



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





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TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506
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FORT WORTH, TEXAS 76196-0103
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KIM BUCHANAN, CPA
FIRST ASSISTANT COUNTY AUDITOR
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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


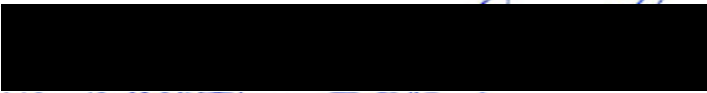
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting for the County's annual comprehensive financial report for the fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious 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**

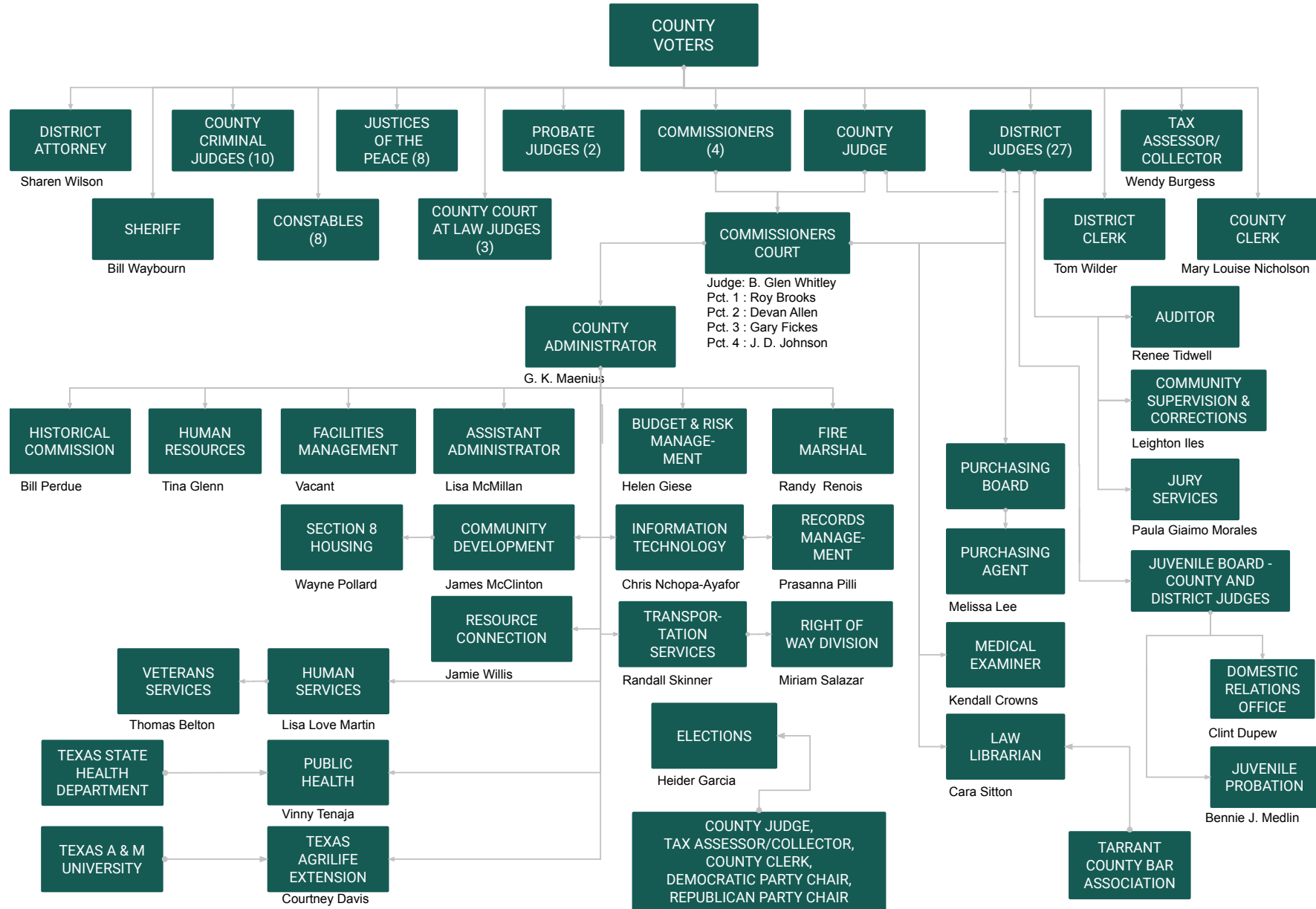
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

TARRANT COUNTY ORGANIZATION (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

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.

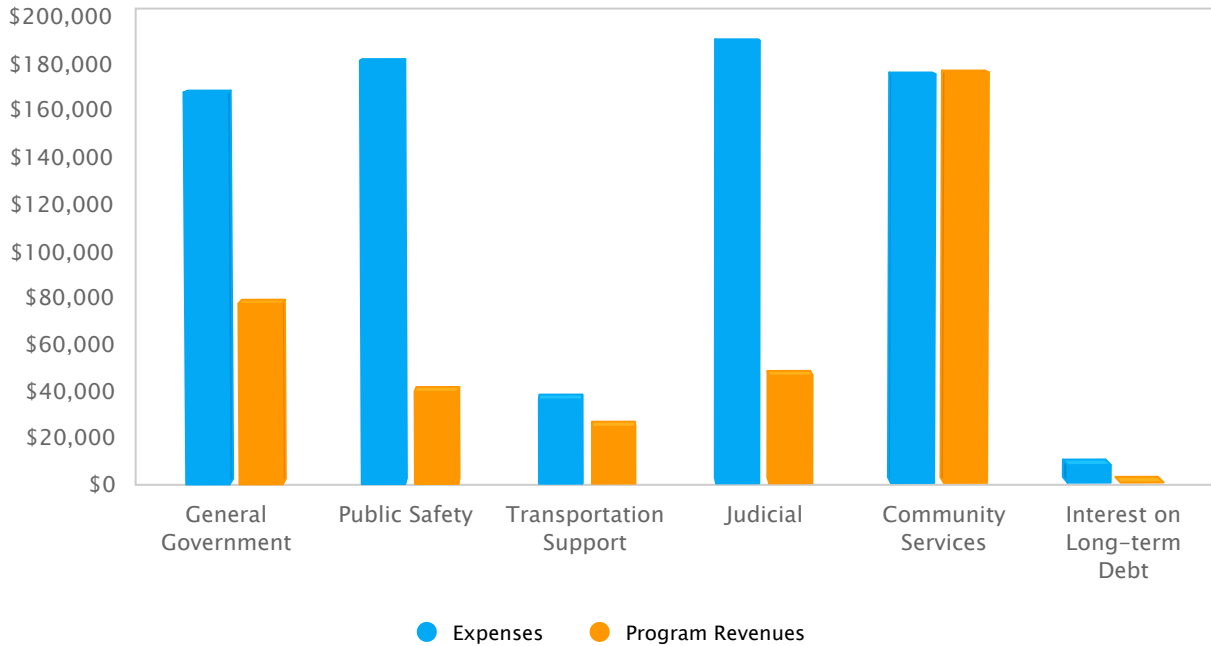
Tarrant County's Changes in Net Position

