
Member contributions	-	21,607	(21,607)
Net investment income	-	380,241	(380,241)
Administrative expenses	-	(1,138)	1,138
Other <sup>2</sup>	4,305	3,748	557
Net changes	105,701	368,041	(262,340)
Balances as of December 31, 2021	<u>\$ 2,131,806</u>	<u>\$ 2,103,217</u>	<u>\$ 28,589</u>

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

<sup>2</sup> 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	\$ 2,412,616	\$ 2,131,806	\$ 1,895,957
Fiduciary net position	<u>2,103,217</u>	<u>2,103,217</u>	<u>2,103,217</u>
Net pension liability (asset)	<u>\$ 309,399</u>	<u>\$ 28,589</u>	<u>\$ (207,260)</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, 2022, the County recognized pension expense of \$3,620,645. As of September 30, 2022, 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
<b>Deferred Outflows of Resources</b>			
Changes of assumptions	\$ 69,079	\$ 176	\$ 69,255
Differences between expected and actual experience	2,120	5	2,125
Contributions subsequent to the measurement date	48,323	110	48,433
Total deferred outflows of resources	<u>\$ 119,522</u>	<u>\$ 291</u>	<u>\$ 119,813</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 5,162	\$ 14	\$ 5,176
Changes of assumptions	5,419	14	5,433
Net difference between projected and actual earnings	237,711	583	238,294
Total deferred inflows of resources	<u>\$ 248,292</u>	<u>\$ 611</u>	<u>\$ 248,903</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
2023	\$ (34,148)
2024	(57,546)
2025	(34,651)
2026	(51,178)

### (e) Payable to the Pension Plan

At September 30, 2022, the County reported a payable of \$7,807,062 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2022.



**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. 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, 2021, the measurement date, the following participants were covered by the Plan:

Retired participants and surviving spouses	1,029
Active participating employees	<u>4,163</u>
Total	<u><u>5,192</u></u>

**(b) Total OPEB Liability**

The County's total OPEB liability of \$222,716,083 was measured as of September 30, 2021, and was determined by an actuarial valuation as of that date.

### Actuarial Assumptions and Other Inputs

The total OPEB liability at September 30, 2021 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	2.26%, 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
Healthcare cost trend rates	7.0% for 2021, grading 0.25% each year until reaching the ultimate trend rate of 4.00%
Stop loss fees	7.0% for 2021, grading 0.25% each year until reaching the ultimate trend rate of 4.00%
Administrative fees	4.00% for all years
Salary increases	Varies by entry age and years of service between .50% and 5.00%
Mortality table	PUB 2010, projected forward using SOA scale MP-2020

### 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 per capita costs, 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 Supplement and 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, 2020. 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, *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, 2020	\$ 213,391
Changes for the year:	
Service cost	13,716
Interest	4,931
Difference between expected and actual experience	542
Changes in assumptions or other inputs	(1,391)
Benefit payments	<u>(8,473)</u>
Net changes	<u>9,325</u>
Balances as of September 30, 2021	<u>\$ 222,716</u>

*Changes of assumptions since the prior valuation:*

*The discount rate increased from 2.21% to 2.26%*

**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 2.26%, 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 (1.26%) or 1-percentage-point higher (3.26%) than the current rate (amounts in thousands):

	<u>1% Decrease 1.26%</u>	<u>Current Discount Rate 2.26%</u>	<u>1% Increase 3.26%</u>
Total OPEB liability	\$ 247,215	\$ 222,716	\$ 202,672

### 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%. Medical and Rx Benefits (Pre & Post 65) were calculated using a 7.0% trend and reduced by .25% each year until reaching the ultimate trend rate of 4.00%. Stop loss fees were calculated using a 7.0% trend and reduced by .25% each year after until reaching the ultimate trend rate of 4.00%. Administrative fees were calculated using 4.00% each year (amounts in thousands):

		Medical, RX, & Stop Loss 7.0%	Administrative Fees 4.00%	
	1% Decrease	Current	1% Increase	
Total OPEB liability	\$ 193,763	\$ 222,716	\$ 256,123	

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$13,187,903. As of September 30, 2022, 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
<b>Deferred Outflows of Resources:</b>			
Contributions subsequent to the measurement date	\$ 9,288	\$ 26	\$ 9,314
Differences between expected and actual experience	483	1	\$ 484
Changes in assumptions	28,754	83	28,837
Total deferred outflows of resources	<u>\$ 38,525</u>	<u>\$ 110</u>	<u>\$ 38,635</u>
<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	\$ 29,713	\$ 96	\$ 29,809
Changes in assumptions	21,244	69	21,313
Total deferred inflows of resources	<u>\$ 50,957</u>	<u>\$ 165</u>	<u>\$ 51,122</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):

<b>Year ended September 30:</b>	<b>Amount</b>
2023	\$ (5,460)
2024	(5,460)
2025	(5,460)
2026	(5,460)
2027	(5,417)
after 2027	5,456

**(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.

**12. 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	\$ 7,534
Road and Bridge	2,911
Capital Projects	26,262
Grants	164,733
Other Governmental Funds	<u>3,194</u>
Total	<u>\$ 204,634</u>

**Construction and other significant commitments**

The County has several active construction and software development projects as of September 30, 2022. 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
Juvenile justice complex	\$ 47,935	\$ 3,994
Criminal courts software	26,895	529
ME-LIMS System	1,724	457
Transportation projects	<u>6,777</u>	<u>7,207</u>
Total	<u>\$ 83,331</u>	<u>\$ 12,187</u>

**13. 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, 2022 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, 2022 are adequate to provide for potential losses resulting from pending or threatened litigation, asserted claims and claims incurred but not reported.

#### 14. 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	\$1,121,319,840	\$500,000
Boilers and machinery	100,000,000	25,000
Scheduled heavy equipment	24,768,130	15,000
Scheduled equipment	46,145,004	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, 2022, 3,804 and 3,579 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>2021</u>	<u>2022</u>
Beginning liability	\$ 3,467	\$ 5,252
New claims/adjustments	65,756	67,052
Claims paid/adjustments	<u>(63,971)</u>	<u>(68,138)</u>
Ending liability	<u>\$ 5,252</u>	<u>\$ 4,166</u>

For the year ended September 30, 2022, 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, 2022.

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>2021</u>	<u>2022</u>
Beginning liability	\$ 9,092	\$ 13,052
New claims/adjustments	5,024	5,366
Claims paid/adjustments	(5,024)	(5,366)
Other - change in estimate	<u>3,960</u>	<u>3,379</u>
Ending liability	<u>\$ 13,052</u>	<u>\$ 16,431</u>
Amount due within 1 year	\$ 3,655	\$ 3,756

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

## 15. 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 taxable assessed 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 November 23, 2021, the County approved Amendment No.1 to the City of River Oaks Tax Increment Financing Zone #1, which modified the Tax Increment Base Year for the expanded zone as of January 1, 2019.

On March 1, 2022, the County approved participation in the City of Saginaw Tax Increment Financing Reinvestment Zone #1, beginning with tax year 2022, at a participation rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$11,986,383.

On May 24, 2022, the County approved participation in the City of Haltom City Tax Increment Financing Reinvestment Zone #2, beginning with tax year 2022, at a participation rate of 50% of its collected incremental tax revenue up to a maximum cumulative contribution of \$7,166,551.

On September 27, 2022, the County received notice of termination of the City of North Richland Hills Tax Increment Financing Reinvestment Zones #1/1A and #2 and accepted disbursement of remaining funds totaling \$21,620 and \$2,625,815 respectively.

Subsequent to year end, the County approved participation in two agreements. 1) 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; 2) 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.

Subsequent to year end, the County approved amendments to two agreements. 1) 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; 2) 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.

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

Name	Participation Rate	Taxes Forgone During 2021
City of Arlington #1 (maintenance and operation rate only)	70%	\$ 404
City of Arlington #5	70%	624
City of Arlington #6	75%	1,697
City of Azle #1	50%	78
City of Benbrook #1	100%	458
City of Crowley #1	75%	79
City of Euless #3	75%	454
City of Euless #4	75%	171
City of Everman #1	50%	12
City of Fort Worth #3	40%	704
City of Fort Worth #8	40%	388
City of Fort Worth #9	80%	1,248
City of Fort Worth #10	50%	131
City of Fort Worth #12	100%	252
City of Fort Worth #13	80%	475
City of Fort Worth #14	50%	257
City of Fort Worth #15	50%	206
City of Grand Prairie #1	50%	<1
City of Haltom City #1	75%	81
City of Haslet #1	50%	75
City of Kennedale #1	75%	30
City of Mansfield #1	30%	221
City of Mansfield #2	75%	134
City of North Richland Hills #3	25%	4
City of Richland Hills #1	75%	39
City of River Oaks #1	75%	24
City of Sansom Park #1	80%	115
Town of Trophy Club #1	60%	13
City of White Settlement #1	50%	20
		<u>\$ 8,394</u>

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

<b>Name</b>	<b>Participation Rate</b>
City of Bedford #1	50%
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, 2022, the County's and TCHD's abated property taxes were (in thousands):

<b>Tax Abatement</b>	<b># of Entities</b>	<b>Assessed Value Abated</b>	<b>Total Amount of Taxes Forgone</b>	
			<b>County</b>	<b>TCHD</b>
Multi-Family Residential Development	1	50 - 70%	\$ 99	\$ 70
Mixed Use Development	1	50%	26	25
Corporate Offices/Data Center	4	40 - 75%	3,752	2,613
Manufacturing Facility	3	30 - 70%	1,404	1,376
Total Abated Taxes			<u>\$ 5,281</u>	<u>\$ 4,084</u>

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

<b>Tax Abatement</b>	<b># of Entities</b>	<b>Participation %</b>
Multi-Family Residential Development	1	50 - 70%
Maintenance/Operations Facility	1	40 - 50%
Office/Warehouse Facility	1	40 - 50%

### 16. FUND BALANCES

The following is the detail of the County's fund balances at September 30, 2022 (in thousands):

	General	Road and Bridge	Debt Service	Capital Projects	Grants	Other Governmental Funds	Total
<b>Nonspendable:</b>							
Supplies/prepaid items	\$ 3,832	\$ 846	\$ -	\$ -	\$ 5,841	\$ 546	\$ 11,065
	<u>3,832</u>	<u>846</u>	<u>-</u>	<u>-</u>	<u>5,841</u>	<u>546</u>	<u>11,065</u>
<b>Restricted:</b>							
Law library	-	-	-	-	-	1,121	1,121
Records management	-	-	-	-	-	25,188	25,188
Education	-	-	-	-	-	295	295
Public health	-	-	-	-	-	11,741	11,741
Law enforcement and prosecution	-	-	-	-	-	7,585	7,585
Contractual agreement	-	-	-	-	-	4,329	4,329
Court designated	-	-	-	-	-	3,358	3,358
VIT administration	-	-	-	-	-	2,319	2,319
Construction and equipment	-	-	-	737	-	-	737
Transportation project	-	-	-	247,518	-	-	247,518
	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,255</u>	<u>-</u>	<u>55,936</u>	<u>304,191</u>
<b>Committed:</b>							
Law library	-	-	-	-	-	177	177
Records management	-	-	-	-	-	1,265	1,265
Public health	-	-	-	-	-	53,767	53,767
Law enforcement and prosecution	267	-	-	-	-	678	945
Contractual agreement	168	-	-	-	-	1,168	1,336
Court designated	-	-	-	-	-	392	392
Construction and equipment	10	-	-	109,692	-	-	109,702
Transportation project	-	15,078	-	2,015	-	-	17,093
Debt service	-	-	1,802	-	-	-	1,802
	<u>445</u>	<u>15,078</u>	<u>1,802</u>	<u>111,707</u>	<u>-</u>	<u>57,447</u>	<u>186,479</u>
<b>Assigned:</b>							
Economic development	-	-	-	-	-	3,879	3,879
County operations	7,089	-	-	-	-	-	7,089
Subsequent year's budget: appropriation of fund balance	89,088	-	-	-	-	-	89,088
	<u>96,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,879</u>	<u>100,056</u>
<b>Unassigned</b>	115,047	-	-	-	(13,135)	-	101,912
<b>Total Fund Balance</b>	<u>\$ 215,501</u>	<u>\$ 15,924</u>	<u>\$ 1,802</u>	<u>\$ 359,962</u>	<u>\$ (7,294)</u>	<u>\$ 117,808</u>	<u>\$ 703,703</u>

## 17. 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.

## 18. 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. 91, *Conduit Debt Obligations***, establishes a single method for accounting and reporting conduit debt by clarifying the definition of a conduit debt obligation.

**GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***, is effective for the County beginning fiscal year 2023. This statement is to improve financial reporting by addressing issues related to public-private and public-public arrangements.

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***, is effective for the County beginning fiscal year 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

**GASB Statement No. 99, *Omnibus 2022***, effective for the County in fiscal years 2023 and 2024, except for requirements that related to leases, which were early implemented, and the requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63, which were effective immediately. This statement 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.

**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.

## 19. 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, 2022, 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. TCHD only recognizes lease assets related to lease arrangements with more than \$5,000 of payments over the lease term.

**Capital and Lease Asset Impairment**

TCHD evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. No asset impairment was recognized during the year ended September 30, 2022.

**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 a 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**

Transactions not meeting the definition of an asset or liability that result in the consumption or acquisition of net position in one period that are applicable to future periods are reported as deferred outflows of resources and deferred inflows 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, 2022 the TCHD received approximately \$9,686,000 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, 2018.

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. TCHD's Medicaid cost reports have been audited through September 30, 2015.

Approximately 72 percent of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended September 30, 2022. 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, 2023. Revenue from UHRIP and CHIRP are 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, 2022 (in thousands):

DSH Program	\$ 45,857
UC Pool	129,601
DSRIP Pool	11,588
GME Program	3,689
HARP Program	<u>38,870</u>
	<u>\$ 229,605</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, 2022, TCHD held \$32,975,000 in LPPF assessments

that will be transferred in 2023. 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 \$10,981,000 at September 30, 2022.

TCHD's property tax rate was \$0.223550 and \$.000879 per \$100 valuation for the maintenance and operation fund and interest and sinking fund, respectively. Property tax revenue was \$513,773,000.

**(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, 2022, TCHD's deposits were either insured or collateralized in accordance with state law.

At September 30, 2022, a blended component unit of TCHD's cash accounts exceeded federally insured limits by \$2,218,000.

**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, 2022, TCHD's investment balances were as follows (in thousands):

Investment Type	Fair Value	Maturity in Years	
		less than 1	1-5
Investment pools	\$ 91,191	\$ 91,191	\$ -
U.S. Treasury obligations	455,837	452,007	3,830
U.S. agency obligations	384,522	164,653	219,869
Municipal bonds	5,035	5,035	-
Money market mutual funds	35,222	35,222	-
Commercial paper	123,031	123,031	-
		<u>\$ 871,139</u>	<u>\$ 223,699</u>
Mutual funds	<u>4,302</u>		
Total Investments	<u>\$ 1,099,140</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 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 Aaa to 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:

U.S. Treasury	39.20%
Federal Home Bank	22.40%
Federal Home Loan Mortgage Corporation	6.50%
Federal Farm Credit Bank	6.10%
Toyota Motor Credit Commercial Paper	5.30%
Royal Bank of Canada	5.00%

### Investment Income

Investment income for the fiscal year ended September 30, 2022, consisted of interest and dividend income of \$8,620,000 and a net decrease in fair value of investments of \$16,378,000 for a total of (\$7,758,000).