(Amounts in thousands)

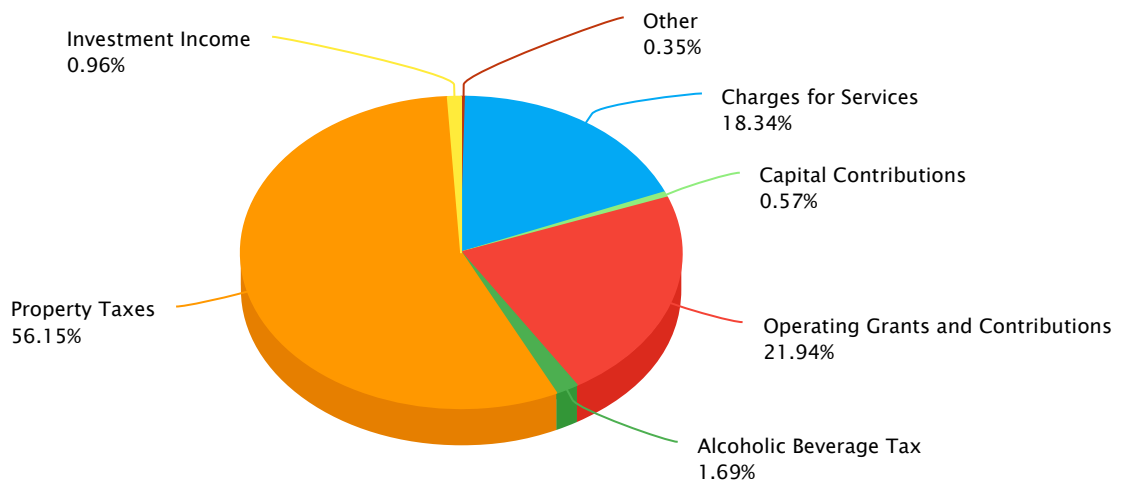
| | For the year ended September 30, 2022 | | | For the year ended September 30, 2021 | | |
|--|---------------------------------------|-----------------|-------------------|---------------------------------------|-----------------|-------------------|
| | Governmental | Business-type | Total | Governmental | Business-type | Total |
| | Activities | Activities | | Activities | Activities | |
| 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 ⁽¹⁾ | | |
|----------------------------|----------------------------|-----------------------------|-------------------|-----------------------------------|-----------------------------|-------------------|
| | 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 ⁽¹⁾ |
| 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 |
| ASSETS | | | |
| 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 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| 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 |
| LIABILITIES | | | |
| 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 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| 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 |
| NET POSITION (DEFICIT) | | | |
| 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 |
| <u>1,748,550</u> | <u>99,027</u> |
| 34,982 | - |
| - | - |
| - | - |
| <u>34,982</u> | <u>-</u> |
| 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 | - |
| <u>242,613</u> | <u>25,273</u> |
| 46,027 | - |
| - | - |
| 930 | - |
| - | - |
| <u>46,957</u> | <u>-</u> |
| 206,107 | 21,491 |
| - | - |
| 29,736 | 1,469 |
| - | - |
| 1,258,119 | 50,794 |
| <u>\$ 1,493,962</u> | <u>\$ 73,754</u> |

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 | \$ 761,000 | \$ 166,954 | \$ 195,772 | \$ 5,105 |
| Component units | | | | |
| Tarrant County Hospital District | \$ 1,381,156 | \$ 639,967 | \$ 233,013 | \$ 256 |
| MHMR of Tarrant County | 184,246 | 50,566 | 116,502 | - |
| | \$ 1,565,402 | \$ 690,533 | \$ 349,515 | \$ 256 |

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 |
|--|-------------------|--------------------|-----------------|---------------------|
| ASSETS | | | | |
| 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 | - | - |
| TOTAL ASSETS | \$ 261,440 | \$ 18,272 | \$ 2,240 | \$ 368,861 |
| LIABILITIES | | | | |
| Accounts payable | \$ 7,677 | \$ 1,364 | \$ - | \$ 8,891 |
| Other liabilities | 28,839 | 983 | - | 8 |
| Due to other funds | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Total liabilities | 36,516 | 2,347 | - | 8,899 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue-property taxes | 4,556 | 1 | 438 | - |
| Unavailable revenue-other receivables | 3,894 | - | - | - |
| Deferred lease inflows | 973 | - | - | - |
| Total deferred inflows of resources | 9,423 | 1 | 438 | - |
| FUND BALANCES | | | | |
| Nonspendable | 3,832 | 846 | - | - |
| Restricted | - | - | - | 248,255 |
| Committed | 445 | 15,078 | 1,802 | 111,707 |
| Assigned | 96,177 | - | - | - |
| Unassigned | 115,047 | - | - | - |
| Total fund balances | 215,501 | 15,924 | 1,802 | 359,962 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 261,440 | \$ 18,272 | \$ 2,240 | \$ 368,861 |

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 |
| <u>5,841</u> | <u>546</u> | <u>11,065</u> |
| <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 |
| <u>384,756</u> | <u>448</u> | <u>385,204</u> |
| <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 |
| <u>(13,135)</u> | <u>-</u> | <u>101,912</u> |
| <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 |
|---|------------|--------------------|-----------------|---------------------|
| REVENUES: | | | | |
| 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 |
| EXPENDITURES: | | | | |
| 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) |
| OTHER FINANCING SOURCES (USES): | | | | |
| 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 |
| <u>183,826</u> | <u>51,363</u> | <u>882,225</u> |
| 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 |
| <u>185,110</u> | <u>50,525</u> | <u>848,302</u> |
| (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) |
| <u>1,284</u> | <u>2,418</u> | <u>226,857</u> |
| - | 3,256 | 260,780 |
| <u>(7,294)</u> | <u>114,552</u> | <u>442,923</u> |
| <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 |
|---|--|--|
| ASSETS | | |
| 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 | <u>5,772</u> | <u>52,385</u> |
| Noncurrent assets: | | |
| Capital assets | | |
| Land | 2,071 | - |
| Building and improvements, net | 646 | - |
| Equipment, net | 88 | - |
| Infrastructure, net | 846 | - |
| Total noncurrent assets | <u>3,651</u> | <u>-</u> |
| Total assets | <u>9,423</u> | <u>52,385</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred pension outflows | 291 | - |
| Deferred OPEB outflows | 110 | - |
| Total deferred outflows of resources | <u>401</u> | <u>-</u> |
| LIABILITIES | | |
| 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 | <u>778</u> | <u>8,737</u> |
| Noncurrent liabilities: | | |
| Other noncurrent liabilities | - | 12,675 |
| Net pension liability | 69 | - |
| Compensated absences payable | 16 | - |
| Other postemployment benefit liability | 667 | - |
| Total noncurrent liabilities | <u>752</u> | <u>12,675</u> |
| Total liabilities | <u>1,530</u> | <u>21,412</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred pension inflows | 611 | - |
| Deferred OPEB inflows | 165 | - |
| Deferred lease inflows | 1,294 | - |
| Total deferred inflows of resources | <u>2,070</u> | <u>-</u> |
| NET POSITION | | |
| Investment in capital assets | 3,651 | - |
| Unrestricted | 2,573 | 30,973 |
| Total net position | <u>\$ 6,224</u> | <u>\$ 30,973</u> |

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 |
|---|--|--|
| <u>OPERATING REVENUES</u> | | |
| 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 |
| | <u>3,506</u> | <u>85,305</u> |
| Total operating revenues | 3,506 | 85,305 |
| <u>OPERATING EXPENSES</u> | | |
| 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 |
| | <u>3,220</u> | <u>84,210</u> |
| Total operating expenses | 3,220 | 84,210 |
| Operating income | <u>286</u> | <u>1,095</u> |
| <u>NONOPERATING REVENUES</u> | | |
| Investment income | 49 | 373 |
| | <u>49</u> | <u>373</u> |
| Total nonoperating revenues | 49 | 373 |
| Income before contributions and transfers | 335 | 1,468 |
| Transfers in | - | 8,500 |
| Transfers out | - | (7,000) |
| | <u>335</u> | <u>2,968</u> |
| Change in net position | 335 | 2,968 |
| Net position - beginning of year | <u>5,889</u> | <u>28,005</u> |
| Net position - ending | <u>\$ 6,224</u> | <u>\$ 30,973</u> |

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 |
|---|--|--|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| 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 | <u>406</u> | <u>3,700</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Investment income | <u>49</u> | <u>373</u> |
| Net cash provided by investing activities | <u>49</u> | <u>373</u> |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u> | | |
| Transfers in | - | 8,500 |
| Transfers out | - | (7,000) |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>1,500</u> |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u> | | |
| Purchase of capital assets | <u>(22)</u> | <u>-</u> |
| Net cash used in capital and related financial activities | <u>(22)</u> | <u>-</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 433 | 5,573 |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>4,030</u> | <u>42,793</u> |
| CASH AND CASH EQUIVALENTS, end of year | <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)

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

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 |
|--|--------------------|
| <u>ADDITIONS</u> | |
| 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 | <u>332</u> |
| Total additions | <u>5,499,598</u> |
| <u>DEDUCTIONS</u> | |
| 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 | <u>24,689</u> |
| Total deductions | <u>5,498,384</u> |
| Net increase (decrease) in fiduciary net position | 1,214 |
| Net position-beginning | <u>56,917</u> |
| Net position - ending | <u>\$ 58,131</u> |

See accompanying notes to the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. GASB periodically updates its codification of the existing standards. In fiscal year 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) | <u>(1,353)</u> |
| 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 |
| | <u>56,149</u> |
| 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 | <u>46,320</u> | <u>16,608</u> | <u>29,712</u> | <u>6.4%</u> |
| 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 ⁽¹⁾ | Additions | Disposals | Transfers | Balance September 30, 2022 |
|---|--|------------------|-------------------|-----------------|----------------------------------|
| Governmental activities: | | | | | |
| 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):

| | |
|--|------------------|
| Governmental activities: | |
| 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 |
|--|-------------------------------|-----------------|-------------|-------------|----------------------------------|
| Business-type activities: | | | | | |
| Capital assets; not depreciated: | | | | | |
| Land | \$ 2,071 | \$ - | \$ - | \$ - | \$ 2,071 |
| Total capital assets not depreciated | <u>2,071</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,071</u> |
| Capital assets; being depreciated: | | | | | |
| Buildings and improvements | 6,807 | - | - | - | 6,807 |
| Furnishings and equipment | 607 | 22 | - | - | 629 |
| Infrastructure | 1,759 | - | - | - | 1,759 |
| Total capital assets; being depreciated | <u>9,173</u> | <u>22</u> | <u>-</u> | <u>-</u> | <u>9,195</u> |
| 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 | <u>(7,308)</u> | <u>(307)</u> | <u>-</u> | <u>-</u> | <u>(7,615)</u> |
| Total capital assets; being depreciated, net | 1,865 | (285) | - | - | 1,580 |
| Business-type activities capital assets, net | <u>\$ 3,936</u> | <u>\$ (285)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,651</u> |

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):

| <u>Fiscal Year(s)</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Principal & Interest</u> |
|-----------------------|------------------|-----------------|---|
| 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

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 ⁽¹⁾ | Additions | Retirements | Balance September 30, 2022 | Amounts Due within One year |
|---------------------------------|--|-------------------|---------------------|----------------------------------|-----------------------------------|
| Governmental activities: | | | | | |
| 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 | \$ 228,670 | \$ 303,759 | \$ (109,771) | \$ 422,658 | \$ 29,977 |