### (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, 2022, consisted of (in thousands):

Medicare	\$ 28,156
Medicaid	25,883
Other third-party payers	33,329
Patients	<u>64,688</u>
	152,056
Less allowance for uncollectible accounts	<u>(84,221)</u>
Total	<u>\$ 67,835</u>

### (g) Capital and Lease Assets

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

	Balance October 1, 2021	Additions	Disposals	Transfers	Balance September 30, 2022
Land and improvements	\$ 67,320	\$ -	\$ -	\$ 369	\$ 67,689
Buildings and improvements	274,644	-	-	2,553	277,197
Equipment	498,783	16,745	(21,119)	9,025	503,434
Construction in progress	9,743	10,691	-	(11,947)	8,487
	<u>850,490</u>	<u>27,436</u>	<u>(21,119)</u>	<u>-</u>	<u>856,807</u>
Less accumulated depreciation	<u>(606,879)</u>	<u>(37,707)</u>	<u>20,932</u>	<u>-</u>	<u>(623,654)</u>
Capital assets, net	<u>\$ 243,611</u>	<u>\$ (10,271)</u>	<u>\$ (187)</u>	<u>\$ -</u>	<u>\$ 233,153</u>

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

	Balance October 1, 2021 (as restated)	Additions	Disposals	Transfers	Balance September 30, 2022
Buildings	\$ 14,417	\$ 2,947	\$ (116)	\$ -	\$ 17,248
Equipment	658	-	(45)	-	613
	<u>15,075</u>	<u>2,947</u>	<u>(161)</u>	<u>-</u>	<u>17,861</u>
Less accumulated amortization	<u>(3,132)</u>	<u>(4,111)</u>	<u>161</u>	<u>-</u>	<u>(7,082)</u>
Lease assets, net	<u>\$ 11,943</u>	<u>\$ (1,164)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,779</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):

	<u>2021</u>	<u>2022</u>
Balance, beginning of year	\$ 530	\$ 502
Current year claims incurred and changes in estimates for claims incurred in prior years	60	144
Claims and expenses paid	<u>(88)</u>	<u>78</u>
Balance, end of year	<u>\$ 502</u>	<u>\$ 724</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>2021</u>	<u>2022</u>
Balance, beginning of year	\$ 4,750	\$ 5,250
Current year claims incurred and changes in estimates for claims incurred in prior years	59,910	59,401
Claims and expenses paid	<u>(59,410)</u>	<u>(59,401)</u>
Balance, end of year	<u>\$ 5,250</u>	<u>\$ 5,250</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>2021</u>	<u>2022</u>
Balance, beginning of year	\$ 3,416	\$ 3,115
Current year claims incurred and changes in estimates for claims incurred in prior years	1,876	1,574
Claims and expenses paid	<u>(2,177)</u>	<u>(2,105)</u>
Balance, end of year	<u>\$ 3,115</u>	<u>\$ 2,584</u>



### (i) Long-Term Debt

Long-term debt of TCHD consisted of the following at September 30, 2022 (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 \$1,710 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.

\$ 12,825

#### 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 \$1,915 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.

10,340

#### Notes payable

The note payable due to a vendor does not bear interest and is due in four annual installments of \$1,672 beginning December 2019. The note is secured by certain equipment and the final installment is due December 2022.

1,672

24,837

Less - current maturities

(5,297)

Long-term debt, net of current maturities

19,540

Less bond discount

(99)

Long-term debt, net of current maturities and discount

\$ 19,441

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

Fiscal Year	Principal	Interest	Total Principal & Interest
2023	\$ 5,297	\$ 754	\$ 6,051
2024	3,760	625	4,385
2025	3,865	490	4,355
2026	3,865	390	4,255
2027	3,965	288	4,253
2028-2029	4,083	267	4,350
Total	\$ 24,835	\$ 2,814	\$ 27,649

The following is a summary of the changes in long-term debt for TCHD for the year ended September 30, 2022 (in thousands):

Beginning liability	\$ 30,003
Additions	-
Retirements	<u>(5,166)</u>
Ending liability	<u>\$ 24,837</u>
Amount due within one year	\$ 5,297

### (j) Lease Liabilities

TCHD leases medical office, warehouse and office space and certain equipment, the terms of which expire in various years through 2029. During the year, the District recognized approximately \$4,004,000 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, 2022 (in thousands):

Beginning liability (as restated)	\$ 11,943
Additions	2,947
Retirements	<u>(3,830)</u>
Ending liability	<u>\$ 11,060</u>
Amount due within one year	\$ 2,621

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

Fiscal Year	Principal	Interest	Total Principal & Interest
2023	\$ 2,621	\$ 283	\$ 2,904
2024	2,187	222	2,409
2025	1,568	172	1,740
2026	1,563	124	1,687
2027	1,458	76	1,534
2028-2029	<u>1,663</u>	<u>35</u>	<u>1,698</u>
Total	<u>\$ 11,060</u>	<u>\$ 912</u>	<u>\$ 11,972</u>

### (k) 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 \$318,805,000. 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, 2022. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross charity care charges.

### (l) 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, 2021, excluded employees hired after that date from plan participation.

The employees covered by the Plan at October 1, 2021 (measurement date), are:

Inactive employees or beneficiaries currently receiving benefits	529
Inactive employees entitled to but not yet receiving benefits	1,608
Active employees	<u>4,101</u>
Total	<u><u>6,238</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, 2022, 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, 2021, 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, 2021. 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, 2021, 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	5.23%, average, including inflation
Ad hoc cost of living	Not included
Investment rate of return	6.75%, net of pension plan investment expense, including inflations

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, 2021, valuation were based on the results of an actuarial experience study for the period 2016-2021 for withdrawal rates, retirement rates, and earnings progression and 2016-2020 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 (2.25%). In addition, the final 6.75% assumption reflected a reduction of 0.49% for adverse deviation.

# FINANCIAL SECTION

## NOTES TO THE FINANCIAL STATEMENTS

TARRANT COUNTY, TEXAS

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	60.0%	6.1%
International equity	15.0%	6.0%
Fixed income	24.0%	1.7%
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, 2021. 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):

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances as of September 30, 2021	\$ 365,454	\$ 341,508	\$ 23,946
Changes for the year:			
Service cost	28,335	-	28,335
Interest on total pension liability	25,495	-	25,495
Difference between expected and actual experience	5,978	-	5,978
Contributions - employee	-	5,476	(5,476)
Contributions - employer	-	20,153	(20,153)
Net investment income	-	82,016	(82,016)
Benefit payments, including refunds of employee contributions	(16,330)	(16,330)	-
Administrative expenses	(1,053)	(1,053)	-
Assumption changes	(2,375)	-	(2,375)
Net changes	<u>40,050</u>	<u>90,262</u>	<u>(50,212)</u>
Balances as of September 30, 2022	<u>\$ 405,504</u>	<u>\$ 431,770</u>	<u>\$ (26,266)</u>

The net pension liability (asset) of TCHD has been calculated using a discount rate of 6.75% at October 1, 2021. The following presents the net pension liability (asset) using a discount rate 1% higher and 1% lower than the current rate (in thousands).

	<b>1% Decrease 5.75%</b>	<b>Current Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
Net pension liability (asset)	\$ 19,563	\$ (26,266)	\$ (76,661)

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

For the year ended September 30, 2022, TCHD recognized pension expense of \$18,910,000. At September 30, 2022, TCHD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 7,117	\$ -
Employer contributions subsequent to the measurement date	20,425	-
Changes of assumptions	7,405	2,253
Net difference between projected and actual earnings on plan investments	-	43,672
Total	<u>\$ 34,947</u>	<u>\$ 45,925</u>

At September 30, 2022, TCHD reported \$20,425,000 as deferred outflows of resources related to pensions resulting from TCHD's contributions subsequent to the measurement date that will be recognized as an increase of the net pension asset at September 30, 2023.

Other amounts reported as deferred inflows of resources and deferred outflows of resources at September 30, 2022, related to pensions will be recognized in pension expense as follows (in thousands):

<b>Year Ended September 30:</b>	<b>Amount</b>
2023	\$ 5,555
2024	5,983
2025	8,580
2026	<u>11,285</u>
Total	<u>\$ 31,403</u>

### Pension Plan Fiduciary Net Position

As of October 1, 2021, the Plan's fiduciary net position was comprised of the following (in thousands):

Cash and cash equivalents	\$ 36,767
Investments, at fair value	
Mutual funds	376,810
Common/collective trust funds	272,270
103-12 investment fund	44,874
Total investments at fair value	693,954
Total plan fiduciary net position	\$ 730,721

TCHD's interest in the Plan net position as of the measurement date of October 1, 2021 was \$431,770,000.

*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 24.4% for the 12 months ended October 1, 2021.

*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	37.3%
Vanguard Small Cap Index	15.0%
State Street Aggregate Bond Index NL Fund	12.2%
PIMCO Total Return	12.2%
Morgan Stanley International Equity Trust	6.1%
State Street Aggregate Bond Index NL Fund	7.5%



# 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, 2021 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)
	Carrying Amount			
Investments by fair value level				
Mutual funds	\$ 376,810	\$ 376,810	\$ -	\$ -
Total investments by fair value level	376,810	376,810	-	-
Investments measured at the net asset value (NAV) (A)				
Common/collective trust fund	272,270			
103-12 investment fund	44,874			
Total investments measured at the NAV	317,144			
Total investments at fair value	\$ 693,954			

(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, 2021. 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 \$10,476,000 for the fiscal year ended September 30, 2022.

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 \$23,484,000 for the fiscal year ended September 30, 2022.

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, 2022, \$2,351,000 in contributions are included in cash, cash equivalents and investments and approximately \$4,609,000 was due under this plan. As of September 30, 2022, deferred inflows and outflows associated with this plan were \$102,000 and \$35,000, respectfully. Approximately \$3,369,000 of benefit expense was recognized in fiscal year 2022.

**(m) 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, 2022 (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	\$ 384,522	\$ 103,395	\$ 281,127	\$ -
U.S. Treasury obligations	455,837	431,176	24,661	-
Commercial paper	123,031	-	123,031	-
Municipal bonds	5,035	5,035	-	-
Money market mutual funds	35,222	35,222	-	-
Mutual funds	4,302	4,302	-	-
Total investments by fair value level	<u>1,007,949</u>	<u>\$ 579,130</u>	<u>\$ 428,819</u>	<u>\$ -</u>
Investment pool carried at amortized cost	<u>91,191</u>			
Total Investments	<u>\$ 1,099,140</u>			

### 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, 2022.

### (n) COVID-19 Pandemic & CARES Act Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of coronavirus disease 2019 (COVID-19) as a global pandemic.

The extent of the COVID-19 pandemic's adverse effect on the operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond TCHD's control and ability to forecast. Because of these and other uncertainties, TCHD cannot estimate the length or severity of the effect of the pandemic on TCHD's business.

### Provider Relief Fund

During the year, TCHD received \$2,019,000 of distributions from the Coronavirus Aid, Relief, and Economic Security ("CARES") Act Provider Relief Fund. Distributions from the Provider Relief Fund may be retained, provided TCHD is able to attest to and comply with the terms and conditions of the funding, including

demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services (HHS).

TCHD is accounting for such payments as conditional contributions. Payments are recognized as contribution revenue once the applicable terms and conditions required to retain the funds have been met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on operating revenues and expenses through the fiscal year, TCHD recognized \$2,019,000, related to the Provider Relief Fund, and these payments are recorded as contribution revenue in the statement of activities.

TCHD will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. These funds are also subject to government oversight, including potential audits, which could impact TCHD's ability to retain all of the distributions received.

#### **Medicare Accelerated and Advance Payment Program**

During the year ended September 30, 2020, TCHD requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. These amounts are expected to be recaptured by Centers for Medicare & Medicaid Services (CMS) according to the payback provisions. During the year ended September 30, 2022, TCHD did not receive any accelerated Medicare payments.

The payback provisions began one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period were at 25 percent of the remittance advice payment, followed by a six-month payback period at 50 percent of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withhold amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29 months at a rate of 4 percent.

During the year ended September 30, 2022, TCHD repaid approximately \$37,225,000 of the accelerated Medicare payments to CMS. TCHD's outstanding balance related to the accelerated Medicare payments was \$0 at September 30, 2022.

## **20. 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 150 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, 2022, has sent HHSC three intergovernmental transfer (IGT) in the amount of \$6,502,394 in order to leverage federal funding. As DPP payments are received, the applicable amount of IGT prepaid is recognized as an expense. As of August 31, 2022, the outstanding prepaid IGT balance is \$4,103,296.

### **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. 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 2022, 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. 87**

As of September 1, 2021, MHMRTC adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflows of resources. As a result of implementing this standard, MHMRTC recognized right of use assets and lease liability of \$2,747,509 and \$2,747,509 as of September 1, 2021, respectively. 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, 2022, all of MHMRTC's deposits were covered by federal deposit insurance or by a collateral pledge agreement.

#### **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, 2022, 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, 2022, 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
Certificates of deposit	\$ 258,684	1.90 %	N/A	< 90 days	Exempt
Fidelity Advisor Floating Rate Fund	3,393,825	24.87 %	AAA	< 1 year	Level 1
Eaton Vance Floating Rate Fund	3,342,632	24.50 %	AAA	< 1 year	Level 1
Annuity contracts	6,648,528	48.73 %	AA3	< 90 days	Level 1
Total	<u>\$ 13,643,669</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 \$22,485,913 of receivables from other governments.



### (d) Capital Assets

A summary of changes in capital asset balances for the fiscal year ended August 31, 2022, is as follows (in thousands):

	Balance September 1, 2021, restated	Additions	Disposals	Prior Period Adjustment	Balance August 31, 2022
Nondepreciable assets					
Land	\$ 3,734	\$ 120	\$ -	\$ -	\$ 3,854
Land-restricted	989	915	-	-	1,904
Total nondepreciable assets	4,723	1,035	-	-	5,758
Depreciable assets					
Buildings and improvements	23,078	1,766	(126)	-	24,718
Buildings and improvements- restricted	3,617	-	-	-	3,617
Furniture and equipment	21,971	555	(3,847)	-	18,679
Vehicles	2,812	134	(62)	-	2,884
Total depreciable assets	51,478	2,455	(4,035)	-	49,898
Less accumulated depreciation					
Buildings and improvements	(13,115)	(974)	-	-	(14,089)
Buildings and improvements- restricted	(2,016)	(76)	-	-	(2,092)
Furniture and equipment	(16,597)	(2,579)	3,821	-	(15,355)
Vehicles	(2,158)	(156)	52	-	(2,262)
Total accumulated depreciation	(33,886)	(3,785)	3,873	-	(33,798)
Right of use leased assets					
Land	-	92	-	-	92
Buildings	2,748	1,348	-	-	4,096
Equipment	-	2,868	-	-	2,868
Total right of use leased assets	2,748	4,308	-	-	7,056
Less accumulated amortization					
Land	-	(15)	-	-	(15)
Buildings	-	(1,570)	-	-	(1,570)
Equipment	-	(319)	-	-	(319)
Total accumulated amortization	-	(1,904)	-	-	(1,904)
Total capital assets, net	\$ 25,063	\$ 2,109	\$ (162)	\$ -	\$ 27,010

Total depreciation and amortization expense is \$5,689,584.