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

| | | | | | |
|----------------------------------|-----------|-----------|-------------|-----------|-----------|
| Governmental activities: | | | | | |
| Compensated absences | \$ 50,426 | \$ 39,485 | \$ (39,876) | \$ 50,035 | \$ 36,364 |
| Business-type activities: | | | | | |
| 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 | 6,219,666 |
| Total Conduit Debt | \$ 6,449,656 |

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):

| <u>Transfer From</u> | <u>Amount</u> | <u>Transfer To</u> | <u>Explanation</u> |
|--------------------------|------------------|---------------------------|--|
| 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> | | |
| <u>Funds Due From</u> | <u>Amount</u> | <u>Funds Due To</u> | <u>Explanation</u> |
| Grants Fund | \$ 31,677 | General Fund | Short-term loan |
| Other Governmental Funds | 1,460 | General Fund | Short-term loan |
| | <u>\$ 33,137</u> | | |
| <u>Advance From</u> | <u>Amount</u> | <u>Advance To</u> | <u>Explanation</u> |
| 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.

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 | 4,331 |
| Total | 9,691 |

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%.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Geometric Real Rate of Return</u> |
|------------------------------------|--------------------------|--------------------------------------|
| 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 ¹ | 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 ² | 4,305 | 3,748 | 557 |
| Net changes | <u>105,701</u> | <u>368,041</u> | <u>(262,340)</u> |
| Balances as of December 31, 2021 | <u>\$ 2,131,806</u> | <u>\$ 2,103,217</u> | <u>\$ 28,589</u> |

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

² Relates to allocation of TCDRS System-wide items.

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

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

| | 1% Decrease | Current | 1% Increase |
|-------------------------------|-------------------|------------------------|---------------------|
| | 6.60% | Discount Rate 7.60% | 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):

| | <u>Governmental Activities</u> | <u>Business- type Activities</u> | <u>Total</u> |
|--|------------------------------------|--|-------------------|
| Deferred Outflows of Resources | | | |
| 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> |
| Deferred Inflows of Resources | | | |
| 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):

| <u>Year ended September 30:</u> | <u>Amount</u> |
|-------------------------------------|---------------|
| 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</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|----------------------------------|--------------------|
| | <u>1.26%</u> | <u>2.26%</u> | <u>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):

| | 1% Decrease | Medical, RX, & Stop Loss 7.0% Administrative Fees 4.00% 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 |
|--|----------------------------|---------------------------------|------------------|
| Deferred Outflows of Resources: | | | |
| 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> |
| Deferred Inflows of Resources: | | | |
| 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):

| <u>Year ended September 30:</u> | <u>Amount</u> |
|-------------------------------------|---------------|
| 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):

| <u>Project:</u> | <u>Spent to date</u> | <u>Remaining Commitment</u> |
|--------------------------|--------------------------|---------------------------------|
| 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 |
| | | \$ 8,394 |

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

| Name | Participation Rate |
|-----------------------|--------------------|
| 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):

| Tax Abatement | # of Entities | Assessed Value Abated | Total Amount of Taxes Forgone | |
|--------------------------------------|---------------|-----------------------|-------------------------------|-----------------|
| | | | County | TCHD |
| 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 | | | \$ 5,281 | \$ 4,084 |

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

| Tax Abatement | # of Entities | Participation % |
|--------------------------------------|---------------|-----------------|
| Multi-Family Residential Development | 1 | 50 - 70% |
| 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 |
|---|-------------------|--------------------|-----------------|---------------------|-------------------|--------------------------------|-------------------|
| Nonspendable: | | | | | | | |
| 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> |
| Restricted: | | | | | | | |
| 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> |
| Committed: | | | | | | | |
| 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> |
| Assigned: | | | | | | | |
| 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> |
| Unassigned | 115,047 | - | - | - | (13,135) | - | 101,912 |
| Total Fund Balance | <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 | <u>4,083</u> | <u>267</u> | <u>4,350</u> |
| Total | <u>\$ 24,835</u> | <u>\$ 2,814</u> | <u>\$ 27,649</u> |

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:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Domestic equity | 60.0% | 6.1% |
| International equity | 15.0% | 6.0% |
| Fixed income | 24.0% | 1.7% |
| Cash | 1.0% | 0.5% |
| | 100.0% | |

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):

| | Total Pension Liability (a) | Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (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 | 40,050 | 90,262 | (50,212) |
| Balances as of September 30, 2022 | \$ 405,504 | \$ 431,770 | \$ (26,266) |

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).

| | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|-------------------------------|------------------------------------|--|------------------------------------|
| 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):

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| 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):

| Year Ended September 30: | Amount |
|-------------------------------------|------------------|
| 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:

| <u>Asset Class/Style</u> | <u>Target Asset Mix</u> |
|---------------------------|-------------------------|
| 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% |

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):

| | 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 | | | | |
| Mutual funds | \$ 376,810 | \$ 376,810 | \$ - | \$ - |
| Total investments by fair value level | <u>376,810</u> | <u>\$ 376,810</u> | <u>\$ -</u> | <u>\$ -</u> |
| 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 | <u>317,144</u> | | | |
| Total investments at fair value | <u>\$ 693,954</u> | | | |

(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 | <u>4,723</u> | <u>1,035</u> | <u>-</u> | <u>-</u> | <u>5,758</u> |
| 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 | <u>51,478</u> | <u>2,455</u> | <u>(4,035)</u> | <u>-</u> | <u>49,898</u> |
| 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 | <u>(33,886)</u> | <u>(3,785)</u> | <u>3,873</u> | <u>-</u> | <u>(33,798)</u> |
| 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 | <u>2,748</u> | <u>4,308</u> | <u>-</u> | <u>-</u> | <u>7,056</u> |
| Less accumulated amortization | | | | | |
| Land | - | (15) | - | - | (15) |
| Buildings | - | (1,570) | - | - | (1,570) |
| Equipment | - | (319) | - | - | (319) |
| Total accumulated amortization | <u>-</u> | <u>(1,904)</u> | <u>-</u> | <u>-</u> | <u>(1,904)</u> |
| Total capital assets, net | <u>\$ 25,063</u> | <u>\$ 2,109</u> | <u>\$ (162)</u> | <u>\$ -</u> | <u>\$ 27,010</u> |

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 | \$ 7,145 | \$ 11,159 | \$ 8,630 | \$ 9,674 | \$ 2,263 |