### (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 \$3,241,189.

**(f) Leases**

MHMRTC entered into various lease agreements as lessee for the use of land, buildings and equipment. As of August 31, 2022, the value of the lease liability was \$5,518,214. MHMRTC is required to make monthly principal and interest payments through lease termination which ranges from September 2022 to August 2027. The lease liability was valued using a discount rate ranging from 4.75% to 5.00% 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 \$7,055,612 and \$1,904,087, respectively.

**(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, 2022 (in thousands):

	Balance September 1, 2021, restated	Additions	Retirements	Balance August 31, 2022	Due Within One Year
Lease liability	\$ 2,867	\$ 4,308	\$ 1,657	\$ 5,518	\$ 1,939
Compensated absences	4,278	6,851	6,973	4,156	324
Total	<u>\$ 7,145</u>	<u>\$ 11,159</u>	<u>\$ 8,630</u>	<u>\$ 9,674</u>	<u>\$ 2,263</u>

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

Years ending August 31,	Principal	Interest
2023	\$ 1,939	\$ 257
2024	1,581	147
2025	1,390	44
2026	310	21
2027	265	6
2028	33	-
	<u>\$ 5,518</u>	<u>\$ 475</u>

**(h) Pension Plan**

MHMRTC maintains a defined contribution money purchase pension plan under code section 401(a) of the Internal Revenue Code identified as the Tarrant County MHMR Money Purchase Plan. Participation in the plan is available to full-time employees who have completed one year of service and contribute 5% of compensation to the plan. MHMRTC contributes 8% of employee compensation on behalf of participating employees. The plan is administered by ICMA Retirement Corporation. 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% per year). During the fiscal year, \$267,724 of employee forfeitures were used to reduce employer contributions for the year. At year-end, the amount due to the plan was \$246,719. Contributions to this plan paid by MHMRTC were \$4,034,487 and employee contributions were \$2,688,402 during the fiscal year.

### (i) Deferred Compensation Plan

MHMRTC offers employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plan is available to all 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 unforeseeable emergency. In-service withdrawals are available from fully vested balances upon attainment of age 70½. For employees who elect to contribute at least 5% of gross pay to the employee only 457 plan, MHMRTC will contribute 8% of the employee's gross pay as a matching contribution to the employer only 457 plan. Employees who elect to defer less than 5% to the employee only 457 plan are not eligible for a matching contribution to the employer only 457 plan. Employees are always fully vested in their contributions to the employee only 457 plan. Employees begin to vest in the MHMRTC contributions to the employer only 457 plan following completion of one year of service with 100% vesting occurring after five years (20% per year). During 2021, employee elective deferrals to the employee only 457 plan were \$1,074,017. MHMRTC matching contributions to the employer only 457 plan were \$676,134. \$1,735 of employee forfeitures were used to reduce the MHMRTC contributions to the employer only 457 plan.

### (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) \$17,277,524; 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 \$20,227,686. 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 \$2,106,279 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):

	2021	2022
Unpaid claims, beginning of year	\$ 1,662	\$ 2,036
Incurred claims (including BNR)	20,056	21,229
Claims, premiums, and fee payments	(19,682)	(21,159)
Unpaid claims, end of year	<u>\$ 2,036</u>	<u>\$ 2,106</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 \$2,513,616.

**(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 \$8,039,460 during the year ending August 31, 2022.

**(n) Medicaid 1115 Waiver**

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, MHMRTC for Medicare & Medicaid Services (CMS) approved Texas HHSC's request to extend Texas' section 1115(a) demonstration project effective from January 1, 2018 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 fifth year of the extension, from October 1, 2021 through September 30, 2022, is reserved for any payments for performance metrics earned from the previous four years. MHMRTC reported twice a year on milestone and outcome achievements in order to earn DSRIP funds. The program ended in the current fiscal year.

On January 15, 2021, MHMRTCs for Medicare and Medicaid Services approved an extension of the 1115 Waiver in Texas through September 30, 2030. A portion of the extension includes an initial \$500,000,000 Public Health Providers Charity Care Pool (PHP-CCP) which includes publicly owned and operated community mental health clinics in participation. The PHP-CCP, along with the Directed Payment Program for Behavioral Health Services by Health and Human Services Commission, gives a path to provide financial stability through the transition of the 1115 Waiver.

In November 2021, CMS approved the Directed Payment Program for Behavioral Health Services (DPP BHS) for the period covering September 1, 2021 through August 31, 2022 in the amount of \$176 million. This program will 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 was enrolled in the program in fiscal year 2022 and submitted two intergovernmental transfers (IGT) to HHSC in the amount of \$3,315,894 in order to leverage federal funding. MHMRTC has also submitted one IGT for fiscal year 2023 in the amount of \$3,186,500. MHMRTC received \$2,399,098 of the IGT payment during the fiscal year and have a current deposit balance of \$4,103,296. MHMRTC recognized revenues of \$4,852,776 related to DPP-BHS.

### **(o) Subsequent Events**

On December 6, 2022, MHMRTC purchased four properties for approximately \$1,650,000. These properties had been leased for clinic spacing.

# REQUIRED SUPPLEMENTARY INFORMATION

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



# **BUDGETARY COMPARISON SCHEDULE GENERAL FUND (CONTINUED)**

For the year ended September 30, 2022 (Amounts in thousands)

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 463,878	\$ 463,878	\$ 467,793	\$ 3,915
Licenses and permits	1,055	1,055	1,346	291
Fees of office	58,227	58,227	72,749	14,522
Intergovernmental	23,243	23,243	29,932	6,689
Investment income	231	231	4,932	4,701
Other revenues	27,659	7,659	11,267	3,608
Transfers	630	630	1,317	687
Total Revenues	<u>\$ 574,923</u>	<u>\$ 554,923</u>	<u>\$ 589,336</u>	<u>\$ 34,413</u>
EXPENDITURES:				
County Judge	\$ 1,316	\$ 1,316	\$ 1,207	\$ 109
County Administrator	3,290	3,376	2,932	444
Non-Departmental	205,481	179,239	90,909	88,330
Auditor	8,154	8,204	7,814	390
Budget/Risk Management	998	1,003	996	7
Tax Assessor / Collector	17,076	17,278	16,981	297
Elections Administration	9,788	10,050	9,657	393
Information Technology	48,558	48,960	44,074	4,886
Human Resources	3,846	3,850	3,524	326
Purchasing	2,683	2,683	2,599	84
Facilities	5,772	5,784	5,249	535
Sheriff	57,519	57,348	55,373	1,975
Sheriff - Confinement	100,765	105,183	104,884	299
Constable Precinct 1	1,485	1,489	1,470	19
Constable Precinct 2	1,382	1,406	1,401	5
Constable Precinct 3	1,665	1,682	1,675	7
Constable Precinct 4	1,229	1,249	1,245	4
Constable Precinct 5	1,100	1,109	983	126
Constable Precinct 6	1,078	1,092	1,037	55
Constable Precinct 7	1,574	1,593	1,516	77
Constable Precinct 8	1,439	1,450	1,426	24
Medical Examiner	14,590	14,590	11,779	2,811
Fire Marshal	478	481	480	1
Community Supervision	3,770	3,770	3,366	404
Juvenile Services	27,535	27,535	25,645	1,890
Buildings	26,689	26,677	25,375	1,302
17TH District Court	315	319	315	4
48TH District Court	315	315	306	9
67TH District Court	312	312	307	5
96TH District Court	313	324	321	3
141ST District Court	311	326	323	3
153RD District Court	324	324	319	5
236TH District Court	320	320	313	7



**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONTINUED)**
**For the year ended September 30, 2022 (Amounts in thousands)**

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
342ND District Court	\$ 317	\$ 354	\$ 350	\$ 4
348TH District Court	312	345	343	2
352ND District Court	311	311	308	3
Criminal District Court 1	2,426	2,445	1,905	540
Criminal District Court 2	2,043	2,043	1,689	354
Criminal District Court 3	2,030	2,030	1,715	315
Criminal District Court 4	1,949	1,949	1,481	468
213TH District Court	2,423	3,357	3,145	212
297TH District Court	1,993	2,203	2,050	153
371ST District Court	2,372	2,372	1,960	412
372ND District Court	2,110	2,113	1,933	180
396TH District Court	2,657	3,067	2,885	182
432nd District Court	2,416	2,419	2,247	172
485TH District Court	2,267	2,264	611	1,653
Magistrate Court	2,476	2,580	2,531	49
231ST District Court	1,109	1,179	1,063	116
233RD District Court	1,784	1,784	1,688	96
322ND District Court	1,061	1,162	1,085	77
323RD District Court	2,523	2,528	1,938	590
324TH District Court	1,158	1,158	1,126	32
325TH District Court	1,083	1,183	1,134	49
360TH District Court	1,262	1,449	1,311	138
Special Judges	283	332	322	10
Criminal Court Administration	4,280	4,502	4,481	21
Grand Jury	226	226	226	-
Criminal Attorney Appointment	424	483	459	24
Criminal Mental Health Court	926	837	773	64
County Court at Law #1	661	661	656	5
County Court at Law #2	653	658	653	5
County Court at Law #3	651	651	591	60
County Criminal Court #1	1,126	1,224	1,181	43
County Criminal Court #2	1,114	1,174	1,146	28
County Criminal Court #3	1,069	1,156	1,066	90
County Criminal Court #4	1,046	1,154	1,055	99
County Criminal Court #5	1,310	1,311	1,252	59
County Criminal Court #6	872	1,030	1,000	30
County Criminal Court #7	910	1,105	1,086	19
County Criminal Court #8	898	1,108	968	140
County Criminal Court #9	905	960	935	25
County Criminal Court #10	826	921	758	163
Probate Court 1	2,533	2,533	2,370	163
Probate Court 2	2,250	2,250	2,195	55
Justice of the Peace Pct. 1	900	900	825	75
Justice of the Peace Pct. 2	893	896	882	14
Justice of the Peace Pct. 3	927	930	910	20

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (CONCLUDED)**
**For the year ended September 30, 2022 (Amounts in thousands)**

	General Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
Justice of the Peace Pct. 4	\$ 860	\$ 862	\$ 849	\$ 13
Justice of the Peace Pct. 5	758	817	813	4
Justice of the Peace Pct. 6	903	905	871	34
Justice of the Peace Pct. 7	953	955	942	13
Justice of the Peace Pct. 8	866	876	861	15
Criminal District Attorney	47,660	47,670	44,635	3,035
District Clerk	12,515	12,517	11,800	717
County Clerk	13,437	13,450	11,832	1,618
Domestic Relations	8,594	8,594	7,895	699
Jury Services	2,140	2,140	1,792	348
Courts / Judiciary	6,296	3,496	607	2,889
Human Services	4,607	4,607	3,349	1,258
Child Protective Services	2,442	2,442	2,181	261
Public Assistance	1,346	1,346	1,123	223
TX Cooperative Extension	780	781	727	54
Veterans Services	550	550	539	11
Community Outreach	-	20,000	2,114	17,886
Historical Commission	295	295	190	105
Total Expenditures	<u>\$ 720,237</u>	<u>\$ 720,237</u>	<u>\$ 579,209</u>	<u>\$ 141,028</u>

**BUDGETARY COMPARISON SCHEDULE  
ROAD AND BRIDGE**
**For the year ended September 30, 2022 (Amounts in thousands)**

	Road and Bridge			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Fees of office	18,824	18,824	19,044	220
Intergovernmental	61	61	81	20
Investment income	15	15	128	113
Other revenues	172	172	715	543
Transfers	10,686	10,686	10,686	-
Total Revenues	<u>\$ 29,758</u>	<u>\$ 29,758</u>	<u>\$ 30,655</u>	<u>\$ 897</u>
EXPENDITURES:				
Commissioner Precinct 1	\$ 10,049	\$ 10,049	\$ 8,883	\$ 1,166
Commissioner Precinct 2	5,614	5,614	4,648	966
Commissioner Precinct 3	5,340	5,357	4,805	552
Commissioner Precinct 4	8,623	8,622	7,752	870
Right of Way	6,302	5,405	2,890	2,515
Transportation	4,402	5,176	4,524	652
Road and Bridge Non-Departmental	1,026	1,017	448	569
Total Expenditures	<u>\$ 41,356</u>	<u>\$ 41,240</u>	<u>\$ 33,950</u>	<u>\$ 7,290</u>

**NOTES TO THE REQUIRED  
SUPPLEMENTARY INFORMATION  
For the year ended September 30, 2022**

**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](http://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
<b>Revenues</b>		
Budgetary Basis	\$ 589,336	\$ 30,655
Transfers in	(1,317)	(10,686)
Non-monetary donations not budget relevant	100	27
Available in 2022, received in 2023	621	-
Accrued in prior years, received in 2022	(80)	-
Difference of amortized lease revenue and payments received	4	-
Revenues on modified accrual (GAAP) basis	<u>588,664</u>	<u>19,996</u>
<b>Expenditures</b>		
Budgetary Basis	579,209	33,950
Transfers out	(76,511)	-
Incurred in prior years, paid in 2022	1,578	289
Incurred during 2022, payable in future years	(4,100)	(1,637)
Prepaid, bad debt, non-monetary donation & inventory adjustments not budget relevant	<u>(139)</u>	<u>92</u>
Expenditures on modified accrual (GAAP) basis	<u>500,037</u>	<u>32,694</u>
<b>Other Financing Sources (Uses)</b>	<u>(75,194)</u>	<u>10,686</u>
Changes in fund balance on modified accrual (GAAP) basis	<u>\$ 13,433</u>	<u>\$ (2,012)</u>

A separate budget report detailed to the legal level of control is available upon request or can be viewed at [www.tarrantcountytx.gov](http://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				
	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 46,804	\$ 42,581	\$ 41,266	\$ 38,960	\$ 38,055
Contributions in relation to the actuarially determined contribution	65,014	59,618	56,181	53,353	50,786
Contribution (excess)	(18,210)	(17,037)	(14,915)	(14,393)	(12,731)
Covered payroll	\$ 333,404	\$ 305,731	\$ 288,105	\$ 273,603	\$ 262,718
Contributions as a percentage of covered payroll	19.50%	19.50%	19.50%	19.50%	19.33%

**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	5.9 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset valuation method	5 year smoothed market
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
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.

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

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 36,398	\$ 35,941	\$ 34,260	\$ 32,472	\$ 29,612
46,843	44,024	39,342	38,235	32,372
<u>(10,445)</u>	<u>(8,083)</u>	<u>(5,082)</u>	<u>(5,763)</u>	<u>(2,760)</u>
\$ 253,641	\$ 251,567	\$ 234,785	\$ 225,829	\$ 217,492
18.47%	17.50%	16.76%	16.93%	14.88%



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

	<b>Plan Year ended December 31</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Total Pension Liability			
Service cost	\$ 50,651	\$ 40,819	\$ 39,404
Interest on total pension liability	154,557	146,368	138,573
Effect of plan changes	-	-	-
Effect of assumption changes or inputs	(4,721)	115,425	-
Difference between expected and actual activity	(2,486)	2,915	940
Refunds of contributions	(2,591)	(2,845)	(3,000)
Benefit payments	(94,014)	(86,648)	(79,672)
Other	4,305	1,925	3,642
Net change in total pension liability	105,701	217,959	99,887
Total pension liability, beginning	2,026,105	1,808,146	1,708,259
Total pension liability, ending (a)	\$ 2,131,806	\$ 2,026,105	\$ 1,808,146
Fiduciary Net Position			
Employer contributions	\$ 60,188	\$ 58,920	\$ 53,560
Member contributions	21,607	21,174	19,241
Investment income (loss) net of investment expenses	380,241	163,464	224,572
Refunds of contributions	(2,591)	(2,845)	(3,000)
Benefit payments	(94,014)	(86,648)	(79,672)
Administrative expenses	(1,138)	(1,270)	(1,205)
Other	3,748	1,558	2,792
Net change in fiduciary net position	368,041	154,353	216,288
Fiduciary net position, beginning	1,735,176	1,580,823	1,364,535
Fiduciary net position, ending (b)	\$ 2,103,217	\$ 1,735,176	\$ 1,580,823
Net pension liability, ending = (a) - (b)	\$ 28,589	\$ 290,929	\$ 227,323
Fiduciary net position as a percentage of total pension liability	98.66%	85.64%	87.43%
Covered payroll	\$ 308,678	\$ 302,165	\$ 274,656
Net pension liability as a percentage of covered payroll	9.26%	96.28%	82.77%

TCDRS Annual Comprehensive Financial Report is available at [www.tcds.org](http://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.