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 | - |
| | \$ 5,518 | \$ 475 |

(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):

| | <u>2021</u> | <u>2022</u> |
|------------------------------------|-----------------|-----------------|
| Unpaid claims, beginning of year | \$ 1,662 | \$ 2,036 |
| Incurred claims (including BNR) | 20,056 | 21,229 |
| Claims, premiums, and fee payments | <u>(19,682)</u> | <u>(21,159)</u> |
| 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 | \$ 574,923 | \$ 554,923 | \$ 589,336 | \$ 34,413 |
| 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 | \$ 29,758 | \$ 29,758 | \$ 30,655 | \$ 897 |
| 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 | \$ 41,356 | \$ 41,240 | \$ 33,950 | \$ 7,290 |

**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 under the Auditor department. The detailed budget report has “sub-funds” and contains more detail than the budget information provided within this report.
- Annual appropriated budgets are legally adopted for all funds except TCHFC, TCIDC and Grants Fund. The budget is prepared utilizing a modified cash basis of accounting, as allowed by state statutes. Beginning fund balance is budgeted as revenue, as required by state statutes.
- Encumbrances are used for budgetary basis accounting for the appropriated budgets. Encumbrances consume budget as an actual when a purchase order is issued. Encumbrances do not represent expenditures or liabilities for modified accrual basis until the goods or services are received.
- Unencumbered appropriations lapse at year-end for all funds.

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

2. Reconciliation to Fund Statements

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

| | General Fund | Road and Bridge |
|--|-------------------------|----------------------------|
| Revenues | | |
| Budgetary Basis | \$ 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 | - |
| | <u>588,664</u> | <u>19,996</u> |
| Expenditures | | |
| 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 | (139) | 92 |
| | <u>500,037</u> | <u>32,694</u> |
| Other Financing Sources (Uses) | <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 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) | <u>(18,210)</u> | <u>(17,037)</u> | <u>(14,915)</u> | <u>(14,393)</u> | <u>(12,731)</u> |
| 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

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-----------------|----------------|----------------|----------------|----------------|
| \$ 36,398 | \$ 35,941 | \$ 34,260 | \$ 32,472 | \$ 29,612 |
| <u>46,843</u> | <u>44,024</u> | <u>39,342</u> | <u>38,235</u> | <u>32,372</u> |
| <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)

| | Plan Year ended December 31 | | |
|---|-----------------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 |
| 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 | <u>105,701</u> | <u>217,959</u> | <u>99,887</u> |
| Total pension liability, beginning | <u>2,026,105</u> | <u>1,808,146</u> | <u>1,708,259</u> |
| Total pension liability, ending (a) | <u>\$ 2,131,806</u> | <u>\$ 2,026,105</u> | <u>\$ 1,808,146</u> |
| 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 | <u>368,041</u> | <u>154,353</u> | <u>216,288</u> |
| Fiduciary net position, beginning | <u>1,735,176</u> | <u>1,580,823</u> | <u>1,364,535</u> |
| Fiduciary net position, ending (b) | <u>\$ 2,103,217</u> | <u>\$ 1,735,176</u> | <u>\$ 1,580,823</u> |
| Net pension liability, ending = (a) - (b) | <u>\$ 28,589</u> | <u>\$ 290,929</u> | <u>\$ 227,323</u> |
| 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.tcdrs.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.

| <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 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 | |
| <u>40,460</u> | <u>74,968</u> | <u>96,987</u> | <u>92,621</u> | <u>89,392</u> |
| <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 |
| <u>(29,496)</u> | <u>174,958</u> | <u>85,333</u> | <u>(3,835)</u> | <u>69,877</u> |
| <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)

| | Measurement date September 30 | | |
|--|-------------------------------|------------|------------|
| | 2021 | 2020 | 2019 |
| 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) |
| <u>(7,479)</u> | <u>(7,305)</u> |
| (55,846) | (4,904) |
| 219,561 | 224,465 |
| <u>\$ 163,715</u> | <u>\$ 219,561</u> |
| | |
| \$ 7,479 | \$ 7,305 |
| <u>(7,479)</u> | <u>(7,305)</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) | <u>\$ 405,504</u> | <u>\$ 365,454</u> | <u>\$ 324,393</u> |
| 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) | <u>\$ 431,770</u> | <u>\$ 341,508</u> | <u>\$ 312,671</u> |
| Net pension liability/(asset), ending = (a) - (b) | <u>\$ (26,266)</u> | <u>\$ 23,946</u> | <u>\$ 11,722</u> |
| 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) | - | - |
| | <u>38,847</u> | <u>27,625</u> | <u>19,623</u> | <u>17,737</u> | <u>23,421</u> |
| | 258,989 | 231,364 | 211,741 | 194,004 | 170,583 |
| \$ | <u>297,836</u> | <u>\$ 258,989</u> | <u>\$ 231,364</u> | <u>\$ 211,741</u> | <u>\$ 194,004</u> |
| \$ | 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) |
| | <u>35,541</u> | <u>39,265</u> | <u>28,645</u> | <u>4,669</u> | <u>25,906</u> |
| | 257,038 | 217,773 | 189,128 | 184,459 | 158,553 |
| \$ | <u>292,579</u> | <u>\$ 257,038</u> | <u>\$ 217,773</u> | <u>\$ 189,128</u> | <u>\$ 184,459</u> |
| \$ | <u>5,257</u> | <u>\$ 1,951</u> | <u>\$ 13,591</u> | <u>\$ 22,613</u> | <u>\$ 9,545</u> |
| | 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 |
| ASSETS | | | | | |
| 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 | - |
| TOTAL ASSETS | \$ 1,343 | \$ 26,618 | \$ 303 | \$ 56,918 | \$ 1,718 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 25 | \$ 11 | \$ 7 | \$ 188 | \$ 40 |
| Other liabilities | 20 | 113 | - | 657 | - |
| Due to other funds | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | 45 | 124 | 7 | 845 | 40 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue-other receivables | - | - | - | 6,030 | - |
| Total deferred inflows of resources | - | - | - | 6,030 | - |
| FUND BALANCES | | | | | |
| 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 | - | - | - | - | - |
| Total fund balances | 1,298 | 26,494 | 296 | 50,043 | 1,678 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 1,343 | \$ 26,618 | \$ 303 | \$ 56,918 | \$ 1,718 |