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

	<b>Measurement date September 30</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Total OPEB Liability			
Service cost	\$ 13,716	\$ 12,398	\$ 9,313
Interest cost	4,931	5,127	7,061
Difference between expected and actual activity	542	(3,945)	-
Effect of assumption changes or inputs	(1,391)	26,184	12,344
Benefit payments	(8,473)	(10,603)	(8,203)
Net change in total OPEB liability	9,325	29,161	20,515
Total OPEB liability, beginning	213,391	184,230	163,715
Total OPEB liability, ending (a)	\$ 222,716	\$ 213,391	\$ 184,230
Fiduciary Net Position			
Employer contributions	\$ 10,603	\$ 10,603	\$ 8,203
Benefit payments	(10,603)	(10,603)	(8,203)
Net change in fiduciary net position	-	-	-
Fiduciary net position, beginning	-	-	-
Fiduciary net position, ending (b)	-	-	-
Total OPEB liability, ending = (a) - (b)	\$ 222,716	\$ 213,391	\$ 184,230
Fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 274,981	\$ 265,682	\$ 250,278
Total OPEB liability as a percentage of covered employee payroll	80.99%	80.32%	73.61%

**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:

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.

<u>2018</u>	<u>2017</u>
\$ 11,025	\$ 12,432
8,236	7,137
(48,089)	-
(19,539)	(17,168)
(7,479)	(7,305)
<u>(55,846)</u>	<u>(4,904)</u>
219,561	224,465
<u>\$ 163,715</u>	<u>\$ 219,561</u>
\$ 7,479	\$ 7,305
(7,479)	(7,305)
<u>-</u>	<u>-</u>
-	-
<u>-</u>	<u>-</u>
<u>\$ 163,715</u>	<u>\$ 219,561</u>
0.00%	0.00%
\$ 243,335	\$ 254,210
67.28%	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
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, 2021; recalculated annually; employer contribution rate constant unless amortization period > 25 years or ≤ 0 years
Asset valuation method	5 year smoothed market
Inflation	2.25%
Salary increases	5.23%, average, including inflation
Investment rate of return	6.75% net of pension plan investment expenses, including inflation
Retirement age	63 (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		
	2021	2020	2019
Total Pension Liability			
Service cost	\$ 28,335	\$ 18,432	\$ 17,647
Interest on total pension liability	25,495	23,472	21,612
Changes of benefit terms	-	200	-
Effect of assumption changes or inputs	(2,375)	10,774	(1,028)
Difference between expected and actual activity	5,978	2,314	1,073
Benefit payments, including refunds of employee contributions	(16,330)	(13,021)	(11,805)
Administrative expenses	(1,053)	(1,110)	(942)
Net change in total pension liability	40,050	41,061	26,557
Total pension liability, beginning	365,454	324,393	297,836
Total pension liability, ending (a)	\$ 405,504	\$ 365,454	\$ 324,393
Fiduciary Net Position			
Employer contributions	\$ 20,153	\$ 18,225	\$ 17,281
Member contributions	5,476	5,258	4,956
Investment income (loss) net of investment expenses	82,016	19,485	10,602
Benefit payments, including refunds of employee contributions	(16,330)	(13,021)	(11,805)
Administrative expenses	(1,053)	(1,110)	(942)
Net change in fiduciary net position	90,262	28,837	20,092
Fiduciary net position, beginning	341,508	312,671	292,579
Fiduciary net position, ending (b)	\$ 431,770	\$ 341,508	\$ 312,671
Net pension liability/(asset), ending = (a) - (b)	\$ (26,266)	\$ 23,946	\$ 11,722
Fiduciary net position as a percentage of total pension liability	106.48%	93.45%	96.39%
Covered payroll	\$ 322,441	\$ 291,597	\$ 276,493
Net pension liability as a percentage of covered payroll	-8.15%	8.21%	4.24%

**Notes to schedule:**

Changes of assumptions:

1) Updated mortality projection to Scale MP-2021, retirement rates, withdrawal rates and earnings progression assumption.

Changes in benefit terms:

1) Updated benefit factor, effective October 1, 2021, for one senior executive

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.

2018	2017	2016	2015	2014
\$ 15,429	\$ 12,604	\$ 12,028	\$ 12,181	\$ 11,556
19,526	17,416	15,931	14,805	12,953
184	-	-	-	-
8,396	(1,084)	(2,153)	(4,900)	6,650
4,775	5,794	1,523	1,720	(717)
(8,577)	(6,590)	(7,210)	(6,069)	(7,021)
(886)	(515)	(496)	-	-
38,847	27,625	19,623	17,737	23,421
258,989	231,364	211,741	194,004	170,583
\$ 297,836	\$ 258,989	\$ 231,364	\$ 211,741	\$ 194,004
\$ 17,305	\$ 14,443	\$ 13,579	\$ 12,313	\$ 11,625
2,314	1,933	1,805	1,641	1,575
25,385	29,994	20,967	(2,629)	20,134
(8,577)	(6,590)	(7,210)	(6,069)	(7,021)
(886)	(515)	(496)	(587)	(407)
35,541	39,265	28,645	4,669	25,906
257,038	217,773	189,128	184,459	158,553
\$ 292,579	\$ 257,038	\$ 217,773	\$ 189,128	\$ 184,459
\$ 5,257	\$ 1,951	\$ 13,591	\$ 22,613	\$ 9,545
98.23%	99.25%	94.13%	89.32%	95.08%
\$ 256,366	\$ 213,963	\$ 201,170	\$ 182,418	\$ 178,847
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, 2022 (Amounts in thousands)**

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
<b>ASSETS</b>					
Cash, cash equivalents, and investments	\$ 1,343	\$ 26,577	\$ 302	\$ 43,850	\$ 1,718
Other receivables, net of allowance for uncollectibles	-	-	-	13,044	-
Supplies and prepaid items	-	41	1	24	-
<b>TOTAL ASSETS</b>	<b>\$ 1,343</b>	<b>\$ 26,618</b>	<b>\$ 303</b>	<b>\$ 56,918</b>	<b>\$ 1,718</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 25	\$ 11	\$ 7	\$ 188	\$ 40
Other liabilities	20	113	-	657	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>45</b>	<b>124</b>	<b>7</b>	<b>845</b>	<b>40</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-other receivables	-	-	-	6,030	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,030</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	41	1	24	-
Restricted:					
Law library	1,121	-	-	-	-
Records management	-	25,188	-	-	-
Education	-	-	295	-	-
Public health	-	-	-	11,428	-
Law enforcement and prosecution	-	-	-	-	1,577
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
VIT administration	-	-	-	-	-
Committed:					
Law library	177	-	-	-	-
Records management	-	1,265	-	-	-
Public health	-	-	-	38,591	-
Law enforcement and prosecution	-	-	-	-	101
Contractual agreements	-	-	-	-	-
Court designated programs	-	-	-	-	-
Assigned:					
Economic development	-	-	-	-	-
<b>Total fund balances</b>	<b>1,298</b>	<b>26,494</b>	<b>296</b>	<b>50,043</b>	<b>1,678</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,343</b>	<b>\$ 26,618</b>	<b>\$ 303</b>	<b>\$ 56,918</b>	<b>\$ 1,718</b>

Sheriff Contracts	Miscellaneous Contracts	Court Designated Funds	Vehicle Inventory Tax	Consumer Health	Housing Finance Corporation	Industrial Development Corporation	Total
\$ 5,828	\$ 20,395	\$ 3,443	\$ 2,318	\$ 409	\$ 3,834	\$ 45	\$ 110,062
265	3,804	31	4	-	-	-	17,148
227	253	-	-	-	-	-	546
<u>\$ 6,320</u>	<u>\$ 24,452</u>	<u>\$ 3,474</u>	<u>\$ 2,322</u>	<u>\$ 409</u>	<u>\$ 3,834</u>	<u>\$ 45</u>	<u>\$ 127,756</u>
\$ 163	\$ 292	\$ 58	\$ -	\$ 1	\$ -	\$ -	\$ 785
77	280	32	3	43	-	-	1,225
-	1,460	-	-	-	-	-	1,460
-	448	-	-	-	-	-	448
<u>240</u>	<u>2,480</u>	<u>90</u>	<u>3</u>	<u>44</u>	<u>-</u>	<u>-</u>	<u>3,918</u>
-	-	-	-	-	-	-	6,030
-	-	-	-	-	-	-	6,030
227	253	-	-	-	-	-	546
-	-	-	-	-	-	-	1,121
-	-	-	-	-	-	-	25,188
-	-	-	-	-	-	-	295
-	28	-	-	285	-	-	11,741
5,370	638	-	-	-	-	-	7,585
-	4,329	-	-	-	-	-	4,329
-	261	3,097	-	-	-	-	3,358
-	-	-	2,319	-	-	-	2,319
-	-	-	-	-	-	-	177
-	-	-	-	-	-	-	1,265
-	15,096	-	-	80	-	-	53,767
483	94	-	-	-	-	-	678
-	1,168	-	-	-	-	-	1,168
-	105	287	-	-	-	-	392
-	-	-	-	-	3,834	45	3,879
<u>6,080</u>	<u>21,972</u>	<u>3,384</u>	<u>2,319</u>	<u>365</u>	<u>3,834</u>	<u>45</u>	<u>117,808</u>
<u>\$ 6,320</u>	<u>\$ 24,452</u>	<u>\$ 3,474</u>	<u>\$ 2,322</u>	<u>\$ 409</u>	<u>\$ 3,834</u>	<u>\$ 45</u>	<u>\$ 127,756</u>



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

For the year ended September 30, 2022 (Amounts in thousands)

	Special Revenue Funds				
	Law Library	Records Preservation and Automation	Education	Public Health Contract	District Attorney Contracts
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fees of office	1,349	6,145	30	1,442	2
Intergovernmental	-	-	68	14,281	-
Investment income	10	202	-	372	13
Other revenues	34	14	-	3	656
Total revenues	1,393	6,361	98	16,098	671
<b>EXPENDITURES:</b>					
Current:					
General government	-	2,901	-	132	-
Public safety	-	-	99	-	-
Judicial	172	748	23	-	410
Community services	1,041	-	-	18,045	-
Capital outlay	7	90	-	138	150
Debt service:					
Principal payments	-	46	-	101	-
Interest and fiscal charges	-	1	-	1	-
Total expenditures	1,220	3,786	122	18,417	560
Excess (deficiency) of revenues over (under) expenditures	173	2,575	(24)	(2,319)	111
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Leases (as lessee)	-	-	-	69	-
Total other financing sources (uses)	-	-	-	69	-
Change in fund balance	173	2,575	(24)	(2,250)	111
FUND BALANCES, beginning of year	1,125	23,919	320	52,293	1,567
FUND BALANCES, end of year	\$ 1,298	\$ 26,494	\$ 296	\$ 50,043	\$ 1,678

Sheriff Contracts	Miscellaneous Contracts	Court Designated Funds	Vehicle Inventory Tax	Consumer Health	Housing Finance Corporation	Industrial Development Corporation	Total
\$ -	\$ -	\$ -	\$ 504	\$ -	\$ -	\$ -	\$ 504
-	7	-	-	-	-	-	7
-	11,361	2,637	126	1,040	-	-	24,132
-	4,367	168	-	-	-	-	18,884
42	156	27	16	3	21	-	862
3,976	1,756	-	-	-	535	-	6,974
4,018	17,647	2,832	646	1,043	556	-	51,363
-	2,467	492	83	-	-	-	6,075
3,712	4,927	-	-	-	-	-	8,738
-	939	677	-	-	-	-	2,969
-	10,856	-	-	1,055	797	-	31,794
55	224	55	25	-	-	-	744
52	-	-	-	-	-	-	199
4	-	-	-	-	-	-	6
3,823	19,413	1,224	108	1,055	797	-	50,525
195	(1,766)	1,608	538	(12)	(241)	-	838
300	3,366	-	-	-	-	-	3,666
-	(24)	(1,293)	-	-	-	-	(1,317)
-	-	-	-	-	-	-	69
300	3,342	(1,293)	-	-	-	-	2,418
495	1,576	315	538	(12)	(241)	-	3,256
5,585	20,396	3,069	1,781	377	4,075	45	114,552
\$ 6,080	\$ 21,972	\$ 3,384	\$ 2,319	\$ 365	\$ 3,834	\$ 45	\$ 117,808



# 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, 2022 (Amounts in thousands)

	Debt Service Fund			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 34,100	\$ 34,100	\$ 34,171	\$ 71
Investment income	15	15	99	84
Total Revenues	<u>\$ 34,115</u>	<u>\$ 34,115</u>	<u>\$ 34,270</u>	<u>\$ 155</u>
EXPENDITURES:				
Debt service	\$ 35,729	\$ 35,729	\$ 34,224	\$ 1,505
Total Expenditures	<u>\$ 35,729</u>	<u>\$ 35,729</u>	<u>\$ 34,224</u>	<u>\$ 1,505</u>

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

For the year ended September 30, 2022 (Amounts in thousands)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ -	\$ 387	\$ 546	\$ 159
Investment income	118	118	2,354	2,236
Other revenues	-	433	1,169	736
Transfers/bond proceeds	60,659	285,659	285,734	75
Total Revenues	\$ 60,777	\$ 286,597	\$ 289,803	\$ 3,206
EXPENDITURES:				
County Judge	\$ 1	\$ 1	\$ -	\$ 1
County Administrator	28	30	2	28
Non-Departmental	8,705	4,882	6	4,876
Auditor	-	4	4	-
Tax Assessor / Collector	11	656	644	12
Elections Administration	1,185	1,586	452	1,134
Information Technology	26,449	28,600	12,238	16,362
Human Resources	6	6	3	3
Purchasing	2	34	34	-
Facilities	9,730	9,894	613	9,281
Sheriff	327	391	267	124
Sheriff - Confinement	388	393	389	4
Constable Precinct 2	3	3	3	-
Constable Precinct 3	-	5	5	-
Constable Precinct 7	2	3	3	-
Constable Precinct 8	2	2	2	-
Medical Examiner	443	443	427	16
Community Supervision	24	24	5	19
Juvenile Services	42	55	53	2
Buildings	69,161	69,779	13,954	55,825
231ST District Court	-	1	1	-
322ND District Court	-	1	1	-
Criminal Court Administration	10	27	20	7
Probate Court 1	10	10	9	1
Justice of the Peace Pct. 2	2	2	1	1
Justice of the Peace Pct. 4	2	2	2	-
Justice of the Peace Pct. 8	2	2	2	-

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

For the year ended September 30, 2022 (Amounts in thousands)

	Capital Projects			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
EXPENDITURES:				
Criminal District Attorney	\$ 124	\$ 124	\$ 123	\$ 1
District Clerk	5	5	5	-
County Clerk	17	17	15	2
Domestic Relations	2	2	1	1
Courts / Judiciary	76	58	-	58
Human Services	3	8	7	1
TX Cooperative Extension	-	1	1	-
Veterans Services	9	9	-	9
Commissioner Precinct 1	1,136	1,516	1,156	360
Commissioner Precinct 2	1,503	1,506	1,093	413
Commissioner Precinct 3	787	787	644	143
Commissioner Precinct 4	2,133	2,184	2,088	96
Transportation	21,915	247,012	6,283	240,729
Total Expenditures	<u>\$ 144,245</u>	<u>\$ 370,065</u>	<u>\$ 40,556</u>	<u>\$ 329,509</u>



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

For the year ended September 30, 2022 (Amounts in thousands)

Law Library				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,190	\$ 1,190	\$ 1,350	\$ 160
Investment income	1	1	10	9
Other revenues	5	5	34	29
Total Revenues	<u>\$ 1,196</u>	<u>\$ 1,196</u>	<u>\$ 1,394</u>	<u>\$ 198</u>
EXPENDITURES:				
Law Library	\$ 1,954	\$ 1,954	\$ 1,026	\$ 928
Judicial Law Library	175	175	171	4
Total Expenditures	<u>\$ 2,129</u>	<u>\$ 2,129</u>	<u>\$ 1,197</u>	<u>\$ 932</u>

Records Preservation and Automation				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 5,787	\$ 5,803	\$ 6,145	\$ 342
Investment income	21	21	202	181
Other revenues	-	3	14	11
Total Revenues	<u>\$ 5,808</u>	<u>\$ 5,827</u>	<u>\$ 6,361</u>	<u>\$ 534</u>
EXPENDITURES:				
Information Technology	\$ 1,368	\$ 1,451	\$ 479	\$ 972
District Clerk	1,343	1,343	756	587
County Clerk	26,363	26,338	2,579	23,759
Total Expenditures	<u>\$ 29,074</u>	<u>\$ 29,132</u>	<u>\$ 3,814</u>	<u>\$ 25,318</u>

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

For the year ended September 30, 2022 (Amounts in thousands)

Education				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 25	\$ 25	\$ 30	\$ 5
Intergovernmental	-	68	68	-
Total Revenues	<u>\$ 25</u>	<u>\$ 93</u>	<u>\$ 98</u>	<u>\$ 5</u>
EXPENDITURES:				
Sheriff	\$ 130	\$ 150	\$ 84	\$ 66
Sheriff-Confinement	59	69	15	54
Constable Precinct 1	-	1	-	1
Constable Precinct 2	8	9	-	9
Constable Precinct 3	2	3	2	1
Constable Precinct 4	11	12	-	12
Constable Precinct 5	8	8	-	8
Constable Precinct 6	10	11	-	11
Constable Precinct 7	9	10	3	7
Constable Precinct 8	2	3	-	3
Fire Marshal	-	1	-	1
Probate Court 1	68	65	4	61
Probate Court 2	61	58	6	52
Criminal District Attorney	-	3	3	-
Courts / Judiciary	-	5	5	-
Total Expenditures	<u>\$ 368</u>	<u>\$ 408</u>	<u>\$ 122</u>	<u>\$ 286</u>

Public Health				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 647	\$ 647	\$ 1,442	\$ 795
Intergovernmental	12,764	12,764	14,281	1,517
Investment income	10	10	372	362
Other revenues	30	30	3	(27)
Total Revenues	<u>\$ 13,451</u>	<u>\$ 13,451</u>	<u>\$ 16,098</u>	<u>\$ 2,647</u>
EXPENDITURES:				
Non-Departmental	\$ 28,145	\$ 27,962	\$ -	\$ 27,962
Buildings	170	170	133	37
Public Health	32,359	32,542	18,427	14,115
Total Expenditures	<u>\$ 60,674</u>	<u>\$ 60,674</u>	<u>\$ 18,560</u>	<u>\$ 42,114</u>

**SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS**
**For the year ended September 30, 2022 (Amounts in thousands)**

District Attorney				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ -	\$ -	\$ 1	\$ 1
Investment income	2	2	13	11
Other revenues	-	-	656	656
Total Revenues	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 670</u>	<u>\$ 668</u>
EXPENDITURES:				
District Attorney	\$ 1,385	\$ 1,385	\$ 593	\$ 792
Total Expenditures	<u>\$ 1,385</u>	<u>\$ 1,385</u>	<u>\$ 593</u>	<u>\$ 792</u>

Sheriff Contracts				
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Investment income	\$ 5	\$ 5	\$ 42	\$ 37
Other revenues	1,620	1,620	3,976	2,356
Transfer	300	300	300	-
Total Revenues	<u>\$ 1,925</u>	<u>\$ 1,925</u>	<u>\$ 4,318</u>	<u>\$ 2,393</u>
EXPENDITURES:				
Sheriff	\$ 855	\$ 855	\$ 504	\$ 351
Sheriff - Confinement	5,692	5,692	3,562	2,130
Total Expenditures	<u>\$ 6,547</u>	<u>\$ 6,547</u>	<u>\$ 4,066</u>	<u>\$ 2,481</u>

**SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - NONMAJOR SPECIAL REVENUE FUNDS**  
For the year ended September 30, 2022 (Amounts in thousands)

	Miscellaneous Contracts			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Licenses and permits	\$ 12	\$ 12	\$ 8	\$ (4)
Fees of office	9,231	9,250	11,367	2,117
Intergovernmental	811	4,213	4,367	154
Investment income	17	17	156	139
Other revenues	1,015	1,694	1,755	61
Transfer	3,767	3,767	3,366	(401)
Total Revenues	<u>\$ 14,853</u>	<u>\$ 18,953</u>	<u>\$ 21,019</u>	<u>\$ 2,066</u>
EXPENDITURES:				
County Administrator	\$ 7	\$ 22	\$ -	\$ 22
Non-Departmental	2,551	1,051	9	1,042
Elections Administration	590	3,992	2,863	1,129
Self Insurance	1,704	1,704	294	1,410
Sheriff	2	2	1	1
Constable Precinct 7	13	13	1	12
Medical Examiner	28	28	3	25
Fire Marshal	500	500	94	406
Community Supervision	4,661	5,239	4,832	407
Juvenile Services	356	356	43	313
Buildings	90	75	4	71
Criminal Court Administration	30	32	25	7
Veterans Diversion Court	24	24	20	4
Criminal District Attorney	700	716	698	18
Domestic Relations	1	4	4	-
8th Admin Judicial Region	133	133	124	9
Public Health	18,036	18,036	9,483	8,553
Human Services	71	154	119	35
Child Protective Services	90	104	65	39
Public Assistance	29	29	9	20
Historical Commission	61	63	-	63
Community Outreach	-	1,500	1,500	-
Total Expenditures	<u>\$ 29,677</u>	<u>\$ 33,777</u>	<u>\$ 20,191</u>	<u>\$ 13,586</u>

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

For the year ended September 30, 2022 (Amounts in thousands)

	Court Designated			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 1,666	\$ 2,353	\$ 2,637	\$ 284
Intergovernmental	80	80	168	88
Investment income	3	4	27	23
Total Revenues	<u>\$ 1,749</u>	<u>\$ 2,437</u>	<u>\$ 2,832</u>	<u>\$ 395</u>
EXPENDITURES:				
County Administrator	\$ 1,804	\$ 1,804	\$ 388	\$ 1,416
Non Departmental	814	1,500	1,403	97
Information Technology	391	391	12	379
Juvenile Services	3	3	-	3
233rd District Court	321	353	216	137
Appeals Court	180	180	179	1
Criminal Court Administration	206	206	176	30
Probate Court 1	408	408	64	344
Probate Court 2	290	290	68	222
Public Health	83	83	-	83
Total Expenditures	<u>\$ 4,500</u>	<u>\$ 5,218</u>	<u>\$ 2,506</u>	<u>\$ 2,712</u>

	Vehicle Inventory Tax			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Taxes	\$ 90	\$ 90	\$ 505	\$ 415
Fees of office	10	10	125	115
Investment income	2	2	16	14
Total Revenues	<u>\$ 102</u>	<u>\$ 102</u>	<u>\$ 646</u>	<u>\$ 544</u>
EXPENDITURES:				
Tax Assessor/Collector	\$ 1,847	\$ 1,847	\$ 112	\$ 1,735
Total Expenditures	<u>\$ 1,847</u>	<u>\$ 1,847</u>	<u>\$ 112</u>	<u>\$ 1,735</u>

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

For the year ended September 30, 2022 (Amounts in thousands)

	Consumer Health			
	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
REVENUES:				
Fees of office	\$ 995	\$ 995	\$ 1,040	\$ 45
Investment income	-	-	3	3
Total Revenues	<u>\$ 995</u>	<u>\$ 995</u>	<u>\$ 1,043</u>	<u>\$ 48</u>
EXPENDITURES:				
Public Health	\$ 1,256	\$ 1,256	\$ 1,056	\$ 200
Total Expenditures	<u>\$ 1,256</u>	<u>\$ 1,256</u>	<u>\$ 1,056</u>	<u>\$ 200</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, 2022 (Amounts in thousands)**

	Employee Benefits	Self Insurance	Workers Compensation	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 39,126	\$ 4,044	\$ 5,196	\$ 48,366
Other receivables, net of allowance for uncollectibles	3,629	4	-	3,633
Prepaid expenses and inventory	246	-	140	386
Total current assets	43,001	4,048	5,336	52,385
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	499	79	105	683
Other liabilities	4,182	-	-	4,182
Unearned revenue	116	-	-	116
Other long term liabilities-current portion	-	471	3,285	3,756
Total current liabilities	4,797	550	3,390	8,737
Noncurrent liabilities:				
Other noncurrent liabilities	-	1,679	10,996	12,675
Total noncurrent liabilities	-	1,679	10,996	12,675
Total liabilities	4,797	2,229	14,386	21,412
<b>NET POSITION</b>				
Unrestricted	38,204	1,819	(9,050)	30,973
Total net position	\$ 38,204	\$ 1,819	\$ (9,050)	\$ 30,973

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

**For the year ended September 30, 2022 (Amounts in thousands)**

	Employee Benefits	Self Insurance	Workers Compensation	Total
<b><u>OPERATING REVENUES</u></b>				
Charges for services - external	\$ 18,833	\$ -	\$ -	\$ 18,833
Charges for services - internal	50,478	-	2,908	53,386
Other revenues	12,428	566	92	13,086
Total operating revenues	81,739	566	3,000	85,305
<b><u>OPERATING EXPENSES</u></b>				
Building and equipment	8	107	-	115
Self insurance claims	68,138	231	4,427	72,796
Insurance premiums	2,540	-	-	2,540
Other expenses	4,778	1,679	2,302	8,759
Total operating expenses	75,464	2,017	6,729	84,210
Operating income (loss)	6,275	(1,451)	(3,729)	1,095
<b><u>NONOPERATING REVENUES</u></b>				
Investment income	299	32	42	373
Total nonoperating revenues	299	32	42	373
Income (loss) before transfers	6,574	(1,419)	(3,687)	1,468
Transfers in	-	1,500	7,000	8,500
Transfers out	(7,000)	-	-	(7,000)
Change in net position	(426)	81	3,313	2,968
Net position - beginning	38,630	1,738	(12,363)	28,005
Net position (deficit) - ending	\$ 38,204	\$ 1,819	\$ (9,050)	\$ 30,973

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS**
**For the year ended September 30, 2022 (Amounts in thousands)**

	Employee Benefits	Self Insurance	Workers Compensation	Total
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Receipts from customers and employees	\$ 31,543	\$ 565	\$ 92	\$ 32,200
Receipts from interfund charges	50,478	-	2,908	53,386
Payments for claims and judgments	(76,506)	(508)	(4,872)	(81,886)
Net cash provided by (used in) operating activities	5,515	57	(1,872)	3,700
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Investment income, net	299	32	42	373
Net cash provided by investing activities	299	32	42	373
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>				
Transfers in	-	1,500	7,000	8,500
Transfers out	(7,000)	-	-	(7,000)
Net cash provided by (used in) noncapital financing activities	(7,000)	1,500	7,000	1,500
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,186)</b>	<b>1,589</b>	<b>5,170</b>	<b>5,573</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>40,312</b>	<b>2,455</b>	<b>26</b>	<b>42,793</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 39,126</b>	<b>\$ 4,044</b>	<b>\$ 5,196</b>	<b>\$ 48,366</b>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Income (loss) from operations	\$ 6,275	\$ (1,451)	\$ (3,729)	\$ 1,095
Changes in assets and liabilities:				
Other receivables	273	(1)	-	272
Accounts payable	44	15	(28)	31
Other liabilities	(1,086)	1,494	1,885	2,293
Unearned revenue	9	-	-	9
Net cash provided by (used in) operating activities	\$ 5,515	\$ 57	\$ (1,872)	\$ 3,700

# 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, 2022 (Amounts in thousands)**

	Custodial Funds			
	State Comptroller	Other Custodial	Community Supervision & Corrections	Total
<b><u>ASSETS</u></b>				
Cash, cash equivalents, and investments	\$ 20,215	\$ 82,333	\$ 11,293	\$ 113,841
Other receivables	1	2	2	5
Total assets	20,216	82,335	11,295	113,846
<b><u>LIABILITIES</u></b>				
Accounts payable	-	74	12	86
Held for others	-	4,368	392	4,760
Due to other government agencies	20,216	19,762	10,891	50,869
Total liabilities	20,216	24,204	11,295	55,715
<b><u>NET POSITION</u></b>				
Restricted for:				
Individuals, organizations, and other governments	-	58,131	-	58,131
Total net position	\$ -	\$ 58,131	\$ -	\$ 58,131

# **COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS**

**For the year ended September 30, 2022 (Amounts in thousands)**

	Custodial Funds			
	State Comptroller	Other Custodial	Community Supervision & Corrections	Total
<b>ADDITIONS</b>				
Property tax collections for other governments	\$ -	\$ 4,673,113	\$ -	\$ 4,673,113
Vehicle registration fees collected for state	735,863	-	-	735,863
Judicial/statutory ordered collections due to others	6,654	42,535	1,762	50,951
Collateral/escrow deposits from bondsmen	-	786	-	786
Inmate commissary deposits	-	11,214	-	11,214
Seizures by law enforcement agencies	-	2,728	-	2,728
State grant/program revenue	-	-	24,611	24,611
Interest earnings	-	254	78	332
Total additions	742,517	4,730,630	26,451	5,499,598
<b>DEDUCTIONS</b>				
Property taxes due to other governments	-	4,673,113	-	4,673,113
Vehicle registration due to state	735,863	-	-	735,863
Payments due under judicial order/statute	6,654	44,484	1,762	52,900
Release of collateral/escrow held for bondsmen	-	605	-	605
Inmate commissary funds	-	11,214	-	11,214
State grant/program revenue	-	-	24,689	24,689
Total deductions	742,517	4,729,416	26,451	5,498,384
Net increase (decrease) in fiduciary net position	-	1,214	-	1,214
Net position - beginning	-	56,917	-	56,917
Net position - ending	\$ -	\$ 58,131	\$ -	\$ 58,131



# STATISTICAL SECTION

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



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<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>	
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<p>These schedules offer demographic and economic indicators to aid in understanding the environment within which the County's financial activities take place.</p>	
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<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				
	2013	2014	2015 <sup>(1)</sup>	2016	2017
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 187,832	\$ 214,058	\$ 205,217	\$ 242,704	\$ 263,098
Restricted	20,967	23,439	35,733	27,460	56,753
Unrestricted	11,749	12,510	(211,929)	(251,868)	(312,227)
Total governmental activities net position (deficit)	<u>\$ 220,548</u>	<u>\$ 250,007</u>	<u>\$ 29,021</u>	<u>\$ 18,296</u>	<u>\$ 7,624</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 4,922	\$ 4,567	\$ 4,302	\$ 4,480	\$ 4,301
Unrestricted	1,519	1,638	843	890	1,057
Total business-type activities net position	<u>\$ 6,441</u>	<u>\$ 6,205</u>	<u>\$ 5,145</u>	<u>\$ 5,370</u>	<u>\$ 5,358</u>
<b>Primary government:</b>					
Net investment in capital assets	\$ 192,754	\$ 218,625	\$ 209,519	\$ 247,184	\$ 267,399
Restricted	20,967	23,439	35,733	27,460	56,753
Unrestricted	13,268	14,148	(211,086)	(250,978)	(311,170)
Total primary government net position (deficit)	<u>\$ 226,989</u>	<u>\$ 256,212</u>	<u>\$ 34,166</u>	<u>\$ 23,666</u>	<u>\$ 12,982</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.