| 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 |
| REVENUES: | | | | | |
| 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 |
| EXPENDITURES: | | | | | |
| 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 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| 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 | \$ 2 | \$ 2 | \$ 670 | \$ 668 |
| EXPENDITURES: | | | | |
| District Attorney | \$ 1,385 | \$ 1,385 | \$ 593 | \$ 792 |
| Total Expenditures | \$ 1,385 | \$ 1,385 | \$ 593 | \$ 792 |

| | 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 | \$ 1,925 | \$ 1,925 | \$ 4,318 | \$ 2,393 |
| EXPENDITURES: | | | | |
| Sheriff | \$ 855 | \$ 855 | \$ 504 | \$ 351 |
| Sheriff - Confinement | 5,692 | 5,692 | 3,562 | 2,130 |
| Total Expenditures | \$ 6,547 | \$ 6,547 | \$ 4,066 | \$ 2,481 |

**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) |
| | <u>3,767</u> | <u>3,767</u> | <u>3,366</u> | <u>(401)</u> |
| 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 | - |
| | <u>-</u> | <u>1,500</u> | <u>1,500</u> | <u>-</u> |
| 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 | \$ 1,749 | \$ 2,437 | \$ 2,832 | \$ 395 |
| 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 | \$ 4,500 | \$ 5,218 | \$ 2,506 | \$ 2,712 |
| 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 | \$ 102 | \$ 102 | \$ 646 | \$ 544 |
| EXPENDITURES: | | | | |
| Tax Assessor/Collector | \$ 1,847 | \$ 1,847 | \$ 112 | \$ 1,735 |
| Total Expenditures | \$ 1,847 | \$ 1,847 | \$ 112 | \$ 1,735 |

**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)

| <u>ASSETS</u> | Employee Benefits | Self Insurance | Workers Compensation | Total |
|---|----------------------|-------------------|-------------------------|------------------|
| 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 | <u>43,001</u> | <u>4,048</u> | <u>5,336</u> | <u>52,385</u> |
| <u>LIABILITIES</u> | | | | |
| 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 | <u>4,797</u> | <u>550</u> | <u>3,390</u> | <u>8,737</u> |
| Noncurrent liabilities: | | | | |
| Other noncurrent liabilities | - | 1,679 | 10,996 | 12,675 |
| Total noncurrent liabilities | <u>-</u> | <u>1,679</u> | <u>10,996</u> | <u>12,675</u> |
| Total liabilities | <u>4,797</u> | <u>2,229</u> | <u>14,386</u> | <u>21,412</u> |
| <u>NET POSITION</u> | | | | |
| Unrestricted | <u>38,204</u> | <u>1,819</u> | <u>(9,050)</u> | <u>30,973</u> |
| Total net position | <u>\$ 38,204</u> | <u>\$ 1,819</u> | <u>\$ (9,050)</u> | <u>\$ 30,973</u> |

**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 |
|---------------------------------|----------------------|-------------------|-------------------------|-----------|
| OPERATING REVENUES | | | | |
| 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 |
| OPERATING EXPENSES | | | | |
| 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 |
| NONOPERATING REVENUES | | | | |
| 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 |
|--|----------------------|-------------------|-------------------------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 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 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investment income, net | 299 | 32 | 42 | 373 |
| Net cash provided by investing activities | 299 | 32 | 42 | 373 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| 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 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (1,186) | 1,589 | 5,170 | 5,573 |
| CASH AND CASH EQUIVALENTS, beginning of year | 40,312 | 2,455 | 26 | 42,793 |
| CASH AND CASH EQUIVALENTS, end of year | \$ 39,126 | \$ 4,044 | \$ 5,196 | \$ 48,366 |
| 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 |
| ASSETS | | | | |
| Cash, cash equivalents, and investments | \$ 20,215 | \$ 82,333 | \$ 11,293 | \$ 113,841 |
| Other receivables | 1 | 2 | 2 | 5 |
| Total assets | <u>20,216</u> | <u>82,335</u> | <u>11,295</u> | <u>113,846</u> |
| LIABILITIES | | | | |
| Accounts payable | - | 74 | 12 | 86 |
| Held for others | - | 4,368 | 392 | 4,760 |
| Due to other government agencies | <u>20,216</u> | <u>19,762</u> | <u>10,891</u> | <u>50,869</u> |
| Total liabilities | <u>20,216</u> | <u>24,204</u> | <u>11,295</u> | <u>55,715</u> |
| NET POSITION | | | | |
| Restricted for: | | | | |
| Individuals, organizations, and other governments | - | 58,131 | - | 58,131 |
| Total net position | <u>\$ -</u> | <u>\$ 58,131</u> | <u>\$ -</u> | <u>\$ 58,131</u> |

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

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

| | Custodial Funds | | | Total |
|--|----------------------|--------------------|---|------------------|
| | State Comptroller | Other Custodial | Community Supervision & Corrections | |
| ADDITIONS | | | | |
| 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 |
| DEDUCTIONS | | | | |
| 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**





TABLE OF CONTENTS

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

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| FINANCIAL TRENDS | 136 |
| These schedules contain trend information to aid in understanding how the County’s financial performance and well being have changed over time. | |
| The first three schedules relate to government wide; the remaining schedules relate to fund information. | |
| REVENUE CAPACITY | 146 |
| 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. | |
| DEBT CAPACITY | 154 |
| These schedules present information to aid in assessing the County’s current debt levels and its ability to issue additional debt in the future. | |
| DEMOGRAPHIC AND ECONOMIC INFORMATION | 160 |
| These schedules offer demographic and economic indicators to aid in understanding the environment within which the County’s financial activities take place. | |
| OPERATING INFORMATION | 162 |
| 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. | |

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(Accrual basis of accounting)
(Amounts in thousands)

| | FISCAL YEAR | | | | |
|--|-------------------|-------------------|---------------------|------------------|------------------|
| | 2013 | 2014 | 2015 ⁽¹⁾ | 2016 | 2017 |
| Governmental activities: | | | | | |
| 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> |
| Business-type activities: | | | | | |
| 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> |
| Primary government: | | | | | |
| 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

| <u>2018⁽²⁾</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---------------------------|------------------|-------------------|-------------------|-------------------|
| \$ 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 |
| Program Revenues ⁽¹⁾ | | | | | |
| 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 |
| Net (Expenses)/Revenue | | | | | |
| 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) |
| General Revenues and Other Changes in Net Position | | | | | |
| 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 |
| Changes in Net Position | | | | | |
| 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 ⁽²⁾ | 208,224 ⁽²⁾ | 175,285 ⁽²⁾ |
| | 8,701 | 7,933 | 7,060 | 6,503 | 7,354 |
| | <u>640,385</u> | <u>604,643</u> | <u>714,216</u> | <u>785,693</u> | <u>757,780</u> |
| | 3,210 | 3,435 | 3,165 | 3,035 | 3,220 |
| | <u>643,595</u> | <u>608,078</u> | <u>717,381</u> | <u>788,728</u> | <u>761,000</u> |
| | 132,839 | 143,884 | 142,468 | 154,178 | 163,643 |
| | 87,599 | 90,900 | 188,415 ⁽²⁾ | 236,748 ⁽²⁾ | 195,772 ⁽²⁾ |
| | 642 | 4,833 | 711 | 2,223 | 5,105 |
| | <u>221,080</u> | <u>239,617</u> | <u>331,594</u> | <u>393,149</u> | <u>364,520</u> |
| | 3,284 | 3,272 | 3,174 | 3,408 | 3,311 |
| | <u>224,364</u> | <u>242,889</u> | <u>334,768</u> | <u>396,557</u> | <u>367,831</u> |
| | (419,305) | (365,026) | (382,622) | (392,544) | (393,260) |
| | 74 | (163) | 9 | 373 | 91 |
| \$ | <u>(419,231)</u> | <u>(365,189)</u> | <u>(382,613)</u> | <u>(392,171)</u> | <u>(393,169)</u> |
| \$ | 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) | - |
| | <u>422,864</u> | <u>442,193</u> | <u>481,586</u> | <u>501,899</u> | <u>527,929</u> |
| | 44 | 72 | 28 | 5 | 49 |
| | 140 | 116 | 75 | 106 | 195 |
| | - | - | - | 350 | - |
| | <u>184</u> | <u>188</u> | <u>103</u> | <u>461</u> | <u>244</u> |
| | <u>423,048</u> | <u>442,381</u> | <u>481,689</u> | <u>502,360</u> | <u>528,173</u> |
| | 3,559 | 77,167 | 98,964 | 109,355 | 134,669 |
| | 258 | 25 | 112 | 834 | 335 |
| \$ | <u>3,817</u> | <u>77,192</u> | <u>99,076</u> | <u>110,189</u> | <u>135,004</u> |

PROGRAM REVENUE BY FUNCTION/PROGRAM LAST TEN YEARS

(Accrual basis of accounting)
(Amounts in thousands)

| Function/Program | FISCAL YEAR | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Fees, Fines, and Charges for Services | | | | | |
| Governmental: | | | | | |
| 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 | <u>118,963</u> | <u>119,321</u> | <u>126,633</u> | <u>131,550</u> | <u>131,310</u> |
| Business-type: | <u>2,962</u> | <u>3,138</u> | <u>3,092</u> | <u>3,253</u> | <u>3,284</u> |
| Total Fees, Fines and Charges for Service | <u>\$ 121,925</u> | <u>\$ 122,459</u> | <u>\$ 129,725</u> | <u>\$ 134,803</u> | <u>\$ 134,594</u> |
| Operating Grants and Contributions | | | | | |
| Governmental: | | | | | |
| 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 | <u>76,631</u> | <u>80,696</u> | <u>88,776</u> | <u>85,747</u> | <u>99,132</u> |
| Total Operating Grants and Contributions | <u>\$ 76,631</u> | <u>\$ 80,696</u> | <u>\$ 88,776</u> | <u>\$ 85,747</u> | <u>\$ 99,132</u> |
| Capital Grants and Contributions | | | | | |
| Governmental: | | | | | |
| 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 | <u>1,144</u> | <u>347</u> | <u>1,728</u> | <u>1,318</u> | <u>3,579</u> |
| Business-type: | <u>-</u> | <u>-</u> | <u>-</u> | <u>39</u> | <u>-</u> |
| Total Capital Grants and Contributions | <u>\$ 1,144</u> | <u>\$ 347</u> | <u>\$ 1,728</u> | <u>\$ 1,357</u> | <u>\$ 3,579</u> |
| Total Program Revenues | | | | | |
| Governmental: | | | | | |
| 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 | <u>196,738</u> | <u>200,364</u> | <u>217,137</u> | <u>218,615</u> | <u>234,021</u> |
| Business-type: | <u>2,962</u> | <u>3,138</u> | <u>3,092</u> | <u>3,292</u> | <u>3,284</u> |
| Total Program Revenues | <u>\$ 199,700</u> | <u>\$ 203,502</u> | <u>\$ 220,229</u> | <u>\$ 221,907</u> | <u>\$ 237,305</u> |

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 |
| | <u>132,839</u> | <u>143,884</u> | <u>142,468</u> | <u>154,178</u> | <u>163,643</u> |
| | 3,284 | 3,272 | 3,174 | 3,408 | 3,311 |
| \$ | <u>136,123</u> | <u>147,156</u> | <u>145,642</u> | <u>157,586</u> | <u>166,954</u> |
| \$ | 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 |
| | <u>70,405</u> | <u>71,770</u> | <u>146,446</u> | <u>177,903</u> | <u>147,878</u> |
| | <u>87,599</u> | <u>90,900</u> | <u>188,415</u> | <u>236,748</u> | <u>195,772</u> |
| \$ | <u>87,599</u> | <u>90,900</u> | <u>188,415</u> | <u>236,748</u> | <u>195,772</u> |
| \$ | 85 | \$ 88 | \$ - | \$ 44 | \$ - |
| | 38 | 26 | 60 | 30 | 55 |
| | 519 | 4,719 | 651 | 2,142 | 5,050 |
| | - | - | - | - | - |
| | - | - | - | 7 | - |
| | <u>642</u> | <u>4,833</u> | <u>711</u> | <u>2,223</u> | <u>5,105</u> |
| | - | - | - | - | - |
| \$ | <u>642</u> | <u>4,833</u> | <u>711</u> | <u>2,223</u> | <u>5,105</u> |
| \$ | 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 |
| | <u>221,080</u> | <u>239,617</u> | <u>331,594</u> | <u>393,149</u> | <u>364,520</u> |
| | 3,284 | 3,272 | 3,174 | 3,408 | 3,311 |
| \$ | <u>224,364</u> | <u>242,889</u> | <u>334,768</u> | <u>396,557</u> | <u>367,831</u> |