TABLE I

<b>2018<sup>(2)</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 351,713	\$ 365,058	\$ 374,709	\$ 378,073	\$ 400,372
31,287	34,488	45,417	52,361	54,084
(413,157)	(352,536)	(274,152)	(175,105)	(64,458)
<u>\$ (30,157)</u>	<u>\$ 47,010</u>	<u>\$ 145,974</u>	<u>\$ 255,329</u>	<u>\$ 389,998</u>
\$ 4,095	\$ 4,154	\$ 3,888	\$ 3,936	\$ 3,651
823	789	1,167	1,953	2,573
<u>\$ 4,918</u>	<u>\$ 4,943</u>	<u>\$ 5,055</u>	<u>\$ 5,889</u>	<u>\$ 6,224</u>
\$ 355,808	\$ 369,212	\$ 378,597	\$ 382,009	\$ 404,023
31,287	34,488	45,417	52,361	54,084
(412,334)	(351,747)	(272,985)	(173,152)	(61,885)
<u>\$ (25,239)</u>	<u>\$ 51,953</u>	<u>\$ 151,029</u>	<u>\$ 261,218</u>	<u>\$ 396,222</u>



## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Accrual basis of accounting)

(Amounts in thousands)

Expenses	FISCAL YEAR				
	2013	2014	2015	2016	2017
Governmental activities:					
General government	\$ 130,932	\$ 127,883	\$ 143,920	\$ 145,969	\$ 157,056
Public safety	133,199	127,787	132,926	145,216	159,812
Transportation support	40,820	32,234	38,500	37,363	36,952
Judicial	160,619	157,483	162,219	174,043	182,028
Community services	82,852	78,405	82,042	92,572	99,256
Interest and fiscal charges	14,140	14,124	16,066	13,275	10,435
Total governmental activities expenses	562,562	537,916	575,673	608,438	645,539
Business-type activities:					
Resource Connection	3,158	3,699	3,735	3,453	3,496
Total primary government expenses	565,720	541,615	579,408	611,891	649,035
<b>Program Revenues <sup>(1)</sup></b>					
Governmental activities:					
Fees, Fines, and Charges for Services	118,963	119,321	126,633	131,550	131,310
Operating Grants and Contributions	76,631	80,696	88,776	85,747	99,132
Capital Grants and Contributions	1,144	347	1,728	1,318	3,579
Total governmental activities program revenues	196,738	200,364	217,137	218,615	234,021
Business-type activities:					
Resource Connection	2,962	3,138	3,092	3,292	3,284
Total primary government program revenues	199,700	203,502	220,229	221,907	237,305
<b>Net (Expenses)/Revenue</b>					
Governmental activities	(365,824)	(337,552)	(358,536)	(389,823)	(411,518)
Business-type activities	(196)	(561)	(643)	(161)	(212)
Total primary government net expenses	\$ (366,020)	\$ (338,113)	\$ (359,179)	\$ (389,984)	\$ (411,730)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Property taxes	\$ 325,106	\$ 335,242	\$ 350,708	\$ 363,964	\$ 384,555
Alcoholic beverage, bingo and other taxes	6,694	9,110	11,136	10,953	10,943
Unrestricted investment earnings	816	1,151	1,134	2,188	3,815
Other general revenue	3,473	5,205	4,322	1,993	1,533
Transfers	-	-	-	-	-
Total governmental activities	336,089	350,708	367,300	379,098	400,846
Business-type activities:					
Unrestricted investment earnings	4	5	5	9	20
Other general revenue	334	320	195	377	180
Transfers	-	-	-	-	-
Total business-type activities	338	325	200	386	200
Total primary government	336,427	351,033	367,500	379,484	401,046
<b>Changes in Net Position</b>					
Governmental activities	(29,735)	13,156	8,764	(10,725)	(10,672)
Business-type activities	142	(236)	(443)	225	(12)
Total primary government	\$ (29,593)	\$ 12,920	\$ 8,321	\$ (10,500)	\$ (10,684)

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

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

TABLE II

2018	2019	2020	2021	2022
\$ 151,006	\$ 153,715	\$ 164,474	\$ 159,604	\$ 167,969
155,980	145,317	165,779	177,771	181,792
49,564	28,634	29,234	46,368	35,915
182,031	172,703	186,468	187,223	189,465
93,103	96,341	161,201 <sup>(2)</sup>	208,224 <sup>(2)</sup>	175,285 <sup>(2)</sup>
8,701	7,933	7,060	6,503	7,354
640,385	604,643	714,216	785,693	757,780
3,210	3,435	3,165	3,035	3,220
643,595	608,078	717,381	788,728	761,000
132,839	143,884	142,468	154,178	163,643
87,599	90,900	188,415 <sup>(2)</sup>	236,748 <sup>(2)</sup>	195,772 <sup>(2)</sup>
642	4,833	711	2,223	5,105
221,080	239,617	331,594	393,149	364,520
3,284	3,272	3,174	3,408	3,311
224,364	242,889	334,768	396,557	367,831
(419,305)	(365,026)	(382,622)	(392,544)	(393,260)
74	(163)	9	373	91
\$ (419,231)	\$ (365,189)	\$ (382,613)	\$ (392,171)	\$ (393,169)
\$ 403,618	\$ 417,540	\$ 465,946	\$ 486,726	\$ 501,129
11,321	12,188	10,772	12,695	15,062
6,888	10,453	4,258	975	8,574
1,037	2,012	610	1,853	3,164
-	-	-	(350)	-
422,864	442,193	481,586	501,899	527,929
44	72	28	5	49
140	116	75	106	195
-	-	-	350	-
184	188	103	461	244
423,048	442,381	481,689	502,360	528,173
3,559	77,167	98,964	109,355	134,669
258	25	112	834	335
\$ 3,817	\$ 77,192	\$ 99,076	\$ 110,189	\$ 135,004

## PROGRAM REVENUE BY FUNCTION/PROGRAM LAST TEN YEARS

(Accrual basis of accounting)  
(Amounts in thousands)

	FISCAL YEAR				
	2013	2014	2015	2016	2017
<b>Function/Program</b>					
<b>Fees, Fines, and Charges for Services</b>					
<b>Governmental:</b>					
General government	\$ 44,789	\$ 47,345	\$ 51,688	\$ 52,059	\$ 53,037
Public safety	6,383	6,621	6,915	7,468	10,521
Transportation support	19,419	18,851	17,449	18,484	18,021
Judicial	30,646	29,311	28,103	29,827	28,937
Community services	17,726	17,193	22,478	23,712	20,794
Total Governmental	118,963	119,321	126,633	131,550	131,310
<b>Business-type:</b>	2,962	3,138	3,092	3,253	3,284
Total Fees, Fines and Charges for Service	\$ 121,925	\$ 122,459	\$ 129,725	\$ 134,803	\$ 134,594
<b>Operating Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ 1,962	\$ 2,263	\$ 8,873	\$ 677	\$ 6,969
Public safety	3,896	3,892	3,902	3,961	3,965
Transportation support	153	217	137	31	85
Judicial	11,390	12,614	11,626	11,776	12,469
Community services	59,230	61,710	64,238	69,302	75,644
Total Governmental	76,631	80,696	88,776	85,747	99,132
Total Operating Grants and Contributions	\$ 76,631	\$ 80,696	\$ 88,776	\$ 85,747	\$ 99,132
<b>Capital Grants and Contributions</b>					
<b>Governmental:</b>					
General government	\$ 1,083	\$ -	\$ -	\$ 377	\$ 63
Public safety	33	325	229	482	25
Transportation support	28	-	1,392	256	3,404
Judicial	-	22	107	-	-
Community services	-	-	-	203	87
Total Governmental	1,144	347	1,728	1,318	3,579
<b>Business-type:</b>	-	-	-	39	-
Total Capital Grants and Contributions	\$ 1,144	\$ 347	\$ 1,728	\$ 1,357	\$ 3,579
<b>Total Program Revenues</b>					
<b>Governmental:</b>					
General government	\$ 47,834	\$ 49,608	\$ 60,561	\$ 53,113	\$ 60,069
Public safety	10,312	10,838	11,046	11,911	14,511
Transportation support	19,600	19,068	18,978	18,771	21,510
Judicial	42,036	41,947	39,836	41,603	41,406
Community services	76,956	78,903	86,716	93,217	96,525
Total Governmental	196,738	200,364	217,137	218,615	234,021
<b>Business-type:</b>	2,962	3,138	3,092	3,292	3,284
Total Program Revenues	\$ 199,700	\$ 203,502	\$ 220,229	\$ 221,907	\$ 237,305

TABLE III

2018	2019	2020	2021	2022
\$ 54,323	\$ 57,787	\$ 59,041	\$ 62,283	\$ 68,324
10,995	12,169	14,219	16,351	17,774
18,830	19,236	18,242	19,610	19,094
29,143	29,455	25,048	23,572	29,823
19,548	25,237	25,918	32,362	28,628
132,839	143,884	142,468	154,178	163,643
3,284	3,272	3,174	3,408	3,311
\$ 136,123	\$ 147,156	\$ 145,642	\$ 157,586	\$ 166,954
\$ 1,134	\$ 1,410	\$ 11,212	\$ 8,200	\$ 9,440
4,659	5,992	17,895	39,549	21,521
31	38	39	33	586
11,370	11,690	12,823	11,063	16,347
70,405	71,770	146,446	177,903	147,878
87,599	90,900	188,415	236,748	195,772
\$ 87,599	\$ 90,900	\$ 188,415	\$ 236,748	\$ 195,772
\$ 85	\$ 88	\$ -	\$ 44	\$ -
38	26	60	30	55
519	4,719	651	2,142	5,050
-	-	-	-	-
-	-	-	7	-
642	4,833	711	2,223	5,105
-	-	-	-	-
\$ 642	\$ 4,833	\$ 711	\$ 2,223	\$ 5,105
\$ 55,542	\$ 59,285	\$ 70,253	\$ 70,527	\$ 77,764
15,692	18,187	32,174	55,930	39,350
19,380	23,993	18,932	21,785	24,730
40,513	41,145	37,871	34,635	46,170
89,953	97,007	172,364	210,272	176,506
221,080	239,617	331,594	393,149	364,520
3,284	3,272	3,174	3,408	3,311
\$ 224,364	\$ 242,889	\$ 334,768	\$ 396,557	\$ 367,831

## FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified accrual basis of accounting)

(Amounts in thousands)

	FISCAL YEAR				
	2013	2014	2015	2016	2017
<b>General Fund</b>					
Nonspendable	\$ 3,409	\$ 2,442	\$ 1,703	\$ 830	\$ 1,432
Committed	603	307	244	795	320
Assigned	25,015	27,578	26,917	31,146	27,942
Unassigned	49,101	48,616	52,580	52,861	50,545
Total General fund	<u>\$ 78,128</u>	<u>\$ 78,943</u>	<u>\$ 81,444</u>	<u>\$ 85,632</u>	<u>\$ 80,239</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 1,107	\$ 2,604	\$ 2,321	\$ 2,355	\$ 2,592
Restricted	146,653	114,877	153,572	144,294	134,580
Committed	80,443	78,467	90,117	101,253	95,569
Assigned	3,357	3,488	3,597	3,703	3,717
Unassigned	-	(1,482)	(1,462)	(1,691)	(1,859)
Total all other governmental funds	<u>\$ 231,560</u>	<u>\$ 197,954</u>	<u>\$ 248,145</u>	<u>\$ 249,914</u>	<u>\$ 234,599</u>

TABLE IV

2018	2019	2020	2021	2022
\$ 2,666	\$ 2,825	\$ 3,276	\$ 3,570	\$ 3,832
386	138	668	587	445
27,005	10,794	31,227	66,206	96,177
51,478	75,997	91,914	131,705	115,047
<u>\$ 81,535</u>	<u>\$ 89,754</u>	<u>\$ 127,085</u>	<u>\$ 202,068</u>	<u>\$ 215,501</u>
\$ 3,475	\$ 3,041	\$ 2,155	\$ 4,214	\$ 7,233
114,858	114,326	117,717	85,577	304,191
102,701	114,761	136,661	156,954	186,034
3,765	4,255	4,005	4,120	3,879
(1,973)	(1,997)	-	(10,010)	(13,135)
<u>\$ 222,826</u>	<u>\$ 234,386</u>	<u>\$ 260,538</u>	<u>\$ 240,855</u>	<u>\$ 488,202</u>

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified accrual basis of accounting)

(Amounts in thousands)

	FISCAL YEAR				
	2013	2014	2015	2016	2017
<b>Revenues:</b>					
Taxes	\$ 326,100	\$ 333,417	\$ 351,233	\$ 364,485	\$ 384,275
Licenses and permits	983	1,078	1,435	1,198	1,291
Fees of office	80,247	81,740	85,429	90,803	93,665
Intergovernmental	104,592	112,639	121,625	120,058	125,472
Investment income	816	1,151	1,134	2,188	3,813
Other revenues	24,990	21,240	19,225	18,672	17,127
Total revenues	537,728	551,265	580,081	597,404	625,643
<b>Expenditures:</b>					
Current:					
General government	105,773	111,910	117,878	115,112	128,382
Public safety	115,081	118,983	123,359	127,142	136,224
Transportation support	19,548	20,451	23,136	22,523	24,978
Judicial	147,520	152,770	158,622	161,072	168,256
Community services	73,433	74,836	77,537	83,886	87,797
Capital outlay	64,269	70,370	62,106	44,487	62,761
Debt service:					
Principal payments	16,140	18,815	18,645	22,990	25,940
Interest and fiscal charges	15,574	15,508	16,128	14,542	11,911
Total expenditures	557,338	583,643	597,411	591,754	646,249
Excess (deficiency) of revenues over (under) expenditures	(19,610)	(32,378)	(17,330)	5,650	(20,606)
<b>Other Financing Sources (Uses):</b>					
Transfers in	27,507	29,040	39,303	36,974	44,571
Transfers out	(27,782)	(29,453)	(39,350)	(36,894)	(44,810)
Lease	184	-	3,783	-	-
Issuance of debt	36,940	-	61,095	-	-
Premium on new debt	3,361	-	4,677	-	-
Discount on new debt	(163)	-	-	-	-
Refunding bonds issued	35,320	-	88,960	70,905	36,860
Premium on refunding bonds	4,703	-	4,566	-	-
Discount on refunding bonds	(148)	-	-	-	-
Payment to refunded bond escrow agent	(39,751)	-	(93,012)	(70,678)	(36,723)
Total other financing sources (uses)	40,171	(413)	70,022	307	(102)
<b>Change in fund balance</b>	<b>\$ 20,561</b>	<b>\$ (32,791)</b>	<b>\$ 52,692</b>	<b>\$ 5,957</b>	<b>\$ (20,708)</b>
Debt Service as a percentage of noncapital expenditures	6.1%	6.5%	6.2%	6.6%	6.3%