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS

(Modified accrual basis of accounting)
(Amounts in thousands)

| | FISCAL YEAR | | | | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| General Fund | | | | | |
| 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> |
| All Other Governmental Funds | | | | | |
| 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 |
| Revenues: | | | | | |
| 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 | <u>537,728</u> | <u>551,265</u> | <u>580,081</u> | <u>597,404</u> | <u>625,643</u> |
| Expenditures: | | | | | |
| 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 | <u>557,338</u> | <u>583,643</u> | <u>597,411</u> | <u>591,754</u> | <u>646,249</u> |
| Excess (deficiency) of revenues over (under) expenditures | (19,610) | (32,378) | (17,330) | 5,650 | (20,606) |
| Other Financing Sources (Uses): | | | | | |
| 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) | <u>40,171</u> | <u>(413)</u> | <u>70,022</u> | <u>307</u> | <u>(102)</u> |
| Change in fund balance | <u>\$ 20,561</u> | <u>\$ (32,791)</u> | <u>\$ 52,692</u> | <u>\$ 5,957</u> | <u>\$ (20,708)</u> |
| 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 ⁽¹⁾ | 276,443 ⁽¹⁾ | 231,276 ⁽¹⁾ |
| 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 ⁽¹⁾ | 205,098 ⁽¹⁾ | 172,177 ⁽¹⁾ |
| 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 Eules 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 ⁽¹⁾ |
|---|---------------------------------------|---|--|---|---|
| 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

| Total Collections | |
|--------------------------|-------------------------------|
| Amount | Percentage of Levy |
| \$ 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 ⁽³⁾ | Total Primary Government | Percentage of Personal Income ⁽¹⁾ | Per Capita ⁽¹⁾ |
|-------------|--------------------------------|-----------------------------|-----------------------|--------------------------------|--|------------------------------|
| 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% ⁽²⁾ | 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 ⁽³⁾ | Total | Percentage of Actual Taxable Value of Property ⁽¹⁾ | Per Capita ⁽²⁾ |
|-------------|--------------------------------|-----------------------------|--------------------------------|---|------------|---|------------------------------|
| 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 |
| Euless | 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

| Governmental Unit (cont'd) | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt 9/30/2022 |
|--|---------------------|---------------------------------------|---|
| 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 |
| School Districts: | | | |
| 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 |
| County Line School Districts: | | | |
| 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 |
| Sub-total Overlapping Debt | | | <u>12,239,787</u> |
| Tarrant County (direct debt) | 422,658 | 100.00% | <u>422,658</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 12,662,445</u> |

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 | <u>355,018</u> | <u>337,637</u> | <u>386,020</u> | <u>363,573</u> | <u>335,499</u> |
| 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

| <u>Fiscal Year</u> | <u>Population ⁽³⁾</u> | <u>Personal Income (Amounts in thousands)</u> | <u>Per Capita Personal Income ⁽⁴⁾</u> | <u>Unemployment Rate ⁽⁵⁾</u> | <u>Public School Enrollment ⁽⁶⁾</u> |
|--------------------|----------------------------------|---|--|---|--|
| 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 ⁽²⁾ | 119,224,934 | 55,615 | 7.7% ⁽¹⁾ | 360,066 |
| 2021 | 2,144,653 | 125,334,153 | 58,940 | 4.5% | 346,274 ⁽¹⁾ |
| 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 ⁽¹⁾ | | | 2013 ⁽²⁾ | | |
|---|---------------------|------|--|---------------------|------|--|
| | 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 |
| Governmental activities: | | | | | |
| 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 |
| Business-type activities: | | | | | |
| 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 |
| <u>4,385</u> | <u>4,454</u> | <u>4,512</u> | <u>4,771</u> | <u>5,030</u> |

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

| FUNCTION | FISCAL YEAR | | | |
|---|-------------|------------|------------|---------------------|
| | 2013 | 2014 | 2015 | 2016 ⁽¹⁾ |
| District Clerk | | | | |
| 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 |
| County Clerk | | | | |
| 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 |
| Justice of the Peace (all precincts) | | | | |
| 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 |
| Sheriff | | | | |
| Prisoner bed days in county jail | 1,179,322 | 1,256,067 | 1,113,814 | 1,167,826 |
| Public Health | | | | |
| 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 |
| Tax Assessor/Collector | | | | |
| Tax accounts collected | 940,493 | 1,142,980 | 1,329,246 | 1,669,671 |
| Contracts with entities for tax collection | 58 | 56 | 58 | 60 |
| Transportation | | | | |
| 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 |
| Human Services | | | | |
| 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 ⁽¹⁾ | 2018 ⁽¹⁾ | 2019 ⁽¹⁾ | 2020 ⁽¹⁾ | 2021 ⁽¹⁾ | 2022 ⁽¹⁾ |
|---------------------|---------------------|---------------------|-----------------------|------------------------|------------------------|
| 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 ⁽²⁾ | 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 ⁽²⁾ | 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 ⁽²⁾ | 232 ⁽²⁾ | 645 ⁽²⁾ |
| 11,375 | 10,052 | 11,526 | 60,125 ⁽²⁾ | 298,396 ⁽²⁾ | 320,722 ⁽²⁾ |
| 7,244 | 7,711 | 6,345 | 6,791 ⁽²⁾ | 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 |
| General Government | | | | |
| 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 |
| Public Safety | | | | |
| 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 |
| Transportation | | | | |
| 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 |
| Judicial | | | | |
| Juvenile Services Complex square footage | 124,770 | 124,770 | 124,770 | 124,770 |
| Community Services | | | | |
| Public Health vehicles | 47 | 45 | 44 | 43 |
| Resource Connection | | | | |
| Number of buildings | 16 | 16 | 16 | 16 |
| Building square footage | 348,464 | 348,464 | 348,464 | 348,464 |

Source: Tarrant County Facilities Office

TABLE XVIII

| 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 |