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

TABLE V

2018	2019	2020	2021	2022
\$ 403,972	\$ 418,793	\$ 464,547	\$ 487,134	\$ 503,047
1,214	1,422	1,213	1,294	1,353
94,059	106,227	104,172	112,991	117,287
126,883	132,352	223,553 <sup>(1)</sup>	276,443 <sup>(1)</sup>	231,276 <sup>(1)</sup>
6,891	10,453	4,258	977	8,575
17,292	18,718	16,124	16,657	20,687
650,311	687,965	813,867	895,496	882,225
123,409	127,951	140,259	141,266	150,417
143,914	151,697	161,860	171,743	193,785
22,929	23,244	24,191	23,978	29,802
177,228	185,877	188,429	190,287	207,427
90,764	97,860	157,767 <sup>(1)</sup>	205,098 <sup>(1)</sup>	172,177 <sup>(1)</sup>
65,274	44,393	43,297	73,232	58,131
27,295	28,125	25,930	26,770	30,796
9,995	9,158	8,276	7,447	5,767
660,808	668,305	750,009	839,821	848,302
(10,497)	19,660	63,858	55,675	33,923
43,115	41,175	51,282	43,369	76,328
(43,245)	(41,056)	(51,657)	(43,744)	(77,828)
150	-	-	-	1,353
-	-	-	-	214,905
-	-	-	-	11,791
-	-	-	-	-
-	-	-	-	75,710
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(75,402)
20	119	(375)	(375)	226,857
\$ (10,477)	\$ 19,779	\$ 63,483	\$ 55,300	\$ 260,780
5.9%	5.8%	4.7%	4.3%	4.5%



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

(Per \$100 of Assessed Value)

Governmental Unit	FISCAL YEAR				
	2013	2014	2015	2016	2017
Tarrant County	\$ 0.264000	\$ 0.264000	\$ 0.264000	\$ 0.264000	\$ 0.254000
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	0.227897
Tarrant County College District	0.148970	0.149500	0.149500	0.149500	0.144730
Tarrant Regional Water District	0.020000	0.020000	0.020000	0.020000	0.019400
Tarrant Emergency Services District	0.064000	0.080000	0.080000	0.080000	0.080000
County Line Special District Rates					
Karis Municipal Management District	-	-	-	-	-
Trophy Club Municipal Utility District #1	0.133390	0.133390	0.133390	0.131140	0.127220
City Rates					
Arlington	0.648000	0.648000	0.648000	0.648000	0.644800
Bedford	0.499115	0.494830	0.494830	0.494830	0.476509
Benbrook	0.657500	0.657500	0.657500	0.657500	0.650000
Blue Mound	0.750000	0.750000	0.750000	0.806250	0.806250
Colleyville	0.355900	0.355900	0.355900	0.355900	0.339130
Dalworthington Gardens	0.262739	0.262739	0.262739	0.253670	0.273979
Edgecliff Village	0.294000	0.299000	0.305216	0.305216	0.270359
Eules	0.470000	0.470000	0.467500	0.467500	0.462500
Everman	1.105413	1.255205	1.255205	1.255205	1.230000
Forest Hill	1.060000	1.060000	0.996054	0.996054	0.990000
Fort Worth	0.855000	0.855000	0.855000	0.855000	0.835000
Haltom City	0.651740	0.699990	0.699990	0.699990	0.699990
Haslet	0.320869	0.320869	0.292785	0.285693	0.290253
Hurst	0.608498	0.608498	0.606000	0.610560	0.587900
Keller	0.442190	0.442190	0.437190	0.434690	0.430000
Kennedale	0.722500	0.747500	0.747500	0.767500	0.767500
Lake Worth	0.474411	0.482083	0.467828	0.499252	0.460660
Lakeside	0.379248	0.379260	0.379260	0.360192	0.360192
North Richland Hills	0.610000	0.610000	0.610000	0.610000	0.610000
Pantego	0.410000	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	0.528094	0.528805	0.595633
River Oaks	0.856519	0.850351	0.850351	0.852309	0.794444
Saginaw	0.490000	0.510000	0.510000	0.544000	0.513000
Sansom Park	0.737215	0.733655	0.704741	0.690692	0.767304
Watauga	0.591216	0.591216	0.591216	0.618718	0.618411
Westover Hills	0.360238	0.350500	0.347400	0.347400	0.355000
Westworth Village	0.492000	0.492000	0.492000	0.500000	0.500000
White Settlement	0.614715	0.670653	0.690660	0.733103	0.755693
County Line City Rates					
Azle	0.649500	0.659500	0.668000	0.679500	0.679500
Burleson	0.690000	0.690000	0.740000	0.740000	0.735000
Crowley	0.669019	0.696829	0.696829	0.739270	0.739270
Flower Mound	0.449700	0.449700	0.439000	0.439000	0.439000
Grand Prairie	0.669998	0.669998	0.669998	0.669998	0.669998
Grapevine	0.345695	0.342500	0.332439	0.328437	0.289271

TABLE VI

2018	2019	2020	2021	2022
\$ 0.244000	\$ 0.234000	\$ 0.234000	\$ 0.234000	\$ 0.229000
0.990000	1.000000	1.000000	1.000000	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
0.140060	0.136070	0.130170	0.130170	0.130170
0.019400	0.019400	0.028700	0.028700	0.028700
0.082500	0.082500	0.081900	0.081900	0.081900
-	-	-	-	0.350000
0.120210	0.116180	0.112730	0.107740	0.105580
0.639800	0.634800	0.624000	0.622500	0.619800
0.520000	0.561862	0.569000	0.569000	0.552000
0.640000	0.640000	0.627770	0.622500	0.617500
0.741530	0.696800	0.605900	0.571000	0.560545
0.333834	0.320800	0.306807	0.304365	0.291778
0.374379	0.580000	0.580000	0.636593	0.658553
0.270359	0.270359	0.257780	0.272000	0.285000
0.462500	0.462500	0.462500	0.462500	0.475000
1.158630	1.113943	1.085713	1.149676	1.149676
0.990000	0.992873	0.992873	0.997340	0.997342
0.805000	0.785000	0.747500	0.747500	0.732500
0.668180	0.653000	0.665760	0.665760	0.645651
0.333044	0.305960	0.297583	0.249972	0.283229
0.580940	0.580000	0.597299	0.625159	0.625159
0.427500	0.413250	0.399900	0.395000	0.395000
0.777500	0.725714	0.734970	0.774085	0.764085
0.454920	0.434806	0.413577	0.469212	0.458548
0.375000	0.379000	0.406300	0.406300	0.406239
0.590000	0.585000	0.572000	0.575700	0.572184
0.420000	0.420000	0.420000	0.420000	0.420000
0.898499	0.898499	0.898499	0.898499	0.800000
0.563738	0.541880	0.558551	0.558551	0.558551
0.780000	0.749400	0.674516	0.697374	0.720874
0.495000	0.471800	0.459000	0.461579	0.479516
0.787304	0.787304	0.722200	0.718850	0.670724
0.601788	0.601788	0.580500	0.580404	0.580400
0.355000	0.387200	0.426000	0.447000	0.478925
0.500000	0.485000	0.475000	0.475000	0.475000
0.762127	0.762186	0.732245	0.746200	0.741795
0.671500	0.667287	0.657204	0.657204	0.646149
0.735000	0.735000	0.720000	0.711100	0.685900
0.719000	0.709000	0.681992	0.699806	0.729545
0.439000	0.439000	0.436500	0.436500	0.405000
0.669998	0.669998	0.669998	0.669998	0.664998
0.289271	0.289271	0.284271	0.282601	0.271811

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

(Per \$100 of Assessed Value)

Governmental Unit (cont'd)	FISCAL YEAR				
	2013	2014	2015	2016	2017
Mansfield	0.710000	0.710000	0.710000	0.710000	0.710000
Reno	0.492700	0.499600	0.499900	0.530000	0.530000
Roanoke	0.375120	0.375120	0.375120	0.375120	0.375120
Southlake	0.462000	0.462000	0.462000	0.462000	0.462000
Trophy Club	0.518430	0.499300	0.490000	0.484000	0.473000
Westlake	0.156840	0.156840	0.156340	0.156340	0.136950
School District Rates					
Arlington Independent School District	1.301000	1.292170	1.348110	1.412952	1.390080
Birdville Independent School District	1.435000	1.435000	1.435000	1.453900	1.453900
Carroll Independent School District	1.400000	1.400000	1.400000	1.395000	1.390000
Castleberry Independent School District	1.453300	1.415500	1.399700	1.415500	1.376600
Eagle Mountain Saginaw Independent School District	1.540000	1.540000	1.540000	1.540000	1.540000
Everman Independent School District	1.395000	1.490000	1.510000	1.530000	1.525000
Fort Worth Independent School District	1.322000	1.322000	1.322000	1.352000	1.352000
Hurst Euless Bedford Independent School District	1.407500	1.387500	1.375000	1.350000	1.316000
Keller Independent School District	1.540000	1.540000	1.540000	1.540000	1.520000
Kennedale Independent School District	1.512068	1.492068	1.514717	1.486724	1.486724
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	1.425200	1.595000	1.595000
Azle Independent School District	1.190000	1.190000	1.203000	1.203000	1.203000
Burleson Independent School District	1.540000	1.540000	1.540000	1.540000	1.540000
Crowley Independent School District	1.670000	1.670000	1.650000	1.650000	1.650000
Godley Independent School District	1.128700	1.172752	1.195500	1.247660	1.540000
Grapevine Colleyville Independent School District	1.320100	1.320100	1.320100	1.320100	1.396700
Lewisville Independent School District	1.453000	1.477000	1.477000	1.476730	1.420000
Mansfield Independent School District	1.540000	1.527100	1.527100	1.510000	1.510000
Northwest Independent School District	1.375000	1.452500	1.452500	1.452500	1.452500

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

2018	2019	2020	2021	2022
0.710000	0.710000	0.710000	0.690000	0.690000
0.520000	0.520000	0.520000	0.520000	0.468166
0.375120	0.375120	0.375120	0.375120	0.375120
0.462000	0.447000	0.410000	0.405000	0.390000
0.451442	0.446442	0.446442	0.446442	0.445000
0.136150	0.156000	0.160180	0.167880	0.167880
1.368670	1.368670	1.298670	1.387100	1.360800
1.453900	1.453900	1.383900	1.380300	1.338000
1.385000	1.380000	1.300000	1.286400	1.268600
1.392200	1.392200	1.290550	1.241300	1.313100
1.540000	1.540000	1.518000	1.496400	1.457500
1.510000	1.495000	1.390000	1.370000	1.370000
1.352000	1.352000	1.282000	1.378400	1.343200
1.263000	1.273000	1.220000	1.198000	1.160800
1.520000	1.510000	1.408300	1.394700	1.344000
1.480000	1.451694	1.350000	1.336400	1.299100
1.670000	1.670000	1.568400	1.510200	1.519100
1.540000	1.520000	1.450000	1.415900	1.460300
1.595000	1.595000	1.493300	1.479700	1.392900
1.329000	1.329000	1.247350	1.247400	1.222600
1.670000	1.670000	1.568350	1.538300	1.494600
1.670000	1.670000	1.568400	1.539800	1.265800
1.540000	1.540000	1.470000	1.466400	1.492000
1.396700	1.396700	1.326700	1.303100	1.275100
1.407500	1.407500	1.337500	1.347300	1.308700
1.540000	1.540000	1.460000	1.446400	1.418300
1.490000	1.490000	1.420000	1.336300	1.292000

## 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 <sup>(1)</sup>
2013	\$ 127,035,192	\$ 26,185,771	\$ 28,213,654	\$ 125,007,309	\$ 0.264000
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

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 rate 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					
	2022			2013		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery	\$ 1,520,811	1	0.67%	\$ 910,224	1	0.73%
American Airlines	1,125,017	2	0.49%	332,996	7	0.27%
Winner LLC	793,414	3	0.35%	-		
General Motors LLC	578,705	4	0.25%	-		
Atmos Energy/Mid Tex Division	560,025	5	0.25%	-		
Alcon Laboratories	459,313	6	0.20%	-		
Bell Textron INC	445,500	7	0.20%	388,497	6	0.31%
Wal-mart Real Estate Bus Trust	389,583	8	0.17%	437,961	5	0.35%
Amazon.com Services LLC	320,855	9	0.14%	-		
Opryland Hotel	290,000	10	0.13%	-		
Xto Energy Inc.	-			874,944	2	0.70%
Chsapeake Operating	-			664,160	3	0.53%
Devon Energy Food Co	-			471,203	4	0.38%
Barnett Gathering Lp	-			288,679	8	0.23%
Opryland Hotel	-			285,854	9	0.23%
Southwestern Bell	-			269,220	10	0.22%
	<u>\$ 6,483,223</u>		<u>2.84%</u>	<u>\$ 4,923,738</u>		<u>3.94%</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	
2013	\$ 328,199	(677)	\$ 327,522	\$ 324,960	99.01%	\$ 2,063
2014	336,803	(450)	336,353	333,806	99.11%	1,892
2015	354,272	(763)	353,509	350,698	98.99%	2,264
2016	368,922	(17)	368,905	365,724	99.13%	2,563
2017	387,855	(695)	387,160	384,387	99.11%	2,100
2018	409,336	(925)	408,411	406,075	99.20%	1,526
2019	427,161	(919)	426,242	423,720	99.19%	1,264
2020	471,596	(2,258)	469,338	467,381	99.11%	252
2021	492,857	(2,088)	490,769	489,370	99.29%	57
2022	505,505	-	505,505	502,321	99.37%	-

Source: Tarrant County Tax Office and Tarrant Appraisal District

TABLE IX

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Total Collections		Percentage of Levy
Amount		
\$ 327,023		99.85%
335,698		99.81%
352,962		99.85%
368,287		99.83%
386,487		99.83%
407,601		99.80%
424,984		99.70%
467,633		99.64%
489,427		99.73%
502,321		99.37%



## 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 <sup>(3)</sup>	Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
2013	\$ 196,521	\$ 158,983	\$ 1,920	\$ 357,424	0.43%	\$ 192.27
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% <sup>(2)</sup>	194.69

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 2021.

(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	Less: Amount Available In Debt Service Fund <sup>(3)</sup>	Total	Percentage of Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2013	\$ 196,521	\$ 158,983	\$ 355,504	\$ -	\$ 355,504	0.28%	\$ 191.24
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

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.

(3) Prior periods updated due to Debt Service Fund resources being committed not restricted.

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2022

(Amounts in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt 9/30/2022
Debt repaid with property taxes:			
Special Districts:			
Live Oak Creek Municipal Utility District #1	\$ 21,820	100.00%	\$ 21,820
Viridian Municipal Management District	209,000	100.00%	209,000
Tarrant County College District	610,315	100.00%	610,315
Tarrant County Hospital District	12,825	100.00%	12,825
County Line Special District:			
Trophy Club Municipal Utility District #1	5,560	26.59%	1,478
Cities:			
Arlington	640,830	100.00%	640,830
Bedford	131,740	100.00%	131,740
Benbrook	22,020	100.00%	22,020
Colleyville	2,275	100.00%	2,275
Dalworthington Gardens	5,030	100.00%	5,030
Eules	67,500	100.00%	67,500
Everman	7,910	100.00%	7,910
Forest Hill	2,010	100.00%	2,010
Fort Worth	907,955	96.82%	879,082
Haltom City	97,110	100.00%	97,110
Haslet	6,699	100.00%	6,699
Hurst	55,050	100.00%	55,050
Keller	45,665	100.00%	45,665
Kennedale	13,315	100.00%	13,315
Lake Worth	12,020	100.00%	12,020
North Richland Hills	124,665	100.00%	124,665
Pantego	2,465	100.00%	2,465
Pelican Bay	854	100.00%	854
Richland Hills	23,755	100.00%	23,755
River Oaks	16,135	100.00%	16,135
Saginaw	70,250	100.00%	70,250
Sansom Park	9,539	100.00%	9,539
Watauga	43,755	100.00%	43,755
Westover Hills	5,430	100.00%	5,430
Westworth Village	7,184	100.00%	7,184
White Settlement	29,595	100.00%	29,595
County Line Cities:			
Azle	19,300	80.19%	15,477

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

<b>Governmental Unit (cont'd)</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt 9/30/2022</b>
Burleson	\$ 141,530	18.59%	\$ 26,310
Crowley	46,985	99.79%	46,886
Flower Mound	149,350	3.20%	4,779
Grand Prairie	449,467	49.80%	223,835
Grapevine	137,870	97.44%	134,341
Mansfield	147,185	94.63%	139,281
Reno	1,296	3.70%	48
Roanoke	36,355	5.28%	1,920
Southlake	62,312	98.10%	61,128
Trophy Club	19,238	5.91%	1,137
Westlake	47,649	95.81%	45,653
<b>School Districts:</b>			
Arlington Independent School District	1,185,950	100.00%	1,185,950
Birdville Independent School District	408,955	100.00%	408,955
Carroll Independent School District	311,395	100.00%	311,395
Castleberry Independent School District	31,785	100.00%	31,785
Eagle Mountain Saginaw Independent School District	1,086,203	100.00%	1,086,203
Everman Independent School District	110,355	100.00%	110,355
Fort Worth Independent School District	1,318,830	100.00%	1,318,830
Hurst Euless Bedford Independent School District	321,965	100.00%	321,965
Keller Independent School District	836,595	100.00%	836,595
Kennedale Independent School District	19,240	100.00%	19,240
Lake Worth Independent School District	82,003	100.00%	82,003
White Settlement Independent School District	253,796	100.00%	253,796
<b>County Line School Districts:</b>			
Aledo Independent School District	270,192	7.94%	21,453
Azle Independent School District	135,695	60.66%	82,313
Burleson Independent School District	295,784	31.92%	94,414
Crowley Independent School District	523,095	99.30%	519,433
Godley Independent School District	210,310	7.65%	16,089
Grapevine Colleyville Independent School District	311,711	97.18%	302,921
Lewisville Independent School District	1,204,815	0.81%	9,759
Mansfield Independent School District	824,065	92.76%	764,403
Northwest Independent School District	1,353,929	43.12%	583,814
<b>Sub-total Overlapping Debt</b>			<b>12,239,787</b>
Tarrant County (direct debt)	422,658	100.00%	422,658
<b>Total Direct and Overlapping Debt</b>			<b>\$ 12,662,445</b>

## LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

(Amounts in thousands)

	FISCAL YEAR				
	2013	2014	2015	2016	2017
Debt Limit	\$ 6,250,365	\$ 6,419,606	\$ 6,764,733	\$ 7,052,971	\$ 7,734,577
Total net debt applicable to limit	355,018	337,637	386,020	363,573	335,499
Legal debt margin	<u>\$ 5,895,347</u>	<u>\$ 6,081,969</u>	<u>\$ 6,378,713</u>	<u>\$ 6,689,398</u>	<u>\$ 7,399,078</u>
Total net debt applicable to the limit as a percentage of debt limit	5.68%	5.26%	5.71%	5.15%	4.34%

(1) Vernon's Texas Codes Annotated-Government Code 1301.003 ( c )

TABLE XIII

2018	2019	2020	2021	2022
\$ 8,529,430	\$ 9,309,657	\$ 10,339,570	\$ 10,845,269	\$ 11,395,369
306,155	276,997	249,750	220,884	417,551
<u>\$ 8,223,275</u>	<u>\$ 9,032,660</u>	<u>\$ 10,089,820</u>	<u>\$ 10,624,385</u>	<u>\$ 10,977,818</u>
3.59%	2.98%	2.42%	2.04%	3.66%

**Legal Debt Margin Calculation (1) for Fiscal Year 2022**

Assessed value	\$227,907,373
Debt Limit (5% of total assessed value)	11,395,369
Debt applicable to limit:	
Total General Bonded debt	417,551
Less: Amount available in Debt Service Fund	-
Total net debt applicable to limit	<u>417,551</u>
Legal debt margin	<u>\$ 10,977,818</u>

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

TABLE XIV

<b>Fiscal Year</b>	<b>Population <sup>(3)</sup></b>	<b>Personal Income (Amounts in thousands)</b>	<b>Per Capita Personal Income <sup>(4)</sup></b>	<b>Unemployment Rate <sup>(5)</sup></b>	<b>Public School Enrollment <sup>(6)</sup></b>
2013	1,858,921	\$ 82,567,694	\$ 44,417	6.0%	353,806
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 <sup>(2)</sup>	119,224,934	55,615	7.7% <sup>(1)</sup>	360,066
2021	2,144,653	125,334,153	58,940	4.5%	346,274 <sup>(1)</sup>
2022	2,170,962	N/A	N/A	3.5%	346,571

N/A Not Available

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

### Data Sources:

(3) World Population Review, United States Census Bureau, North Central Texas Council of Governments, Fort Worth Chamber of Commerce, Texas Dept. of State Health Services

(4) Bureau of Economic Analysis U.S. Department of Commerce

(5) Texas Workforce Commission LAUS Report

(6) Texas Education Agency

**TEN PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

TABLE XV

Employer	2022 <sup>(1)</sup>			2013 <sup>(2)</sup>		
	Employees	Rank	% of Total Tarrant County Employment	Employees	Rank	% of Total Tarrant County Employment
AMR Corp./American Airlines	40,600	1	30.83%	25,000	1	25.57%
Lockheed Martin Aeronautics Company	18,200	2	13.82%	14,000	2	14.32%
Texas Health Resources	12,776	3	9.70%	8,252	5	8.44%
Fort Worth Independent School District	10,683	4	8.11%	10,308	4	10.54%
Naval Air Station Fort Worth Joint Reserve Base	10,500	5	7.97%	-		
Cook Children's Health Care System	8,777	6	6.66%	-		
Arlington Independent School District	8,344	7	6.34%	8,000	6	8.18%
University of Texas at Arlington	7,562	8	5.74%	-		
JPS Health Network	7,132	9	5.42%	-		
City of Fort Worth	7,129	10	5.41%	6,563	7	6.71%
Walmart Stores	-			10,558	3	10.80%
Bell Helicopter-Textron	-			6,500	8	6.65%
JP Morgan Chase Bank	-			4,337	9	4.44%
Tarrant County	-			4,248	10	4.35%

## 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				
	2013	2014	2015	2016	2017
<b>Governmental activities:</b>					
General government	726	727	738	740	741
Public safety	1,441	1,445	1,467	1,487	1,490
Transportation	201	201	202	204	205
Judicial	1,344	1,348	1,369	1,358	1,372
Community services	512	516	523	527	537
<b>Business-type activities:</b>					
Resource Connection	14	14	15	16	16
Total full-time equivalent employees	<u>4,238</u>	<u>4,251</u>	<u>4,314</u>	<u>4,332</u>	<u>4,361</u>

Source: Tarrant County Budget Office

TABLE XVI

2018	2019	2020	2021	2022
742	755	772	813	838
1,501	1,531	1,547	1,616	1,665
204	204	205	206	207
1,390	1,416	1,444	1,473	1,546
532	532	528	646	757
16	16	16	17	17
4,385	4,454	4,512	4,771	5,030

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

FUNCTION	FISCAL YEAR			
	2013	2014	2015	2016 <sup>(1)</sup>
<b>District Clerk</b>				
Civil court cases filed	6,692	8,752	9,143	6,785
Criminal court cases filed	17,367	17,167	17,305	20,289
Family court cases filed (Attorney General cases)	15,551	13,285	11,386	12,078
Family court cases filed (Non-Attorney General cases)	14,836	14,821	15,368	15,734
Juvenile court cases filed	2,487	2,175	1,974	1,850
Tax foreclosure cases filed	2,196	3,541	4,786	4,055
Passport applications accepted	25,868	35,659	33,520	N/A
<b>County Clerk</b>				
County court at law cases filed	8,212	7,480	7,754	7,932
Mental health cases filed	2,954	3,096	3,606	4,604
Probate cases filed	4,288	4,353	4,431	4,588
Birth certificates issued	45,460	46,979	51,389	54,793
Marriage licenses issued	14,439	14,754	15,424	15,560
Passport applications accepted	N/A	N/A	N/A	887
<b>Justice of the Peace (all precincts)</b>				
Traffic cases	5,725	6,660	9,068	9,380
Non-traffic cases	5,479	4,842	5,423	3,956
Small claims cases	2,379	5,558	5,556	5,503
Landlord/Tenant	27,176	27,511	24,245	25,124
Debt Claims	11,195	6,609	8,548	8,969
<b>Sheriff</b>				
Prisoner bed days in county jail	1,179,322	1,256,067	1,113,814	1,167,826
<b>Public Health</b>				
Chronic disease prevention, average monthly caseload	947	1,105	1,139	1,125
Notifiable diseases reported	5,057	4,337	4,371	5,509
Food establishment inspections	5,752	6,127	7,035	7,528
Sexually transmitted disease clinic visits	5,939	6,516	7,049	5,982
Milk and dairy tests	18,468	17,836	17,485	18,319
Tuberculosis DOT/DOPT doses administered	18,192	24,343	20,860	17,481
Women, infants & children visits and immunizations	652,496	616,333	605,912	584,517
<b>Tax Assessor/Collector</b>				
Tax accounts collected	940,493	1,142,980	1,329,246	1,669,671
Contracts with entities for tax collection	58	56	58	60
<b>Transportation</b>				
Miles of roads maintained in un-incorporated areas	407	403	402	401
Inter-local contracts executed/performed	84	70	70	53
Square yards of right of way	13,751,279	13,651,932	13,578,587	13,558,253
<b>Human Services</b>				
Rent vouchers issued	856	813	588	616
Utility vouchers issued	9,724	10,312	10,408	9,254
Food/hygiene vouchers issued	1,512	2,331	3,602	2,109

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

2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>	2021 <sup>(1)</sup>	2022 <sup>(1)</sup>
7,752	8,060	9,073	8,359	9,149	8,130
20,830	24,242	25,495	25,186	23,763	27,619
14,148	15,113	12,243	10,084	5,842	6,087
16,106	16,114	17,325	16,925	16,793	16,647
2,609	3,013	3,894	2,956	2,744	3,150
4,251	3,933	3,720	3,301	3,908	4,198
N/A	N/A	N/A	N/A	N/A	NA
7,940	8,555	10,775	8,370	7,397	6,185
5,093	4,791	4,466	4,800	4,814	4,906
4,049	4,207	4,623	4,942	5,595	4,883
43,207	42,210	58,836	38,446 <sup>(2)</sup>	50,753	66,412
17,079	20,284	15,380	14,825	15,307	16,995
11,444	13,753	24,111	17,838	33,445	42,884
9,638	12,345	11,835	8,229	6,464	7,441
4,368	5,158	6,082	5,840	3,676	4,512
5,921	6,930	6,666	5,639	5,157	7,010
26,021	26,558	30,349	19,439 <sup>(2)</sup>	14,967	30,107
13,137	16,711	20,917	21,097	24,555	17,682
1,304,411	1,427,461	1,472,457	1,441,844	1,544,676	1,518,533
1,500	1,500	1,000	240 <sup>(2)</sup>	232 <sup>(2)</sup>	645 <sup>(2)</sup>
11,375	10,052	11,526	60,125 <sup>(2)</sup>	298,396 <sup>(2)</sup>	320,722 <sup>(2)</sup>
7,244	7,711	6,345	6,791 <sup>(2)</sup>	6,487	6,207
6,207	6,126	5,130	6,065	6,319	8,986
19,070	18,077	17,902	15,355	16,893	14,880
18,229	13,178	12,895	10,729	9,352	6,975
545,408	460,552	431,309	406,691	398,678	461,178
1,686,094	1,730,397	1,808,146	1,839,821	1,844,624	1,844,036
60	67	79	79	79	79
398	397	397	395	396	390
66	67	57	56	45	52
13,395,295	13,346,720	13,281,790	13,252,717	13,281,824	12,858,803
699	553	546	495	254	218
14,125	5,055	4,457	5,455	4,539	5,466
2,233	1,354	1,144	1,035	683	763

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN YEARS

	FISCAL YEAR			
	2013	2014	2015	2016
<b>General Government</b>				
Number of buildings				
Subcourthouses	8	8	9	8
Courts buildings	5	5	6	6
Other	14	14	14	14
Building square footage	2,825,302	2,826,802	3,101,552	3,083,629
Subcourthouses	346,781	346,781	389,031	371,108
Courts buildings	1,074,510	1,074,510	1,307,010	1,307,010
Other	1,404,011	1,405,511	1,405,511	1,405,511
<b>Public Safety</b>				
Number of jails	5	5	4	4
Building square footage	1,115,523	1,115,523	1,044,755	1,044,755
Number of patrol vehicles	102	102	102	102
<b>Transportation</b>				
Miles of roads in un-incorporated areas	407	403	402	401
Square yards of right of way	13,751,279	13,651,932	13,578,587	13,558,253
Number of heavy equipment	247	250	258	257
Number of vehicles	492	523	516	497
<b>Judicial</b>				
Juvenile Services Complex square footage	124,770	124,770	124,770	124,770
<b>Community Services</b>				
Public Health vehicles	47	45	44	43
<b>Resource Connection</b>				
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

2017	2018	2019	2020	2021	2022
8	8	8	8	8	8
6	6	6	6	6	6
15	15	15	15	15	16
3,198,103	3,218,798	3,218,798	3,218,798	3,218,798	3,240,272
371,108	391,803	391,803	391,803	391,803	391,803
1,307,010	1,307,010	1,307,010	1,307,010	1,307,010	1,307,010
1,519,985	1,519,985	1,519,985	1,519,985	1,519,985	1,541,459
5	5	5	5	5	5
1,230,985	1,230,985	1,230,985	1,230,985	1,230,985	1,230,985
101	100	99	102	103	103
398	397	397	395	396	390
13,395,295	13,346,720	13,281,790	13,252,717	13,281,824	12,858,803
263	260	261	258	265	269
522	495	484	554	543	558
124,770	124,770	124,770	124,770	124,770	124,770
45	45	45	46	46	46
16	16	16	16	16	16
348,464	348,464	348,464	348,464	348,464	348,464

